

Editorial: Path to Economic Development Leads to the South Shore

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Like many Virgin Islanders, I remember the days when St. Croix's economy was thriving with opportunities and revenue from Amerada Hess, Harvey Alumina, pharmaceutical and watch manufacturers. Recognizing the importance of industrial development to the economy, Governor Alexander Farrelly declared it a priority in 1988. In the 32 years since Governor Farrelly's initiative and the 31 years since Hurricane Hugo devastated St. Croix, we have tried to find the formula to our economic revival, never fully achieving the diversification that is critical to our sustainability. Today, I am confident that the path to St. Croix's economic development must include the South Shore. In fact, St. Croix is poised for a renaissance, with the introduction of Bill 33-0299 that would create a South Shore Enterprise Zone.

Enterprise Zones are not new to the Virgin Islands. To date, four areas – the towns of Christiansted and Frederiksted on St. Croix and Savan-Down Street and Garden Street-Upstreet on St. Thomas – have been designated as enterprise zones to encourage investment by offering incentives. The South Shore Enterprise Zone would stretch from the St. Croix Renaissance Park to the Airport and includes the Gordon Finch Molasses Pier and the Wilfred “Bomba” Allick Port and Transshipment Center, or Container Port. It is envisioned as a corridor of economic viability, capable of supporting both large and small businesses alike.

The use of incentives to encourage investment has proven effective for local economic development. In this case, companies located in the proposed South Shore Enterprise Zone would pay no custom duties, excise, or gross receipt taxes on merchandise imported for manufacturing or assembling, when the final product is exported outside the United States. Duties would be paid when these locally manufactured or sourced products leave the zone for the domestic market. The greater benefits of the South Shore Enterprise Zone lie in the potential for job creation, which is projected to be 700 to 1000 jobs. The opportunities for branding are also significant, as locally manufactured items can be proudly marked as “Made in the Virgin Islands”.

My sponsorship of this legislation is premised on St. Croix’s history as a hub for light manufacturing and on the certainty that it presents prime opportunities to attract and support light manufacturing, transshipment, a blue economy, and industrial development. In addition to the benefits afforded us as an American jurisdiction, our geographic location gives ready access to South and Central America and Africa. The territory’s relationship with Taiwan also gives us access to Asian markets. Most importantly, the timing is right to attract pharmaceutical and other companies formerly located in Puerto Rico, who may be seeking a new home as Puerto Rico struggles to recover from both its economic and natural disasters.

The proposed South Shore Enterprise Zone does not mean that we reduce our efforts to rebuild our tourism industry or other sectors of the economy. Any discussion about economic activity must equally include diversification. We have learned hard lessons after putting all our eggs in one basket. Tourism and industry can and must co-exist. As we work to recover and re-invent ourselves, after the traumas inflicted by hurricanes and COVID-19, why not make room for an enterprise zone that gives us an added advantage over our Caribbean neighbors and positions us to develop investment opportunities and compete in the international marketplace?

It is time to move with urgency to realize the potential of St. Croix’s South Shore.

Submitted on June 18 by Senator Novelle Francis

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