



**THE NEVIS ISLAND ADMINISTRATION**

# BUDGET ADDRESS 2017

*Delivered by*

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**A Revitalization of Skills Development &  
Entrepreneurship for  
Economic Success**

**WEDNESDAY NOVEMBER 30TH, 2016**

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1. Mr. President, I beg leave to move the second reading of the bill shortly entitled the Appropriation Ordinance, (2017) 2016.

## **INTRODUCTION**

2. Mr. President, it is an honor and privilege for me this morning to rise and present this budget under the theme:

### **“A revitalization of Skills Development and Entrepreneurship for Economic Success”**

3. Mr. President, we have made significant strides in the transformation of the economy over the past three and a half years. It is quite noticeable that we continue to witness increases in our annual revenue collections, to experience growth in the economy and continue to witness increases in the number of persons engaged in gainful employment. Mr. President, I want to emphasize that we were able to achieve these objectives without the need to impose any new taxes on the citizens of this country.

4. We have made significant advances in education, in the development of an expanded health services sector, in activities for our youths, in the care for our elderly and senior citizens, in fostering the development of our tourism sector and in financial services. In the area of infrastructure we have invested substantially in our port facilities, both air and sea ports to enhance trade. Significant investments have been made in our road network, in enhancing our water supply system and revolutionizing our housing program to improve the quality of life of our people.

5. Mr. President, in more recent time, through our efforts in partnership with our coalition partners at the Federal level, we have ensured that Nevisians are receiving more equitable benefits as citizens of the Federation of St. Kitts and Nevis by our active participation in the Federal Government. We have secured full scholarships for many students; placed Nevisians in the Ministry of Foreign Affairs and in ambassadorial and diplomatic positions globally and worked with the Federal Government to reduce the cost of living by the removal of VAT from food, medicine and funeral expenses. This effort has resulted in an increase in the purchasing power for all citizens and significantly reduced the rate of inflation.

6. We have expanded, and we are continually reshaping and growing our economy to ensure that we are on sound footing to enable us to withstand unforeseen external shocks, blacklisting and economic recession without causing unnecessary distress on the people of this country.

7. Mr. President, there is no doubt that as a people, we have made substantial gains over this period. I therefore encourage all our citizens, residents and visitors alike to embrace the gains we have made, to seek to protect these gains at every turn and most importantly we must not squander the gains we have made during this period. During the tenure in government, my party and government have always put the interest of our people first and have demonstrated this in all our policies and programs.

8. Mr. President, as we embrace the past we must also project the future. This new 2017 budget period presents an excellent opportunity for my party and government to continue to shape the destiny of our people. We must prepare ourselves to embrace change, to craft a new direction and to face the future with renewed confidence. We must work toward repositioning ourselves as we seek to capitalize on the tremendous opportunities while confronting the challenges that lie ahead of us. It is through our vision, our policies and the subsequent program through entrepreneurship, coupled with harnessing and developing of the skills of our people that we will reposition our island's economy over the short term and into the future.

9. Mr. President, what are the pillars on which this new economic era would be built? There is no doubt that the progress of our economy must be led by the progress of our people. At the forefront of this new era must be job creation. The annual employment data as released by the St. Christopher and Nevis Social Security Board showed that the average number of persons employed on Nevis up to June 2016 stood at 5,456 as compared to the 5,382 persons employed for the same period in 2015. This indicates that there was a 1.4% growth in the average number of employed persons in 2016 relative to 2015.

10. Further Mr. President, we must therefore ask ourselves "having created this infrastructure for growth as outlined above, how do we utilize this enhanced infrastructure to promote entrepreneurship as we seek to create a new wave of private sector expansion?" Likewise, "What are the new avenues that will drive this new wave of economic success?"

11. Mr. President, it is for this reason that we have carefully crafted and chosen this theme focusing on Revitalizing Skills Development and Entrepreneurship for Economic Success, as the guiding principles for the new fiscal year, as we push towards further economic success. This theme is quite appropriate and timely as we seek to confront the difficult social problem of crime and violence in our country.

12. Mr. President, entrepreneurship is about developing the creative ability of our people to provide new avenues for employment that will have a meaningful impact on our economy. At the forefront of this new thrust is innovation which is the driving force of entrepreneurship as it is the act that endows resources with a new capacity to create wealth.

13. Mr. President, as we seek to achieve economic success in the medium term, we will pursue a structural reform agenda that focuses on economic diversification, improved business environment and contingency planning in a manner that will enhance resilience to external shocks and bolster long-run growth potential. In improving the business environment, we will seek to address the skills gap which is critical to providing the enabling environment for private sector development and help attract foreign investment into our local economy. We will also invest in targeted transformative projects, including broadening the options under the CBI program to include business investment in renewable energy, education and health, as we seek to improve competitiveness, diversification and resilience of the economy.

14. Mr. President, I am confident that during the new fiscal year we can continue to develop the appropriate mix of policies, in the area of skills training, psychosocial interventions and entrepreneurship support, in a way that will empower our young people to strive for success and shun deviant and anti-social behaviour.

## **INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS**

15. Mr. President, our economy, like many other countries, is highly synchronized to the global market, with volatilities and boom in the world market impacting negatively or positively on the local economy.

16. The Global Economic Outlook 2016 shows that growth prospects for the global economy continue to be slower than earlier predicted. The Conference Board outlook for global economic growth remains modest at 2.2 percent in 2016 but projected to increase to 2.6 percent in 2017.

17. It should be noted that GDP growth for the United States remain subdued and is adjusted downward to 1.4 percent for 2016, as a result of a weak GDP growth in the first two quarters. However, there are signs of a rebound for the second half of the year.

18. The EURO zone continues to see modest growth in 2016 despite increased political tensions among its partners. The short-term economic environment in Europe is relatively favorable compared to other mature economies. Investment and productivity are projected to improve marginally paving the way for some growth towards the end of the decade.

19. Mr. President, our economic success in the upcoming fiscal period will no doubt be directly affected by the progress in these major economies. We must however be cautiously optimistic. In the Report from the last Article IV IMF mission to St. Kitts and Nevis which concluded on July 8, 2016, the Executive Board concluded that we will continue to maintain a favorable macroeconomic performance and a broadly stable financial system. Our economy continued its strong growth at around 5 percent, recording the strongest growth in the region over 2013-2015. This strong growth has been underpinned by construction, driven by the Citizenship-by-Investment program and activities of the tourism sector.

20. Mr. President, our National fiscal position remained in surplus, but weakened slightly compared to previous years, owing to a slowdown in CBI receipts and the impact of the 2014-2015 VAT and Import Duty exemptions. Notwithstanding, the debt-to-GDP ratio continued its impressive downward trajectory and is projected to reach the ECCU's 60 percent target in 2017, well ahead of the other countries in the currency union.

21. Mr. President, our medium-term outlook is positive, but remains dependent on developments in CBI inflows. Growth is expected to be moderate at 3.5 percent in 2016 and 3 percent, on average over the medium term.

## **SUMMARY OF SELECTED ACHIEVEMENTS**

22. Mr. President, my Administration continues to work tirelessly in the interest of the people of Nevis. Worthy of note during this current fiscal period, we:

- Continued to create additional fiscal space in 2015/2016 resulting in annual incremental increases in government revenues and an average economic growth of 3.0% is projected for the next year despite projected external economic challenges;
- Gained increased access to the resources of the SIDF for funding capital projects on Nevis in the amount of \$11.16 million;
- Continued to receive an equitable share of resources from the processing fees under Citizenship by Investment program in the amount of \$15.0 million;
- Completed rehabilitation work on 2800 square metres of runway at the airport, procured new Air-traffic communication systems at the Control Tower and procured various pieces of equipment for the Long Point Port;
- Completed the rehabilitation works at Hanley's Road
- Commenced renovation works at the Government House at Bath Plain;
- Commenced preparatory work for the Diagnostic Wing at the Alexandra Hospital;
- Commissioned the Hot Meal Programme at the Joycelyn Liburd Primary School;
- Completed expansion work at the Abattoir and Veterinary clinic;
- Carried out extensive work at the Bath Stream and the Artisan Village to improve our tourism product;
- Procured one (1) 2.5 mega-watts generating set for the Prospect Power Station at a cost of \$931,500.00;

## **DOMESTIC ECONOMIC PERFORMANCE**

### ***Fiscal Performance 2015/2016***

23. Mr. President, a critical objective of my Administration over the last 3 years has been that of maintaining sustained economic growth and development. In an uncertain global economy, one in which we occupy a small space, we believe it is important to shore up our social and



economic environment by implementing an effective revenue collection system while undertaking investment in various areas of the economy that will spur economic growth.

24. Mr. President, in 2015 total revenue amounted to \$158.86 million with current revenue generating to \$133.86 million and the remaining \$25.0 million being the share for Nevis from the CBI Program received from the Federal Government. Tax revenue accounted for 75.20 percent of current revenue, whilst non-tax revenue accounted for 24.80 percent. Of the tax revenue, the Value Added Tax (VAT) accounted for 24.80 percent of the current revenue collected during 2015. Other noticeable performances were revenue generated from Stamp Duties on Property - 12.14 percent, Offshore Financial Services - 10.34 percent and Social Security Levy - 9.49 percent.

25. Mr. President, economic growth through investment both in our people and our infrastructure has always been the hallmark of my administration. Total expenditure for the fiscal year 2015, amounted to \$149.43 million, a marginal increase of 0.74 percent when compared to the year 2014. Debt Servicing Principal repayment amounted to \$6.98 million. Capital expenditure for 2015 accounted for \$25.93 million, a 10.11 percent increase when compared to the previous year, and was carefully allocated to key projects fundamental to the development of our economy. Capital intensive projects such as the Major Roads project and the CDB Water Enhancement Project were significant capital expenditure for the period.

26. Current expenditure for the period amounted to \$123.51 million driven mainly by personal emoluments of \$65.29 million and the purchase of goods and services in the amount of \$30.27 million. Personal emoluments saw a growth of \$0.39 million or 0.60 percent when compared to 2014 resulting mainly from the 3.0 percent increase in salaries and wages.

27. Mr. President, for the period to September 2016, our fiscal outcome showed surpluses of \$12.24 million on the primary balance and \$0.88 million on the overall balance. These balances however narrowed when compared to the similar period in 2015 which saw a surplus on the primary balance of \$16.80 million and also a surplus of \$4.81 million on the overall balance. The major contributor for this narrowing lies in the \$6.97 million increase in capital expenditure.

28. The total Recurrent Revenue collected for this period amounted to \$97.42 million, an increase of \$0.19 million when compared to a corresponding period in 2015. Tax revenue for the

2016 period was \$73.13 million, a marginal decline when compared to the corresponding period in 2015. This decline in tax revenue was as a result of declines in the Value Added Tax and the Stamp Duties collections. Meanwhile, total Current Expenditure for the period amounted to \$94.30 million with Personal Emoluments accounting for 54.96 percent of Recurrent Expenditure.

29. Mr President, capital investment is fundamental to the development of our economic and social wellbeing. It is for this reason, during the period January – September 2016, we have spent \$24.80 million on capital projects, an increase of 52.88 percent when compared to the same period in 2015. These projects will lay the foundation for future development in both the private and the public sector and will serve as a catalyst to stimulate further growth and development for the benefit of present and future generations.

#### ***Performance of the Value Added Tax (VAT)***

30. Despite our decision to remove the VAT on a number of items, to bring further relief to our citizens, the reduction in the overall VAT collections has been minimal which means that the expansion in economic activities in other areas are compensating for the loss of VAT revenue on the new list of exempted items.

31. The Value Added Tax collected for the financial year 2015 amounted to \$33.20 million representing 24.80 percent of the total annual revenue of the Administration with \$17.70 million generated from domestic goods and services, including the Tourism Sector, and the remaining \$15.50 million generated from international trade.

32. The VAT collected during that period January to September 2016 amounted to \$25.69 million being 27.0 percent of total annual revenue of the Administration for that same period. This collection is on par when compared to the \$25.7 million collected for the same period in 2015.

33. Mr. President, during the upcoming fiscal period my Administration will continue to stimulate additional economic activities to increase the collection of the VAT. We will continue to enforce our current exemption policy whereby no entity is exempted from the payment of this

tax except where the law prescribes. In addition, we will commence discussion with the Federal Government for amendment to the single filing clause of the existing Legislation to allow all business entities operating in Nevis, whether as branches or incorporated companies, to file and pay their VAT collection in Nevis. This will streamline the process of VAT administration for these entities.

34. Mr. President, it must be noted that since 2014 my Administration discontinued the VAT sharing arrangement. In addition, we have not only just collected the VAT revenue but also, we have taken full responsibility for paying refunds to any taxpayer who is due a refund in accordance with the law and who had previously filed and paid their VAT returns in Nevis. The above analysis therefore underscores the growth in the Nevis economy over the past four years. It is that growth which we intend to stimulate in the new fiscal year 2017.

### ***Status of the Public Debt***

35. Mr. President, my Administration continues to take drastic steps by implementing a number of initiatives to reduce the public debt to a manageable and sustainable level. One such initiative is the development of a Medium Term Debt Strategy (MTDS) which sets out the parameters for any new borrowing while outlining steps to reduce the existing debt level.

36. The critical objective of this debt strategy is to guide the government in meeting its gross financing needs at the lowest possible cost with a prudent degree of risks. In addition, the strategy is expected over the medium term to assist the administration in reducing its debt to a sustainable level. My Administration believes that by sourcing low cost funds and reducing financial risk we will ultimately reduce our debt servicing cost and reduce the risk of defaulting on our short term instruments.

37. Mr. President, at the end of September 2016 the total Public Sector Debt including those contracted by the Statutory Bodies stood at \$383.00 million. The NIA debt was \$353.76 million, an increase of 3.78 percent when compared to the period ending September 2015. The breakdown of the various debt instruments are highlighted in the appendix but worthy of note is that the 365 day T-bills previously held on the Regional Government Security Market is now substantially reduced to \$7.65 million, down from the original \$20.00 million. However,

continued disbursements from the Caribbean Development Bank for the water Enhancement Project coupled with increases in our over-the-counter 91 day T-bills contributed to the increase in the stock of debt.

38. Mr. President, this CCM Administration will continue to work diligently to monitor the public sector debt. In doing so, we will seek assistance from the Federal Government through the SIDF for low cost loans and grants to finance our capital expenditure program. Furthermore, we will continue to utilize the MTDS toolkit to develop the most suitable medium term debt management strategies.

## **NEW PROGRAMS & INITIATIVES**

39. Mr. President, my Administration continues to be dynamic and creative in adopting new programs and initiatives as we seek to confront the numerous challenges facing us as a Small Island Developing State. In addition to our infrastructure program as will be laid out in detail in this budget, the new fiscal year will witness the implementation of the following new initiatives:

- Continue the deployment of Voice over IP technology to enhance telecommunication and reduce our telecommunications costs;
- Commence work on the deployment of a Work Permit Database to facilitate electronic submission of applications;
- Complete the deployment of an e-commerce platform for the NIA and begin the deployment of kiosks so as to allow interaction with government departments from various locations;
- Developing new hiking trails and a National Park to enhance our tourism product;
- Commence professional hospitality training for active participants in the tourism industry through the OECS Eastern Caribbean Institute of Hospitality;
- Enhance the Water Taxi service through the construction of new berthing facility;
- Commence the reconstruction/rehabilitation of a number of government buildings as a means of reducing government rental expenditure;
- Establish the Security Services Division in the Office of the Premier as a show of commitment to law enforcement in Nevis;

- Establish a fully operational K9 program in Nevis to support the work of the Law Enforcement Officers;
- Commence the first phase of the enhanced TVET program for skills development;
- Encourage the development of specialized health care facilities in the private sector;
- Continue the program of social enhancement for indigent persons;
- Commence work on the development of a 400 metres Mondo track for athletic development;
- Continue to enroll our Sportsmen/Sportswomen in professional development coaching programs at the GC Foster College in Jamaica;

40. Mr. President, these are just a precis of the new initiatives to be implemented by my Administration in the upcoming budgetary period to respond to the social and economic support systems for our future economic growth.

## **ENTREPRENEURSHIP THROUGH SKILLS DEVELOPMENT**

### *Development of Information Technology Capabilities*

41. Mr. President, my Administration supports the view that the broad-based deployment of information technology can have a substantial impact on our nation's economic productivity and growth as well as the educational and social success of our citizens. To this end we continue to make substantive investment in our information technology infrastructure to support the daily services offered by the various governmental agencies so as to enhance the way we respond to the need of the general public.

42. I am happy to report that in October of 2016 the Information Technology Department was the recipient of a generous donation from the ROC on Taiwan of US\$56,000 to support our IT development program. This donation is to be used for the procurement of a Toyota Hilux Pickup to assist our IT staff to effectively respond to the request of the various departments while the remaining funds will be used to purchase a backup server system to enhance the processing and data storage on the current government computerised network. My Administration wishes to express its sincere gratitude to the ROC on Taiwan for this kind gesture and we look forward to

our continued close working relationship on a number of ICT related initiatives to be implemented in the upcoming years.

43. Mr. President, the greatest achievement of our IT development program so far has been the deployment of the Voice over IP technology (VoIP project) to enhance our telecommunication system in the various government departments. This project involves replacing existing analogue telephones with IP phones. To date a total of 225 IP handsets have been deployed across the various ministries and departments accounting for 80% of the NIA telephone infrastructure. In addition to the deployment of the handsets themselves, the IP technology has been utilised to facilitate long distance calling resulting in substantial reduction in the cost of making overseas calls.

44. The Information Technology Department has started the process of deploying an auto-attendant that will improve the ability of persons calling through the switchboard of the NIA to connect directly with the intended department. Additionally, the deployment of this IP technology will also enable senior officials to continue to communicate with their department even while away from their offices. This simply requires the use of a smart phone application that route calls securely via the internet instead of the standard telephone system. As a result of this, senior government officials who are travelling abroad can continue to communicate with their offices and their clients at much cheaper rates.

45. During this fiscal period, the IT Department continued to enhance our network infrastructure through the deployment of enterprise wireless access points throughout government. These enterprise access points have the ability to provide network connectivity for persons utilising many of the mobile devices such as laptops, tablets and smart phones and allows the IT Department to better manage its wireless network infrastructure. These new developments do not exist in isolation but forms part of our overall strategy to improve security of our network infrastructure while maximising the productive use of network resources.

46. Mr. President, my Administration continues to work with the ROC on Taiwan in procuring funding for the next phase of the CCTV project to assist in crime fighting and detection. In August of this year a nine person technical team from Taiwan visited Nevis to perform site visits at the locations that have been identified for future CCTV deployments. It is expected that in 2017 we will see the deployment of an additional 150 – 200 cameras in a number of hotspot

areas and critical intersections that will further assist the law enforcement officers in their situational awareness of ongoing events and their forensic abilities.

47. The project also includes funding for requisite server hardware and training for all persons involved. During the first quarter of 2016, the IT Department acquired a drone (donation via the Police Force) that is used to assist the Law Enforcement Officers in various surveillance operations. This drone technology was successfully used by the security forces to provide surveillance at the annual Gulf Inter-Primary Championship and other drug interdiction operations. It is evident that there is significant potential for the application of this type of technology to supplement traditional CCTV operation and other strategies currently employed by the police in an effort to curb criminal behaviour.

48. In 2016 the IT Department was able to establish a secondary server site, significantly enhancing the resiliency of the server and network infrastructure. This development allows all data at our primary site to be replicated in real time to our secondary site within 5-15mins thus significantly reducing down time and data loss in the event of a disaster.

49. Mr. President, Cyber- attack is one of the greatest threat to an enhanced IT infrastructure. My Administration has taken drastic steps to enhance the security of our IT infrastructure with the addition of intrusion detection software. This software works in conjunction with our enterprise firewall to enhance the department's ability to detect and respond to the type of sophisticated cyber-attacks that are now commonplace.

50. Mr. President, during the upcoming year, the IT department will work on the following projects:

- Continue work on the Landfolio Project which links the activities of the Physical Planning/Inland Revenue/Land Registry Department into a modern and digitized Land Registry Department;
- Commence work on the development of a Work Permit Database which will allow the electronic submission of work permit applications, supporting documents and payments;
- Work on the implementation of the Health Management Information System (HMIS), to better manage patient health records at the Alexandra Hospital. My Administration is

already in receipt of a donation of 25 All-in-one PCs, a Camera and card printer system to support the program;

- Commence work on the development of the Online Company Registry Software (OCRS), for managing the local company registry thus allowing online access to information by key stakeholder and other governmental entities such as the Inland Revenue Department and Social Security Office;
- Work with the Ministry of Finance and the Premier's Ministry to deploy a document management system that will reduce the amount of paper used on a day to day basis;
- Complete the deployment of an e-Commerce platform for the NIA to allow for more efficient interaction with the general public in the electronic submission of documents and forms, payment of fees and taxes and improved accessibility to government documents;
- Work with the Small Enterprise Development Unit in the creation of an e-Commerce platform for small businesses to allow micro organisation to deploy their own online presence in the marketing of their products;
- Begin the deployment of kiosks that will complement the e-Commerce platform and allow persons to interact with government departments from various locations throughout the island;
- Continue the deployment of our fibre optic plant to the Cotton Ground Police Station to support the deployment of CCTV technology. This will be part of the National CCTV surveillance program being financed with the assistance of the ROC on Taiwan;
- Continue the deployment of our fibre optic plant to the Charlestown Health Centre to support the deployment of the Health Information System;

51. Mr. President, over the past few years the focus has been primarily on improving the hardware infrastructure of the NIA. With the majority of these projects now completed it is expected that there will be a shift towards developing software and services so as to fully utilise this infrastructure with the ultimate aim of raising our ranking in the ease of doing business.

### ***Tourism Sector***

52. The Nevis Tourism Authority continues its excellent marketing efforts aimed at increasing awareness of the destination and its full suite of properties, attractions and activities. Despite the



enormous efforts of our sales representatives in the USA and United Kingdom we are recognizing that Nevis is still largely unknown. Therefore our marketing efforts for the new year will highlight the authenticity, cuisine and cultural heritage of Nevis along with fully utilizing the Alexander Hamilton brand, which continues to catch the attention of the media and travel writers.

53. Developing airlift directly into Nevis continues to be a major challenge as many visitors prefer to take direct flight and avoid the hassle of connecting flights. At present, only 20 percent of our visitors arrive directly through our airport via Antigua, Sa Juan and St. Maarten. Therefore, our marketing efforts in the upcoming year will focus heavily on “Nevis, the ease of getting there, at a very competitive price as well”. We will continue to partner with Seaborne airlines and am happy to report that they have now forged interline and code share arrangements into San Juan with Delta, Jet Blue and United Airlines. This augurs well for us as travelers destined to Nevis can book directly and have seamless transfers on arriving in San Juan.

54. Mr. President, our new arrangement with Seaborne airlines has gone a step further with an amendment to the revenue guarantee arrangement allowing the Nevis Tourism Authority to take charge of pricing of seats on the airline. The benefit of this new arrangement is that it allows the Tourism Authority and the hoteliers to develop attractive packages to be offered as an incentive especially during the slow period.

55. We are also aware that in order to maximize airlift from San Juan, it is necessary for Seaborne to be equipped with the ability to do night landing in Nevis. This discussion is currently ongoing and if successful will result in a later departure from San Juan which will then allow for an increase of 15% in the number of inbound seats into San Juan which can potentially connect to the Seaborne flight departing to Nevis. These new initiatives form part of our ongoing effort to promote the ease of getting into Nevis for our potential visitors and to increase our hotel occupancy rates as well.

56. Mr President, tourism is one of the most vital pillars of the economy of Nevis and as such, strong priority will be given to Tourism Product Development in the upcoming year. My Administration has carefully revised and upgraded its medium term product development strategic plan to ensure that our destination is at a state of readiness to provide consistently excellent, high quality and memorable experiences to our visitors and residents.

57. The new year will see ongoing renovation works at various heritage and tourism sites to enhance visitor attraction. These works include the construction of bathroom facilities at the Bath Stream, landscaping and signage at the Nevisian Heritage Village and development of the New River and Eden Browne Estate museum. To add value to our tourism allied services, a new hiking trail will be developed at Maroon Hill which will include the construction of a lookout platform and benches. Attention will also be given to the waterfalls attraction in the Maddens/Russel's Rest area which this Administration intends to designate as a national park with well managed trails, visitor facilities and improved accessibility. The Bath Stream area has also been upgraded with the construction of a new bridge, additional pool and extension of the embankments.

58. Mr. President, work will commence on the first phase of development at the Pinney's Recreational Park. This will involve the construction of vending outlets, restroom facilities, car park and landscaping of the area. The relocation of the Artisan Village to the grounds of the Nevis Craft House will ensure that visitors to Nevis can purchase authentic souvenirs and have an engaging experience while observing the ongoing manufacture of local arts and crafts at the Nevis Craft House.

59. Mr. President, there is an increasing inclination of travellers to gravitate towards destinations which demonstrate principles of responsible tourism. Hence, an important part of our tourism product development strategy will be a strong emphasis on sustainable tourism. This will entail the development of an action plan for sustainable tourism and diagnostic testing using international criteria for destination monitoring. This will undoubtedly place Nevis in a more competitive position and ensure that our product development is consistent with the marketing tagline of the island, "Nevis Naturally."

60. Mr. President, the Ministry of Tourism will continue to put emphasis on its tourism education and awareness programs. One of the new initiatives is the introduction of tourism education in the secondary schools and we will shortly move to roll out the program in all three secondary schools. Given that tourism is one of the pillars of the Nevisian economy, we are of view that post-secondary tourism education merits some attention. It is important to note that Tourism as a subject area has been introduced at CAPE level at the Nevis Sixth Form College during this academic year.

61. In the upcoming year, active participants in the tourism industry will be given an opportunity to be exposed to professional hospitality training, as part of the OECS Eastern Caribbean Institute of Hospitality. A virtual classroom, outfitted by the OECS with telecommunications equipment, will connect Nevis to the Network of nine OECS tourism excellence centres which offer a wide array of tourism and hospitality specializations. This emphasis on tourism education speaks squarely to our budget theme which focusses on revitalization of our economy through skills development and entrepreneurship and augers well for the enhancement of the human resource assets in the tourism sector.

62. Mr. President, as pro-active citizens of this island we must prepare ourselves to grasp opportunities as they occur. The opening of hotel properties on the South East Peninsular provides an excellent opportunity for our citizens to gain employment and exposure working at high end properties. The opening of Park Hyatt in March 2017 will definitely present tremendous employment opportunities for all Nevisians. These properties fit squarely into the high end brand that we have promoted for Nevis and provides interesting prospect for spin off into our economy through employment, sale of agricultural produce by our farmers and fishers and overall spending through visitor transfers between Park Hyatt and other high end properties in Nevis.

63. Mr. President, these developments also provide an excellent opportunity for entrepreneurship development in the area of water taxi operations and aquatic/dive centres. To maximise this opportunity, Mr. President, my Administration has already commenced preparatory work on the construction of a water taxi pier with upscale terminal facility in the Cades Bay area to facilitate the movement of locals and visitors between these properties and other properties in Nevis. Estimated cost of this project is \$6.0 million and it is anticipated that construction work on the pier facility will commence during the first quarter of 2017.

### ***Agricultural Sector***

64. Mr. President, the Ministry of Agriculture continues to be proactive in ensuring that a steady supply of local agricultural products is available for consumption. The agricultural sector has made tremendous gains over the past few years and it is our intention to build on the

momentum already generated despite the numerous challenges. The Agro processing sub-sector has made tremendous strides in recent years and that will continue in the coming year. The Department of Agriculture will continue to ensure that this sector grows to its full potential as we seek to develop this area as a viable value added manufacturing sector. The data generated by the department shows that 183,276 pounds of produce were processed at the Marketing Division during 2015 while for the period up to the end of September 2016, 182,270 pounds of produced were processed at that facility.

65. Mr. President, the Ministry continues to work tirelessly to reduce crop damage and losses to farmers caused by the increasing population of monkeys. A concerted effort is now being made to reduce the population of monkeys. I am pleased to report that working in partnership with the company Arnova and Mission Taiwan, work has commenced on a program to reduce the human/monkey conflict. This program will involve the creation of feed banks on the mountainside away from farm lands with the intention of getting the population of monkeys to focus on feeding in selected areas rather than the wide roaming which exist at present. It will take some time for this change of behavior to occur so we are soliciting the patience of the farming community and the general public as continue to take gradual steps to deal effectively with this threat to the Agricultural sector.

66. Mr. President, investment in shade house technology remains one of the major achievements of the Ministry of Agriculture. Our two shade houses at Prospect remain functional and the output from these units so far has been overwhelming. In the upcoming year, the Department of Agriculture will redouble its efforts at promoting this technology to other farmers. I wish to take this opportunity to invite all our farmers to seriously adopt this technology as a mean of increasing the quality of their products.

67. Ongoing training is pivotal as we seek to revitalize agricultural skills development and foster entrepreneurship among farmers and stakeholders. To this end, the Department of Agriculture in collaboration with IICA recently conducted a shade house technology training workshop for all our local farmers. It is our intension to ensure that a greater number of farmers are exposed to the skills of shade house production and management. The technology is also being transferred to students at the two public secondary schools as well as the primary schools and the Cecele

Browne Integrated School. These schools are equipped with shade houses as a means of developing the interest of our students at an early age.

68. Mr. President, the Department of Agriculture continues to invest heavily in the production of onions. As a means of encouraging other farmers to get involved in this area of production, the Ministry of Agriculture in collaboration with the Food and Agricultural Organisation (FAO) recently hosted a training workshop in onion production so as to expose local farmers to the varying techniques involved in cultivating this crop. In order to satisfy our increasing demand, the department has embarked on the cultivation of ten (10) acres of onions at Potworks and New River which is expected to yield on average 10,000 pounds per acre at harvest.

69. To signify our ongoing commitment to the production of onion, my Administration has sought assistance from the Food and Agricultural Organisation for refurbishing of a building structure at New River Estate to be used as a curing shed for the onions. This will ensure that we maximize our production levels by reducing spoilage. It is our intention to have this facility ready in time for the harvesting of this current crop.

70. Mr. President, the demand for local honey has been steadily increasing over the years. We are fortunate that our Beekeeping sector has not come under serious threats from major pests and diseases as occurred in other Caribbean islands. Honey production continues to increase steadily as we seek to satisfy the growing local demand. This sector continues to show tremendous potential and the Ministry of Agriculture will continue to give full support to the Nevis Beekeepers Co-operative and encourage its members to become more business oriented and to improve on their record keeping and management skills.

71. Mr. President, our processing facility at the Abattoir also continues to receive high praise for the increasing number of high quality animal by-products being made available. Many of these products are now on supermarket shelves and are being widely utilized by a number of hotels. During the period 2015 the data shows that 288,113 pounds of meat and value added products were processed at the Abattoir while up to September 2016, a total of 154,944 pounds were processed. Mr. President, it is this increased demand for these products that prompted the move to construct an additional processing facility at the abattoir which will come into full operation in early 2017.

72. In support of our efforts to increase the quality of our breeding stock, the new and improved Veterinary Clinic will also be opened to serve the public in 2017. The facility is a collaborative effort of the Nevis Island Administration and the Humane Society, ARK. With an expected increase in the demand for quality health care of animals, the Ministry of Agriculture has seen it fit to provide additional space and state of the art equipment for our animal health officials. The improved service at the Veterinary Clinic will ensure healthier animals reaching the abattoir.

73. Training will remain very high on the agenda of the Ministry. The technical staff will continue to take advantage of training opportunities that become available through our partnership with IICA, CARDI, FAO and Mission Taiwan. The Ministry will also continue to place emphasis on tertiary training in various aspect of agriculture. I am pleased to report that during this academic year, two additional students were enrolled at the Earth University in Costa Rica to commence the four year Degree programme in General Agriculture. Other training sessions for our farmers will focus on farm and home management, record keeping and the development of business plans. We will continue to work closely with our allied agencies for the conducting of these training workshops.

74. The Fisheries subsector remains of extreme significance to the Ministry and every effort will be made to ensure that it continues to receive the necessary support. We will continue to closely collaborate with the Japan International Cooperation Agency (JICA) to have more Fish Aggregating Devices (FADS) being deployed in our waters. This would lead to increased catch for our local fishermen. The Department of Fisheries will also continue to work closely with our local fishermen to ensure adherence to sustainable fishing practices.

75. Mr. President, the Ministry of Agriculture values the support and assistance it has been receiving from its partners and pledges to continue the collaboration in the interest of the industry. The Ministry would like to place on record its deep appreciation for the support from the Caribbean Agricultural Research and Development Institute (CARDI), the Inter American Institute for Co-operation on Agriculture (IICA), the Taiwanese Technical Mission, the Food and Agriculture Organisation of the United Nations (FAO), the University of the West Indies (UWI) and the Organisation of American States (OAS).

## **Financial Services Sector**

76. Mr. President, the Financial Services sector continues to be one of the main pillars of our economic success through its ability to create steady high end employment. The direct revenue generated to the Administration from this sector for 2015 stood at \$13.90 million approximately 10 percent of total annual revenues. For the period January to September 2016, revenue generated to date amounts to \$ 10.30 million.

77. Our aggressive marketing efforts through road shows, publications and attendance at international conferences have resulted in an increase in product registrations for this current year when compared to the previous year. For the period 1<sup>st</sup> January to 30<sup>th</sup> September, 2016, the Department processed thirteen (13) new applications for carrying out insurance services, three (3) applications for licensing to carry out money services business, one (1) application for licensing to operate an International Bank along with three (3) new applications from entities seeking to be licensed as Registered Agents.

78. Mr. President, the total number of entities registered during the period January to September 2016 stands at 1,694 when compared to 1,477 for the same period in 2015, attributable mainly to incorporation for companies (IBCs and LLCs) and the registration of trusts. We expect that this upward trend will continue into the new fiscal year. The total number of active entities currently on the respective product registers at the Nevis Financial Services Department is 16,654.

79. The Ministry of Finance continues to spearhead a comprehensive review of all the financial services product legislation to address inconsistencies and errors arising from the law revision exercise. This review will culminate in the consolidation of all amendments to the various Ordinances and the inclusion of best in class provisions, to ensure that our product offerings are more users friendly and marketable to our existing clients and potential investors. The Ministry of Finance has engaged the financial services industry practitioners in this extensive exercise and anticipates that we will have a full suite of revised legislation by the first quarter of 2017. We understand the importance of constructive feedback from practitioners and welcome every opportunity to consider their suggestions and comment.

80. Mr. President, the Anti-Money Laundering and Countering the Financing of Terrorism Awareness Seminar and Training Workshop is an annual fixture on the Administration calendar

for training for service providers. I wish to commend the Regulator and staff for their tremendous effort to bring to the financial services sector these fundamental and emerging financial crime issues that left unchecked can seriously retard the progress of the industry. This year we partnered with the world renowned consultancy law firm of Stephen Platt and Associates, LLP of Jersey and England to facilitate the workshop and invited representatives from local professional associations to weigh in on key and trending compliance related topics under the theme:- “Powerful Insights, Practical Ideas, Real Solutions: Financial Crime Prevention – the Way Forward”.

81. This year’s workshop recorded the largest number of attendees in its 11 years of hosting, with registration reaching its maximum capacity. This is a clear indication of the commitment of the financial services practitioners in ensuring that we operate at the highest standard seeking at every turn to maintain the integrity of the jurisdiction. I wish to take this opportunity to encourage regulated entities to continue to support the Department in its mandate to keep the industry practitioners informed of important anti-money laundering and countering the financing of terrorism developments locally, regionally and internationally.

82. In the upcoming fiscal year, training will remain as a top priority to enhance capacity and retain competent and experienced staff. Due to the current regulatory climate, we will see the expansion of Department’s function and work program to include the licensing and supervision of Escrow Agents for the Citizenship by Investment Programme and gaming operators. Preparatory work on these new initiatives has already commenced.

83. Mr. President, this sector will always have its fair share of challenges. There are increasing incidents of illicit actors seeking to penetrate our financial system to launder the proceeds of crime by utilising more sophisticated financial services products. The ongoing threats to our reputation as a financial center from the international community are real and present. This therefore behoves us to continually assess our money laundering and terrorist financing risks as a jurisdiction. We must also continue to ensure that our legal, regulatory and administrative frameworks in regards to transparency and exchange of information are compliant with international standards as established by the OECD/Global Forum and strongly supported by the G20.



84. Mr. President, I am happy to report that St. Kitts and Nevis has met a number of important milestones this year through the close collaboration between governmental agencies under the guidance of the Regulator and staff of the department. Our country was the only territory within the Eastern Caribbean Currency Union to successfully submit 2014 FATCA filings to the United States of America's IRS under our FATCA Model 1B Intergovernmental Agreement. This is a major accomplishment for a small and developing country and it demonstrates our willingness to fulfil our international commitments as necessary, and insofar as they are in our best interests.

85. To facilitate the new global standard of transparency and exchange of information known as the Common Reporting Standard (CRS), we have signed the Multilateral Convention on Mutual Administrative Assistance on Tax Matters in Paris, France and successfully defended our Data Safeguards and Confidentiality Assessment before the Global Forum's Automatic Exchange of Information Working Group meeting in Mauritius.

86. A number of regulated entities presently operating in the Federation, categorised as reporting financial institutions, will be required to provide the designated Competent Authority with financial account information on non-residents in 2018. The specific obligations will be outlined in legislation which will be passed shortly in the National Assembly. In preparation for this, a national working group, which is a public-private initiative, was established earlier this year to fully discuss the implications of this new global standard and to put forward proposals for managing its implementation.

87. Mr. President, work is ongoing in preparation for the next wave of Global Forum Peer Review country assessments, which should commence during the third quarter of 2017 for St. Kitts and Nevis. As a financial centre, we are constantly under international scrutiny as this assessment will encompass a comprehensive review of the mechanisms that we have implemented to provide our treaty partners with constructive and timely information pursuant to our tax information exchange agreements (TIEAs) or similar arrangements.

88. The assessment team will also examine our ability at ensuring that information pertaining to legal and beneficial ownership is on file, that accounting and banking information are obtained and maintained for companies, trusts, partnerships and foundations. They will also seek to ensure that the designated Competent Authority has access to the information and that the information can be exchanged in a timely manner. Preparation for this assessment has been ongoing for the

past few years with the establishment of a robust and comprehensive supervisory framework to ensure that regulated entities are complying with the relevant legislation governing their respective licenses.

89. During the period 1<sup>st</sup> January to 30<sup>th</sup> September, 2016, the Department has conducted 17 full scope and follow-up on-site examinations and continue to carry out off-site monitoring in accordance with its risk-based supervisory framework. The necessary enforcement actions have also been undertaken to encourage compliance.

90. Mr. President, our last assessment was in 2014 and we received a largely compliant rating by the Global Forum which is comparable with developed countries and other well established financial centres. We believe that we are on a similar track to success and are confident that our reputation as a well-respected, well-regulated and transparent jurisdiction will be maintained.

91. Mr. President, notwithstanding the external pressures exerted by the impending blacklisting of financial centers by the EU Commission and the G20, the implementation of FATCA and the Common Reporting Standard as well as the harmful effects of the de-risking exercise undertaken by banks, we will seek to ensure that our jurisdiction remains resolute in its stance against any initiative that threatens our economy. We will always take steps to ensure that we are viewed as a responsible jurisdiction that recognises the lasting and widespread effects and reputational damage that a non-compliant rating by an international standard setting body could have. Therefore, we will continue to keep abreast of all developments impacting the financial services sector.

### ***Small Business Development***

92. Mr. President, our small business development program plays a vital role in facilitating entrepreneurship. Application for new business licenses continues to increase across a variety of sectors with the retail trades and services being the dominant area of concentration. The period January to September 2016 saw a total of 233 new business licenses issued when compared to 172 issued for the same period last year with the service sector being the dominant area of concentration. It is a clear indication that persons are taking advantage of the opportunities offered by the continued growth in our economy.

93. Through the efforts of the Small Enterprise Development Unit (SEDU), micro business can receive tax concessions, training and start-up capital to enable them to migrate into medium sized businesses. In addition, the 'Fresh Start Program' offered through the Development Bank is another opportunity that is available for our young entrepreneurs to access funding to start their own businesses. SEDU has also launched a Small Grants Micro Business program which targets 25 individuals who are unable to find gainful employment and wish to become fully engaged in starting their own micro organization as their sole source of income. These individuals are expected to submit a business plan and if approved will gain access to low cost funding to a maximum of \$5,000 at one percent interest over a period of two years. These programs are designed to assist our young people with creative ideas to convert them into business opportunities.

#### ***Private Sector Foreign Direct Investment***

94. Mr. President, while we seek to pursue the skills development program, we also have a duty to ensure that our young people can utilize their skills in the market place. Consequently, the government has the responsibility to create the enabling environment for the generating of employment opportunities and for the unleashing of the entrepreneurial spirit. However, in this regard your government will have to rely more on the private sector to become the engine of growth in the economy.

95. Mr. President, we fully endorse the diversification of the investment option of the CBI to include other areas of economic activity such as investment in energy, health, small scale manufacturing, technology and public infrastructure. Therefore, we will continue to impress on the Federal Government of the need to use the CBI program as a vehicle for attracting foreign investments and providing employment as well. The ongoing villa development at the Four Seasons Resort Estate at a cost of US\$50.0 million together with the Mount Nevis Villa Development at a cost of US\$5.5 million have been a significant boost for the construction sector on Nevis.

96. Mr. President, we will also continue to encourage investments in the tourism sector as part of our strategy for economic growth and employment creation. We will ensure that the CBI programme attracts hotels that are attached to a reputable brand or at least have a high quality rental program that is acceptable to government. We will seek to ensure that they adhere to rigid

construction standards and finishes and have the amenities required of quality hotels. They must also present a sound business and marketing plan and details of the brand being negotiated before tax concessions are granted. This is necessary to ensure that any hotel built in Nevis especially under the CBI program will remain viable and sustain employment long after the Units have been sold.

97. Mr. President, with this approach, we are already making significant progress in attracting upscale hotels to Nevis. Plans are already at an advance stage for the establishment of two internationally recognized brands in the St. James area in the near future. The proposed Northern Point Resort Development at Potworks Estate is an upscale resort with estimated construction cost of US\$160.0 million and is expected to provide 75 full-time jobs on completion. Meanwhile, the proposed Oasis Resort in St. James is an upscale resort with estimated construction cost of US\$40.0 million and is expected to provide 100 fulltime jobs on completion.

98. Mr. President, my Administration fully supports these two development projects and has already granted the recommendation for approval for these projects under the Citizenship by Investment Program. The architectural drawing are already submitted to the Department of Physical Planning for approval, the Environmental Impact studies for both projects are already completed and made available to the public. Both sets of developers have already conducted town hall meetings and public consultations in the St. James area to sensitize the residents of these projects.

99. Mr. President, as a new approach, this government has required Developers to show proof of development financing and in these cases we are satisfied that the developers have the necessary financing to undertake the development. We therefore anticipate that construction will commence during the course of next fiscal year.

### ***Infrastructure Development***

100. Mr. President, during this last fiscal year 2016 my Administration embarked on an extensive program of road rehabilitation on a number of secondary roads in areas such as Farms, Feather bed Alley, Garners Housing, Lampa Hill, Rawlins Village and Nisbett Settlement. In the new year it is the intention of this government to continue the rehabilitation of secondary

roads in all areas of this country. We can only urge the residents of these areas to continue to exercise patience as we will make every effort to bring relief to you in a timely manner.

101. I am happy to report that the Hanley's Road Rehabilitation Project is now substantially completed. I wish to thank the good people of Hanley's Road for their patience, understanding and co-operation during the implementation of this project. As you drive through the community of Hanley's Road you not only see the tremendous transformation, but you can also feel the ambience of freshness. We are indeed happy that many of our local equipment operators, labourers and contractors living in that area benefited from this project as this gave them a sense of pride having personally contributed to the transformation of the landscape in that area.

102. Mr. President, the rehabilitation and construction of the Shaws Road along with the Brown Hill Rehabilitation Road Project under our Public Sector Investment Programme will indeed commence in the first quarter of 2017. My administration budgeted the amount of \$11.0 million to carry out our road rehabilitation program with the amount of \$ 8.0 million allocated to Major Roads and \$ 3.0 Million budgeted for upgrade and maintenance of Secondary Village Roads.

103. Mr. President during the summer vacation of 2015, my Administration expended approximately \$2.4 million to improve and enhance the physical plant at all our public schools to provide an environment conducive to learning. I am pleased to report that Phase 2 of the Special Maintenance of Schools Project is scheduled to be implemented during the summer vacation of 2017. We have budgeted the amount of \$3.0 million to be spent on this project which will see work done on providing additional classroom spaces for the Charlestown Secondary School, the rehabilitation and extension of the administrative block of the Gingerland Secondary School, expansion and rehabilitation works at the Gingerland Pre-School along with minor rehabilitative works on other schools throughout the island. This shows our commitment to invest in our education infrastructure to provide the enabling environment for our children and teachers.

104. Mr. President these works are in addition to the ongoing rehabilitative works being carried out under the BNTF program in a number of schools such as the Jocelyn Liburd Primary School and the Gingerland Secondary School; and the proposed construction works to be carried out under the St. Kitts and Nevis TVET project for the secondary schools all funded by the Caribbean Development Bank.

105. Mr. President, my Administration continues to expend tremendous amount of resources on rent to host the various government offices so as to adequately meet the need of the public. We are forced to allocate the amount of \$2.1 million for rental of assets across the various ministries for the 2017 budget. In order to curb this expenditure we will immediately begin the process of rehabilitation of a number of government buildings which were previously vacated as they were deemed unfit for officers to occupy.

106. Mr. President, I am happy to report that during the first quarter of the new fiscal year, work will commence on the reconstruction of the Treasury and Inland Revenue Building which was gutted by fire in 2014. The projected cost for reconstruction is approximately \$6.0 million and it is scheduled for completion within 24 months. This new 3-storey structure when completed will host the offices of the Treasury Department, Inland Revenue Department and the Information Technology Department. The architectural drawing are already submitted to the Department of Physical Planning and my Administration has already received a firm commitment from the SIDF to provide the funding to complete this project.

107. In Addition, my Administration is now ready to commence rehabilitation works on the Community Affairs building at Government Road. It is our intention to expand on the existing structures and convert that area into an office complex to host the Ministry of Social Services and all its related departments. The Architectural Drawings are presently with the Department of Physical Planning and we have already made application to a local financial institution to provide loan funding for this complex. The projected cost of this complex is approximately \$6.0 million, to be completed over a period of 24 months, and we are projecting that we can commence construction during the second quarter of the new fiscal year.

108. Furthermore, Mr. President I am also happy to report that work has commenced on the rehabilitation of the Government House and my Administration has allocated the amount of \$2 million to facilitate these works. The proposed Community Centre for the people at Rawlins Village will also commence construction in the new year. We are awaiting approval for the final architectural drawings from the Department of Physical Planning and we have allocated the amount of \$500,000.00 to facilitate works for 2017.

109. Mr. President, these initiatives will ultimately result in tremendous cost savings and reduction in annual government Recurrent Expenditure. It is proposed that the annual cost

saving in rent will be approximately \$751,000.00, as we are presently allocating \$285,000 as rent for Treasury, IT department and Inland Revenue, \$ 30,000.00 to host the office of the Deputy Governor General and \$436,000 being allocated as rent for the Ministry of Social Services and its related departments. It is this cost savings in rent that will ultimately be re-allocated for servicing this additional debt.

110. Mr. President, the above public sector construction projects will also serve as a stimulus for the local economy and a much needed boost to our much revitalised construction industry. It must be noted that construction work on all these projects will be done mainly by our local entrepreneurs, equipment operators, contractors and skilled workers.

111. Moreover Mr. President, I am also happy to report that the first phase of the CDB/NIA funded Nevis Water Supply Enhancement Project is substantially completed. During the first quarter of next year, the few remaining areas would be fully completed, thereafter; the NIA in collaboration with the Caribbean Development Bank will schedule a commissioning ceremony for the project. From all indications the project endured a smooth implementation and I wish to thank the officers at the Nevis Water Department, the Public Works Department and other agencies who assisted in any way during the execution of the works on this important infrastructure project.

112. We will continue to look at various options to increase and sustain our water supply so that we can adequately meet our peak demands. We will also seek to ensure that we have sufficient water reserves to respond to unforeseen circumstances such as droughts and to meet any new demands on the system arising from any increases in construction under the ongoing CBI program and the two new proposed hotel development in the St. James area.

113. Mr. President, in an effort to enhance our land management system, your Administration has embarked on the implementation of the Land Records Modernization Project with the intention to develop a modern and digitized Land Registry Department. This project has been a collaborative effort of beneficial partners such as the Inland Revenue Department, Land Registry, IT Department and other government agencies. Presently, all requisite documents are being scanned, staff training is ongoing in various aspects of the project and all necessary equipment have been procured. My Administration has allocated adequate funding to facilitate the continued implementation of the project during the new fiscal year.

### ***Renewable Energy Development***

114. Mr. President, reducing harmful emissions, abating our dependence on foreign oil and developing alternative renewable energy sources have benefits that go beyond environmental health, they improve personal health, enhance national security and encourage our nation's economic viability. To this end my Administration stands fully committed to the development of our renewable energy sources. Progress has been slow in this regards but we are determined to succeed.

115. Investment in renewable energy in particular is of critical importance as we take steps to mitigate against increases in the price of fossil fuel, and to nurture a green economy as part of our economic diversification strategy. We will continue to give priority to the development of Geothermal Energy, Solar Energy and energy from waste. Renewable energy have been identified as a critical area for creating employment opportunities and economic growth in the future.

116. Mr. President, with the continued assistance of the US Department of State and various stakeholders, Nevis Renewable Energy International (NREI) is working earnestly to develop the 8MW's geothermal plant. We are reliably informed that the developer is very close to commencing operations on the ground as they have already identified an equity investor, who is committed to moving forward as rapidly as possible Thermal Energy Partners, the major shareholder in NREI, have already submitted their application for financing to the US based Overseas Private Investment Corporation (OPIC).

117. The lack of thorough data from the initial developer West Indies Power has resulted in the need for NREI to develop a reputable test well located on the N3 Site. The data to be collected from this well will include Thermal Profile, Geologic Log and Flow Testing. In addition, fluid chemistry data will be collected and analysed. This data will be used for finalization of the Production Well design, plant Heat Exchangers and Turbines and to fulfil requirements of the equity and debt providers.

118. Mr. President, the renewable energy sector has tremendous potential for skills development and entrepreneurship. The installation of solar panels and the use of solar water heaters are just a few areas of opportunity. My Administration will continue to push ahead in



developing this sector to help diversify our economy and help spur entrepreneurial opportunities and skills development. Moreover Mr. President, St. Kitts and Nevis will be engaging in a Streetlight Retrofitting project funded by the Caribbean Development Bank to change all street lights in the Federation to more efficient LED lights so as to generate energy efficiency in the sector. A team from the Bank recently visited the Federation and held discussions with various stakeholders on this project including NEVLEC, the Ministry of Finance and Ministry of Communications and Works.

### ***Crime Fighting & Security***

119. Mr. President, my Administration will continue to work closely with the high command of the Royal St. Christopher & Nevis Police Force, Nevis Division in the fight against crime, especially violent crimes, and the overall eradication of criminal activities from our communities. The safety and security of its people is the responsibility of every government and I therefore wish to assure all citizens and residents that my Administration stands committed to their safety and security.

120. While we continue to work aggressively to reduce crime, we must recognize that improvements in detection and incarceration rates will only solve the problem partially. To restore a safer and crime free environment in Nevis, we must address the fundamental social undercurrents that give criminality its roots. We are aware that these social issues are very complex cutting across many areas such as poor parenting, teenage pregnancy, absence of fathers from the home, poverty and many other factors. However, we believe that the overriding factor is unemployment resulting from the lack of opportunities for the young.

121. In our formulation of policies, we must address all of these challenges but priority would be given to empowering youths through the expansion of opportunities. This is why my Administration will continue to invest and encourage investments in industries that create jobs, provide opportunities for self-employment, earn foreign exchange and improve living standards. We will also continue to focus on human resource development providing opportunities for our people to live healthy lifestyles, take part in decision making, obtain decent work and improve their overall social and economic wellbeing.

122. Mr. President, we continue to allocate resources in our annual budget to supplement the Federal Budget allocation. This is to better enable our law enforcement officers to have the necessary equipment and other resources to effectively carry out their duties in an efficient manner. As a demonstration of our commitment to law and order, my Administration has created new division in the Office of the Premier called the Security Services Division to support the work of our federal law enforcement agencies. This unit will incorporate the work of the Immigration Officers, CCTV operators, Traffic Wardens all of whom are paid directly by the NIA but fall under the direct supervision of the Nevis Division of the Royal St. Christopher and Nevis Police Force. In addition, the funds allocated to this unit will also be available to support the work of the police as we seek to continue to equip them with the necessary tools, equipment and training to enable them to perform effectively.

123. Mr. President, my Administration recently allocated funds for the construction of a K9 kennel on the grounds of the Cotton Ground Police station as we intend to have a permanent fully operational K9 unit on Nevis to support the work of the police and Customs Department. In addition, my Administration is in the process of finalizing plans for the construction of a new Police Station in Newcastle with estimated construction cost of \$4.2 million. It is anticipated that work on this building will commence during the second quarter of 2017 and be completed within fourteen (14) months.

124. Mr. President, criminal activities retard economic progress, stifles growth and terrorizes communities, therefore my Administration stands committed to maintaining peace and stability and reduce criminal activity in our communities to a zero level by exploring all options within our control.

## **EMPOWERING OUR PEOPLE**

### ***Education & Human Resource Development***

125. Mr. President, the Ministry of Education has adopted the theme “Investing in Quality Education: Empowering the Nation” as its mantra for this academic year. This theme underscores the significant investments being made in Education during this school year as we seek to empower our student and provide avenues for improved learning outcomes.

126. Mr. President, I wish at this time to congratulate our students on their outstanding performances at both the CAPE and CSEC levels. I wish to congratulate Mr. Orian Stapleton who obtained passes in 10 CAPE units with 6 grade 1 passes. At the CSEC level, Mr. Rol-j Williams must also be congratulated for his sterling performance having sat 17 subjects and obtained 17 distinction. Special mention should also be made of Ms. Ronicia Liburd of the Charlestown Secondary School and Ms. Anneka Ferguson of the Gingerland Secondary who both sat 11 subjects and obtained grade 1 passes in all 11 areas and also Shakwanda Challenger who obtained 12 subject passes. I wish also to make mention of Ms. Alexa Liburd-Walwyn of the Maude Cross Preparatory School who obtained the best performance in the Annual Test of Standards at the Primary level with an average of 90.58 percent. I must also commend the Principal and Staff of the Gingerland Secondary School as well having achieved a 91% pass rate at CSEC level for 2016 and being awarded the best results among all the Secondary Schools in the Federation.

127. Mr. President, the Ministry of Education continues to strengthen the delivery of education in accordance with the 2030 Sustainable Development Goal Number 4, which aims to “ensure inclusive and equitable quality education that promotes lifelong learning opportunities for all”. Work is currently ongoing to finalize a five- year education sector strategy that will take effect in 2017. This strategy honors the imperatives as laid out in the OECS sub-regional education strategy, which takes as its vision “Every Learner Succeeds”. This academic year will witness the launching of the Early Learners Program funded by USAID. This program is being implemented across six member states in the OECS, including Nevis, and seeks to improve reading achievement of all learners in Grades K-3 by developing intervention strategies for struggling readers and providing training and professional development for teachers.

128. The key objective of our 2016/2017 Education sector strategy is to improve equitable access to and participation in education at all levels by ensuring that all children of compulsory school age regularly attend school and that those with special education needs have access to quality care in the most inclusive learning environment possible. It also seeks to ensure that there is sufficient access to early childhood education services for our youngest learners while seeking to reduce the number of secondary school students leaving school after Form 4 with varying disparities in their exposure to TVET training.

129. Furthermore, it seeks to enhance governance, planning, and management in an effort to improve efficiency and effectiveness throughout the sector through the use of timely data so as to improve leadership and accountability at the ministry and school level.

130. Mr. President, I am heartened to report that enrollment at UWI Open Campus increased by more than 30% in 2016 across a variety of program areas. We will continue to make a concerted effort to sensitize our people to the tremendous opportunities offered by the UWI Open Campus which allow them to stay at home with their families and continue their normal daily lives while at the same time attaining academic qualification at a much reduced cost. Work will also be done to widen the offering of adult and continuing education courses especially geared towards developing the technical competency skills of our population. In 2016 the UWI Open Campus also partnered with the Ministry of Education and the Ministry of Social Development to train some 30 middle management officers in the area of leadership and decision making.

131. Mr. President, we are fully aware that government has a very important role to play in revitalizing our economy through skills development and entrepreneurship. The rapid advancement of technology is displacing both low and middle income jobs contributing to the problems of unemployment, stagnant wages and the inability to find decent, high quality work. The problem is exacerbated by the fact that our education system is turning out students who are ill-equipped with the necessary skills and competencies to meet the demand of the labour market. We must remove the perception that technical and vocational education is for the low achieving students by ensuring that the programmes are attractive to all student including those who are more academically inclined.

132. Towards this end, my government has embarked on a significant policy change aimed at reforming our education system to enhance the quality of our labor force. We stand fully committed to the expansion of Technical Vocational and Education Training (TVET) at our secondary schools. I am happy to report that the Government of St. Kitts and Nevis in collaboration with the NIA, has been successful in securing loan funding from the Caribbean Development Bank (CDB) in the amount of 8.0 million for TVET development.

133. The project will allow for building and civil works at both secondary schools; purchase of furniture, equipment, supplies and tools; training and certification of TVET instructors; and provision of post-secondary education for the benefit of the wider public. The programme will also offer CSEC and CVQ level programmes for all students.

134. Mr. President, the civil works in Nevis, which will commence in 2018, will significantly transform the Multipurpose Centre into a fully functioning post-secondary and continuing education skills training institution offering CSEC and CVQ level program during after school hours for the wider public while continuing to facilitate the secondary school students during normal school hours. As part of the project, grant funds of three hundred thousand United States dollars (US\$ 300,000.00) will be made available to be used to improve student support services.

135. The most important feature of this TVET program is that students will be offered training that delivers the urgent and emerging skills needed for economic competitiveness in a modern economy. This project is designed to assist the Government of St. Kitts and Nevis (GOSKN) to expand the supply of skilled and employable labour with regionally acceptable certification, through the development of a high quality, relevant and gender-responsive Technical and Vocational Education and Training (TVET) system.

136. Mr. President, the programme is market driven and geared towards meeting the needs of the private sector in critical subject areas such as Auto Mechanic, Electricity and Electronics, ICT, Hospitality and Culinary Arts, Air conditioning and Refrigeration, Agricultural Science, Furniture Making, Food Preparation, Welding, Landscaping, Plumbing, Bee Keeping, Cosmetology, Accounting and Building Construction.

137. The programme will also include Parental Engagement Programming which will involve organisation of workshops to provide parents with effective and practical strategies and resources

to help their children succeed in life. Another important component is psychosocial intervention which aims to provide students with the necessary support and counselling to help them develop personal control to improve educational outcomes and master the skills needed for life outside of school. The idea is to inculcate the values of perseverance and self-reliance and a sense of purpose that will lead to success. These are the programmes that will build self-esteem and confidence and provide the impetus for the development of an entrepreneurial culture in Nevis.

138. Mr. President, in pursuing this TVET programme, we must also ensure that students can utilize their skills in the market place. Consequently, my Administration will not shun its responsibility to create the enabling environment for the generating of employment opportunities and for the unleashing of the entrepreneurial spirit.

### ***Health Care***

139. My Administration is aware of the linkage between a nation's health and its development. Therefore, as we focus our attention on revitalizing our economy through skills development, the health sector must play a pivotal role in providing the infrastructure that will enable us to achieve our developmental goals.

140. The Ministry of Health stands committed to the enhancement of the health and social well-being of the population in accordance with our mandate and work is progressing steadily on the development of a National Strategic Plan for Health 2017-2021. This plan will not only focus on the development of the physical infrastructure at our health care facilities but also on the development of our human resource through skill training to meet the requirements of an expanded health sector while ensuring that there is accessible health care for all.

141. During this upcoming fiscal year we will continue our program for renovation and improvement at our premiere health care facility, the Alexandra Hospital. Renovation works at the maternity wing and morgue are already completed along with extensive preparatory works for the construction of a new operating theatre, diagnostic wing and dialysis unit.

142. Mr. President, I am happy to report that my Administration has already awarded contracts to two (2) local contractors for the construction of the new operating theatre and also the

diagnostic wing. The total estimated cost of construction is \$14.0 million to be completed over a period of 24 months. My Administration has already received a commitment from the SIDF for funding for this expansion project.

143. This state of the art facility when completed will be complemented with the necessary technically trained staff. We are indeed happy to welcome home three of our local physicians having successfully completed their studies in medicine as well as one who has sought further specialized training as an Internist. We have also undertaken extensive investment in specialized training for our nurses in areas such as respiratory care, maternal and child health, emergency medicine, ophthalmic nursing and audiology as we seek to expand the range of nursing care services offered to the population.

144. We will continue our partnership with visiting physicians in the areas of cardiology, neurosurgery, and ophthalmology in our quest to ensure that we provide our citizenry with wide array of services without having to incur the cost of travelling overseas for specialized care.

145. Mr. President, as part of our National Strategic Plan for health, we will make a concerted effort to encourage our youths to develop career path in the health profession in the areas of nursing, environmental health, dentistry and rehabilitation therapy. To this end, the Ministry of Health will launch a one week pilot program for primary school children between the ages of 9-12 years, which will orientate them to the various careers in health. This orientation will take the form of educational sessions, craft activities and field trips to health facilities.

146. The upcoming fiscal year will also see investment in our primary healthcare services, including facility upgrades and service expansion at our community health centres. Renovation and expansion work will be carried out at the Charlestown, Brown Hill, Gingerland and Butlers Health Centres to provide for expanded health services including environmental health services. These expanded services are an integral part of the Ministry's mandate to safeguard the public's health while also facilitating the ease of doing businesses, particularly by food establishments that require great interaction with the Environmental Health Department.

147. We will continue to improve the maternal and child health services at the District level through our ongoing program of weekly visits by our obstetrician and gynecologist. This service expansion also involves the introduction of advanced technology through the use of fetal heart

monitors which were made available for the first time at the district level in 2016. Efforts are also ongoing for the computerization of all health centres to facilitate timely reporting and data collection in an effort facilitate evidenced based decision making.

148. Mr. President, in the new year my Administrative will launch a 4 year pilot project in the schools which will be referred to as “My Healthy Plate” initiative, being a healthy eating initiative to provide our children with the tools to make more healthy meal choices. This initiative supports our existing “Chef Academy Program” in our primary schools where we seek to train and educate our children and their parents of the benefits of making healthy eating choices.

149. Mr. President, an important part of our Health Care for all is the provision of ongoing psychiatrist care for those persons who are suffering from mental disorders of various kinds. We intend bolster the level of services offered in this area by providing ongoing training for our existing staff to better equip them to deliver the level of care necessary. This will ensure that those citizens and residents who are in need of this specialized care are adequately provided for through an expanded mental health program.

150. Mr. President, my Administration has placed great emphasis on encouraging the provision of an array of health care services, both at the private sector and government level. We firmly believe that even on a limited scale our people should be able to stay at home and still have access to specialized care at greatly reduced cost. I am indeed heartened by the recent action of one of our local physician who has sought to add value to our health care sector by opening a state of the art clinic offering a wide range of specialized services to our people. I speak of Dr. Tyrone Gill who upon returning home has made it possible for Nevisian to access high quality service in the area of Gynecology, Cardiology, Orthopedic and Neurosurgery services at the same high standard as one would experience if they are to travel overseas for these services. We must applaud his entrepreneurial spirit.



### *Development of our Social Services*

151. Mr. President, the Ministry of Social Development through the Department of Social Services continue to implement a variety of socio-economic strategies aimed at improving the lives of our people especially the poor and indigent, the elderly, the very young and persons with severe mental and physical challenges. These are special vulnerable groups, and as a society, we have to allocate and utilize our nation's resources so that those most vulnerable who are in need of social protection are given priority. In so doing, we will be able to make advances in the economic policy goal of reducing inequality in the distribution of wealth and income.

152. Mr. President, my Administration supports the view "to everyman his home is his castle", therefore, over the past two years we have embarked on a program of providing housing assistance for the less fortunate among us. This assistance has taken the form of major renovations to dilapidated properties for the elderly and impoverished and in other cases where the properties were too rundown, we have constructed new housing. During this upcoming fiscal year this housing assistance program will be enhanced and the Ministry of Social Development has been mandated to undertake a program with the aim of eliminating all "outhouses" throughout the island of Nevis. This program will serve not only to improve the housing stock on island, but will also improve sanitation and the general health and well-being of the various communities.

153. Mr. President, in conjunction with our program for development of our youths, my Administration has adopted and transformed the People Employment Programme (PEP) into a programme where the main thrust is to promote skills development and entrepreneurship among our young people. We have implemented an apprenticeship program that provides persons with knowledge and skills that will equip them to gain meaningful employment within the community.

154. Mr. President, in the new fiscal year, the Ministry of Social Development will establish its Sustainable Development Unit with the aim of promoting sustainable livelihoods. Virtually all societies have come to recognize the significance of sustainable development in alleviating poverty and vulnerability for present and future generations. The project for the implementation of the Millennium Development Goals (MDGs) adopted by the United Nations (UN) in 2000 and culminated in 2015, has now set seventeen (17) Sustainable Development Goals (SDGs) for all

to adopt. According to the UN, the SDGs are a shared agenda designed to eliminate poverty, fight inequality and injustice and protect the planet.

155. Mr. President, the Ministry of Social Development is optimistic that its plans and programmes will lead to greater self-sufficiency for individuals, families and the society as a whole. Beyond this, the Ministry hopes that these strategies will help to promote sustainable livelihoods, reduce poverty and vulnerability and redound solidly to the benefits of the entire populace.

### ***Youth Development & Sporting Development***

#### ***Youth Development***

156. Mr. President, my Administration stands committed to implementing programs to deter anti-social behavior among our youths, however, despite our best efforts, there are still inequalities resulting in some of the most vulnerable groups particularly the young, lagging behind. This fact has manifested itself in the underperformance and marginalization of young men; relatively high rates of teenage pregnancy; substance abuse and ultimately an increase in crime and violence. Going forward, we will seek to address these challenges in a holistic way involving the government, private sector, financial institutions and community and social organisations.

157. During this fiscal year, the Department of Youth hosted the inaugural, “The Face of Youth Competition” involving 142 young persons, under the age of 30. This annual activity will form part of the department’s thrust to change the society’s perception of young people and to improve their ability to make a positive contribution to the society and help to combat anti-social behavior.

158. The MACAV program - Music, Acting, Creativity and Virtues, is geared towards persons between the ages of 13 and 20 who are interested in the performing arts. This program seeks to provide an avenue through which our youths who are interested in the arts can express themselves while allowing them to share with their peers their perspective on various issues, with the aim of minimizing deviant behavior and fostering positive attitudes and interactions.

159. The Fashion and Music Expo (FAME) was one of the key highlights of activities designed to keep our youths gainfully engaged. This program provides an opportunity for creative entrepreneurship while promoting the development of the visual and performing arts. This annual event was geared towards providing our young fashion designers with an opportunity to showcase their design skills and also gave our young local artists a forum to promote their music.

160. The, I CARE, I Volunteer program encourages our young people to become gainfully involved in activities in their communities, to take ownership of these activities and become leaders and role models for other disadvantaged youths in their communities.

161. Mr. President, as we seek to focus on Technical and Vocational Education and Training (TVET) and Science, Technology, Engineering and Mathematics (STEM), the department of Youth will seek to provide opportunities for young persons to pursue basic programming through the introduction of a robotics program.

162. This program will foster critical thinking/problem solving skills which are necessary for survival in many job markets. This program may be new to us but it is fully functional in other countries. Its introduction forms part of my Administration mandate to harness the array of skills among our youth while ensuring that they are exposed to the same level of development and training to keep them on par with their counterparts throughout the region.

163. Mr. President, our youths are our future and we must invest in them so as to equip them with the tools to move our economy forward. During the new fiscal year our initiatives for development for our youths will focus on the areas of employment and entrepreneurship, education and training along with creativity and culture. The aim is to continue to expand these programs to provide for their holistic development and to place them on a path of success.

### ***Sporting Development***

164. Mr. President, my Administration has taken a proactive approach to the development and training of our sportsmen and women. Whilst it may be true that our youths continue to perform exceptionally well in Athletics, Cricket and Football, we are still lacking in having sufficient technically trained sports officer to provide the guidance to our children to get them to perform at

their full potential. To this end, my Administration has enrolled four of our young sportsmen and women at the GC Foster College in Jamaica to pursue four year training courses in various disciplines of sporting development, namely Physical Education, Coaching in Football and Cricket and also Sports Massage Therapy. It is our intention to enrol another group of sports persons in the upcoming 2017 academic year as well.

165. Mr. President, it is undeniable that Nevis has an abundance of natural athletic talent that is on par with the rest of the Caribbean. This is evident by the standard of the annual Inter-Primary School Championship, which boast the largest per capita attendance of any athletic event anywhere in the world. It is also proven by the constant success of our athletes in the Under 9 and Under 11 Categories at the Leeward Island Championships and the Bi-Annual Caribbean Union of Teacher's Games. This level of success however, is not realized at the high school level and even less so at the senior level. This can be attributed largely to the absence of proper facilities to encourage the necessary training for this abundance of talent to be developed.

166. Mr. President, proper facilities are essential to optimize training and prevent injury. The 300 meter circumference grassed running track at the Elquemedo T. Willet Park, though the best available for the Nevisian athletes to train and compete, is unsuitable for the long-term development of any athlete or athletic program. It is quite noticeable that, since the creation of the Kim Collins Stadium on St. Kitts in 2008 with its 400 meter all weather running surface, there has been a constant widening of performance between the Kittitian and the Nevisian athletes at the senior level. The evidence of this is clear in that since the year 2008, no Nevisian athlete has performed at the level required to qualify for membership to the St. Kitts and Nevis team participating in the Olympic or World Championship games. Historically, Nevis has demonstrated more "natural talent" in Athletics; however Nevisian athletes remain disadvantaged by lack of proper facilities and the deeper pool of the Nation's talent is left untapped.

167. Mr. President, in the upcoming year, my Administration is resolved to develop a 400 meter Mondo surface track with attending facilities. The facility would be a multi-purpose facility, capable of accommodating the sports of Athletics and Football. The proposed facility when completed would be built to international standards as certified by the international sporting bodies of the International Association of Athletics Federations (IAAF) and the Fédération

Internationale de Football Association (FIFA). My Administration has identified government owned lands in the Long Point area and has already commenced the process of clearing and surveying work at the location.

168. This facility will be constructed in two phases over a 24 month period. Phase 1 of the project will involve the constructing of a 9 lane 400 metres Mondo surface running track and associated field event areas; an 8 lane 200M warm up track, a football field within the running track with the necessary lighting, landscaping and perimeter fencing. Phase 2 of the project will involve the construction of a grand stand for spectators along with an administration building block with facilities including restrooms, gym, storage, locker rooms, medical, Lounge, meet management offices, conference room, media and car park.

169. Mr. President, my Administration is further resolved and determined to have Phase 1 of the proposed facility completed in time to host the 25th Anniversary of the Inter-Primary School Championships in April, 2017. The proposed cost of Phase 1 is approximately EC\$ 8.0 - \$ 10.0 million and we have made adequate provision in our capital budget to cover this cost. We are in constant contact with the supplier of the Mondo track as we are aggressively pursuing financing for this project from the SIDF.

170. Mr. President, the creation of a new athletics track would not only improve athletes' performances and longevity; it would also attract greater participation at the high school level, and enhance the intensity at which the athletes train. It would also present opportunities for Sports Tourism and the exposure of aspiring athletes to international talent. These developments will have lasting positive social and economic benefits to the Island of Nevis.

171. Mr. President, my government continues to invest in the development of Cricket at all levels. We are now witnessing success of our program at the under 13, the under 15 and under 17 in our schools. This level of enthusiasm needs to be transferred to the senior level as well. The Ministry of Sports is working closely with the Nevis Cricket Association to revive the competitive quality of what still remains our favourite sporting activity. In this year alone the NIA has paid substantial amounts to support the participation of the Nevis cricket teams in local and in Leeward Island Cricket Association tournaments.

172. During the upcoming year we will redesign our coaching programs so that our coaches at the Department of Sports are assigned to the various districts in an effort to revive the various sporting disciplines at the senior level in our communities. This will enable our youth to again demonstrate the talent in the Leeward Islands Cricket tournaments and at regional competitions.

We have a rich legacy which is to be preserved.

## **STATUTORY CORPORTIONS**

173. Mr. President, I am happy to report that all statutory bodies have been restored to fairly good financial standing. In addition, the Ministry of Finance has also put an oversight reporting mechanism in place to monitor the debt accumulation and to facilitate quarterly reporting. Work is also ongoing to have up to date Audited Financial Statements for all statutory bodies ready for presentation to this honorable house during the course of the next fiscal period.

174. I am happy to report that the Nevis Electricity Company (NEVLEC) is now up to date with its monthly payment for fuel to its supplier. My Administration has taken the view that it has a responsibility to provide a reliable and consistent supply of electricity to the Nevisian public. To this end, we have recently purchased of a 2.5 mega-watts containerized generating unit costing \$ 931,500.00 as back up supply in the event of power outage. In addition, my Administration has recently signed a \$13.5 million contract with the European company Wartsila for the procurement of a new 3.8 megawatts generating set which will effectively replace a number of units which are now inefficient as they are well passed their useful life and now too expensive to maintain as the manufacturer of parts are no longer in operation.

175. Mr. President, we will continue to aggressively pursue the geothermal energy which we hope will come to fruition shortly, however, even while we do so we must ensure that we continue to have a reliable and sustainable supply of electricity hence our decision to invest in these two diesel generating sets.

176. Mr. President, the Nevis Air & Sea Ports Authority continues to play a major role in facilitating trade and the orderly movement of citizens and visitors passing through our shores. Over the past 12 months my Administration has spent in excess of \$4.0 million to carry out

extensive rehabilitation works on 2800 square metres of runway at the airport. In addition, my Administration has expended the amount of \$1.2 million on the procurement of a new Air-traffic telecommunication system for the Control Tower to replace the existing system which is now very much outdated. The new system is already shipped to Nevis and the technician for the contracting company, AERONAV INC of Canada, will shortly be commissioning the equipment and carry out the necessary training of staff in the use of this equipment. The Long Point Port operation also received funding for a new fifth wheel truck and a folk lift.

177. Mr. President, funding for the rehabilitation works, along with procurement of equipment for NASPA in addition to the two new generating sets for NEVLEC was provided by the Sugar Industry Diversification Fund (SIDF). We wish to say thanks to the Board of Counselors of the SIDF for their positive response to our request for funding.

178. Mr. President, the Nevis Housing and Land Development Corporation continue to make a significant contribution to the construction sector on the island through its affordable housing program. However, the finances of the corporation are severely hampered by the high rate of delinquency among lease holders and other home owners; all inherited from the previous NRP led Administration. On record, there are 67 persons who are paying for homes through the corporation of which 34 persons are delinquent in their payments resulting in arrears in collections amounting to \$ 717,036.67. The corporation was forced to embark on an aggressive delinquent client's campaign by offering these persons an incentive of a reduction of 15% on their mortgage balances along with the waiver of legal fees if they are to transfer their mortgage account to a financial institution. To date a total of 8 homeowners have accepted this offer resulting in savings ranging from \$12,869.01 to \$38,994.14.

179. Mr. President, during this fiscal period the NHLDC has thus far embarked on the construction of 20 homes, situated in Maddens, Low Ground Estate, New River, Colquhoun, Nisbett Estate and Bath, at a total cost of \$4,627,654.03. Of these, fourteen houses have been fully completed and the remaining six due for completion in the new year. Land sales for this period shows that twenty three plots of land ranging in size from 4,265 square feet to 15,000 square feet were sold at a total cost of \$912,335.16.

180. Mr. President, I am happy to report that the NHLDC has recently secured financing in the amount of EC\$10.0 million from the St. Christopher & Nevis Social Security Board for the

construction of additional affordable homes and procurement of equipment for use at the quarry. As part of this new housing program, the corporation already has firm commitments for a total of 54 affordable houses to be built in various areas across the island including at least 8 requests for houses to be built on private property. I wish at this point to publicly thank the Board of Directors of Social Security for responding positively to our request and for their continued assistance in improving the standard of living and social well-being of our people.

181. Mr. President, the Nevis Tourism Authority, the Nevis Solid Waste Management Authority and the Nevis Cultural Development Foundation all continues to make a positive impact on the economy of Nevis in keeping with their mandate as outlined in their individual Ordinances.

## **FISCAL PROJECTIONS 2017**

### ***Fiscal Measures***

182. Mr. President, my Administration supports the view of most Economist that increasing taxes above the optimum level will serve as a deterrent to increased economic growth and prosperity. We also subscribe to the notion that it is the duty of every Administration to sustain growth in the economy by expanding economic activities in a way that create opportunities for its people. We must continue to create good quality jobs and expand opportunities for entrepreneurial development in an effort to improve the livelihood and standard of living of our people.

183. To this end, my Administration aims to present a tax free budget for 2017.

184. Mr. President, we will however endeavor to continue implementing programmes and projects that will uplift the living standards of our people. We are also conscious of the fact that we are constrained by limited resources that may never adequately meet the ever increasing demands of our people. Therefore Mr. President we will implement our programs efficiently and effectively in a manner that meets the needs of our people while at the same time safeguarding these resources through strengthening of internal systems, aimed at preventing waste of these resources.



185. However, Mr. President, during the difficult economic times we had placed great burden on our public servants and had asked them to make sacrifices by forgoing their annual increment in the interest of reviving our economy. Therefore, it is only fair, that now we are experiencing a turnaround in the economy and signs of growth that we ought to compensate our public servants for the earlier sacrifices made. This level of improvement in our fiscal balances could not be achieved without the assistance of our hard working public servants, and therefore it is only fair that they all share in the economic fortunes of our country.

186. Mr. President, as a show of gratitude to our workers, my Cabinet has decided that for the month of December 2016, all Civil Servants and Non-Established Workers will receive a bonus of an extra month salary. Pensioners will receive an extra month pension as well. I want to use this opportunity to urge all workers and pensioners to budget prudently, spend wisely and to use some of this extra payment to create some savings and investments as well.

187. Mr. President, in order to bring added relief to the citizens and residents of our island, my Cabinet has also approved duty free allowances on food stuff and non-commercial imports. During the period 9<sup>th</sup> to 31<sup>st</sup> December 2016, food items imported will be free of duties and taxes up to the first 400 pounds. In addition, persons returning to the island having travelled overseas for shopping will receive duty free allowance on the first US\$200.00 of their imports. These initiatives, by your caring government, are intended to bring further relief to the ordinary citizens of this country.

188. In support of our Tourism Sector and specifically our Restaurant Sector, my Cabinet supports the decision of the Federal Cabinet and has approved the extension of duty free concession to our local Restaurant Operators on the purchase of Food and Wine, Restaurant Equipment, and utensils. Only Vat and Customs Service Charge will be payable on the importation of these items.

189. Mr. President, the broad strategies for strengthening the foundation for sustained economic growth and development over the medium term are anchored on the following five pillars, namely;

- Ensuring the business environment is conducive to attract high quality investment, both local and international, for employment creation and economic prosperity in emerging areas such as informatics and energy;
- Accelerating agricultural transformation to enhance food security;
- Investing in infrastructural development such as roads network, energy and water supply to improve on connectivity and investor attractiveness;
- Investing in our social infrastructure for quality and accessible health care services and quality education as well as social safety nets to reduce the burden on the households;
- Developing of human resource capacity through expansion and improvement in quality education, especially in technical skill areas to prepare our people to take advantage of the employment opportunities when created;

190. Mr. President, as part of economic transformation for expenditure management, we will seek to implement reforms that will deepen and improve efficiency and effectiveness in the utilization and execution of our annual budget. This will entail rationalizing public expenditures to remove overlaps and waste, developing and enforcing cost benchmarks for projects and consumables through the strengthening of the program budgeting process. Expenditure tracking and value for money audits will be undertaken regularly to ensure efficiency in use of our scarce resources.

191. Mr. President, as in previous years, we will continue to implement stronger tax collection practices designed to reduce the level of arrears thus raising our tax collection rates while streamlining the level of concession granted. This strategy is already showing signs of success with increases in Tax Income for the period 2016 when compared to 2015. We will also continue to work with the Federal Government to amend the VAT Legislation to allow for all entities operating in Nevis to file and pay their VAT in Nevis. Moreover, we will seek assistance to amend the relevant sections of the Companies Act including section 245 subsections (2) to (5) and also the Income Tax Act so as to allow all business entities operating in Nevis to register, file and pay their Corporate Income Taxes in Nevis.

192. Mr. President, my Administration stands committed to continue to implement the measures adopted under the recently concluded International Monetary Fund (IMF) structural adjustment program to ensure sustainability of public finances and promote economic growth

and competitiveness. Therefore, Mr. President, over the next fiscal year our policies will continue to focus primarily on growth with emphasis on ensuring sustainable economic and financial stability. We will continue to take greater steps to close fiscal imbalances by lowering current account deficit and creating an environment conducive to attracting domestic and foreign direct investment.

### ***Projected Revenues and Expenditure***

193. Mr. President, the total expenditure budget for 2017 is set at \$236.30 million. This represents an increase of 22.42 percent over the 2016 budget estimates driven mainly by our formidable capital investment budget. We have allocated the amount of \$157.29 million to recurrent spending representing 66.57 percent of the total projected budget expenditure.

194. My Administration is projecting to collect the amount of \$140.26 million in Recurrent Revenue with the amount of \$105.12 million to be generated from tax revenue and non-tax revenue contributing the remaining \$35.14 million. When compared to projected Recurrent Expenditure of \$ 157.23 million, this provides a deficit of \$ 16.97 million which will be covered by the ongoing transfers of \$2.5 million monthly from the Federal Government, being our fair share of revenues from processing fees under the CBI program. While we have made these projections we intend to be very strict with the collection of taxes and it is also expected that the Inland Revenue Department will concentrate on bringing all properties into the tax net to maximize our revenue collection. This Administration expect every citizen to pay their fair share of taxes as we endeavor to provide the best service in Education, Health and public utilities for all at a reasonable cost.

195. Mr. President, the amount of \$79.01 million has been allocated to capital expansion. This represents 33.44 percent of total projected expenditure, an increase of 120 percent when compared to the capital allocation of the 2016 fiscal period. The major increase in the capital budget symbolizes the determination of my administration to undertake a number of capital investment projects which are now ready for implementation as funding has already being

identified. We intend to take a strong approach in the ongoing development of our country and seeking to establish Public/Private Partnerships in the process.

196. The rationale for these projects were earlier outlined as part of our infrastructure development program. These new projects along with the various ongoing ones underscore the commitment of my Administration towards the continued future development of the island and to provide employment for our people.

197. Mr. President funding for our capital expenditure program will comprise \$2.0 million loan disbursement from the Caribbean Development Bank for the Water Enhancement project along with committed disbursements from the Sugar Industry Diversification Fund (SIDF) as outlined earlier. In addition, my Administration will seek loan funding from other local entities at concessionary rates not exceeding 4.0 percent per annum to complete the funding for these programs.

198. Mr. President, a summary of resources projected to finance our 2017 expenditure program is outlined as follows:

- Current Revenue - \$140.26 million
- Federal Government Recurrent Budget support - \$16.97 million
- CDB loans and other Concessionary Loans - \$20.80 million
- SIDF Grant Funding and other Grant Funding - \$45.31 million

(We will utilize Federal Government Capital Budgetary Support along with our current overdraft facility to finance the shortfall in expenditure)

199. Mr. President, our projected Recurrent Revenue for 2017 of \$140.26 million represents a 0.58 percent increase over that projected for fiscal year 2016. Meanwhile, the projected recurrent spending of \$157.29 million represents a 5.61 percent increase over that which was projected for 2016. Further analysis reveals that Salaries and Wages account for 48.2 percent; debt servicing 19.45 percent and retiring benefits 5.14 percent with the remaining amounts allocated to the procurement of goods and services.

200. The allocation to the Ministry of Finance in the amount of \$82.30 million represents 35.0 percent of the total budget while the amount of \$39.70 million or 16.82 percent is allocated to the

Ministry of Communications and Works. These two ministries account for the largest share of the total budget allocation.

201. Mr. President, our policies and programmes are carefully designed and crafted to stimulate economic growth, create social stability, while preserving fiscal sustainability as we seek to put our country on a more sustainable path.

202. In creating that environment to facilitate growth, we must remove the structural barriers to growth by enhancing the investment climate and business environment while pursuing macro-economic stability through fiscal consolidation. Mr. Speaker, in this Budget, our strategic approach will, once again, be to create an environment to encourage economic growth and create opportunity for employment and entrepreneurial development.

203. Mr. Speaker, the challenge for every government operating with limited fiscal space is to restrain expenditure while at the same time staying the course in implementing policies which aid economic recovery through a well thought out structural reform agenda. Over the medium term my Administration will seek to address our fiscal situation and better align revenue with expenditure. We will continue to review the operation of Government to reduce wastage in all areas and attempt to deliver services to the public in a more efficient manner through our medium term Public Sector Modernisation Program.

## **CONCLUSION**

204. Mr. President, today I have sought to lay out our agenda for development over the medium to long term. It is a well-established fact that a stable economic environment is essential for job creation and growth. We have made tremendous progress over the past three years to foster growth and development and together with the support of you the good citizens and residents of Nevis we have made substantial gains in this area.

205. We have clearly articulated our policies for economic expansion and fiscal consolidation, our policies for creation of employment, policies on Crime prevention, on Debt consolidation, Infrastructure Development and our programs to empower the youths of this country. These programs and policies over the years will transform the economy in a positive way. We have sort

to diversify through the development of the International Financial Services Sector while continuing to nurture and promote the traditional sectors of Construction, Tourism, Agriculture and the Retail Trades.

206. Mr. President, indeed we have achieved much and our economy is now positioned on the pinnacle for take-off. All of these are as a result of stable, forward thinking and responsible leadership of your government. I ask the people of Nevis to keep faith, to rally with your government, to continue to support your government and to strengthen the hand of your leaders each time you are called upon to do so. In this way we can continue this journey in our quest for economic success.

207. Mr. President, just about two year ago we took the decision to align ourselves with the Peoples Labor Party and the Peoples Action Movement and ultimately became members of the Federal Cabinet. This was a strategic move as our federation needed a breath of fresh air and more importantly the Nevisian economy was being stifled and our programs frustrated as a result of the antagonistic policies of the then government in Basseterre. Two years on, we must now ask ourselves, are we better off as a result of this alignment? Similarly, are we moving toward a more equitable share and greater access to the nation's resources? The answer is definitely in the affirmative.

208. Mr. President, during the fiscal year 2015 our economy benefitted from a much needed stimulus of \$25.0 million transfer from the Federal government which was utilized to fund our capital expansion program. This trend has continued into 2016 with regular monthly transfer of \$2.5 million, being our budgeted share of revenue from passport processing fees. To date a total of \$15.0 million has been received as monthly transfers on the recurrent account.

209. My administration has also gained increasing access to the resources of the SIDF which has resulted in funding for our capital budget. I am delighted to report that up to 30<sup>th</sup> October 2016 my Administration had received a total of \$11.16 million from the SIDF giving an overall transfer of \$26.16 million received to date in 2016. These funds from the SIDF was used to fund a number of capital projects including the rehabilitation of the airport runway and procurement of equipment for the Control Tower along with partial payment on the purchasing of generating sets for NEVLEC.

210. Mr. President, it must be noted that for the upcoming fiscal year, we have already received firm commitment from the SIDF for funding for the reconstruction of the Treasury Building, the Hospital Expansion Project, remaining payments for purchasing of new generating set for NEVLEC, construction of a Water Taxi pier at Cades Bay, construction of a new Police Station Building in Newcastle and funding for phase 1 of the development of our Mondo Athletic Track.

211. Mr. President, these benefits are unprecedented when compared to any previous coalition or alignment between the political parties in St. Kitts and those in Nevis. We had a coalition arrangement for the period 1980 to 1995 and later followed by an alignment during the period 2006 to 2015.

212. Mr. President, what did we achieve in these prior coalition or alignment? Did the people and economy of Nevis exit those arrangements better off than when we entered them? The record shows that during the period July 2006 to January 2015, Nevis received only \$17.6 million in grant and loan funds from the Federal Government and the SIDF along with \$17.6 million from the IMF loan to St Kitts and Nevis under the structural adjustment program. A total of \$35.2 million was received over a 6 year period, mainly in the latter periods of 2011- 2013.

213. Mr. President, these are the fundamental issues that I want the citizens and residents of this country to consider when determining the leadership of our island and in determining which of the two parties have a vision for the future and the party that is willing to put the interest of you the people first and foremost. The key question for all Nevisians at this point,” Are we better off now than we were during the period 2006 to 2013?”

214. Mr. President, the challenge of leadership is to be strong but not rude; be kind, but not weak; be bold, but not a bully; be humble, but not timid; be proud, but not arrogant; to have humor, but without folly. We have tried to transform and enhanced the culture of governance in our country in order to provide a respectable and transparent government.

215. Mr. President, I wish to thank you and the people of this country for the faith and confidence they have placed in my government and may the upcoming Christmas season be joyous and that we will face the New Year filled with renewed confidence and hope for a brighter future.

Mr. President I so move.

## ACKNOWLEDGEMENTS

On behalf of the my Government and People of Nevis, I wish to place on record our appreciation of the following Regional and International Organisations for their financial, economic and technical assistance during the past year:

- Caribbean Agricultural Research and Development Institute (CARDI)
- Caribbean Development Bank (CDB)
- Caribbean Public Health Agency (CARPHA)
- Caribbean Regional Technical Assistance Centre (CARTAC)
- Caribbean Sports and Development Agency
- Caribbean Tourism Organisation (CTO)
- CARICOM Secretariat
- Center for Latin America Monetary Studies (CEMLA)
- Eastern Caribbean Central Bank (ECCB)
- Food and Agriculture Organisation (FAO)
- Institute for Meteorology and Hydrology (CIMH)
- Inter-American Institute for Cooperation On Agriculture (IICA)
- International Monetary Fund (IMF)
- Kuwait Fund for Arab Economic Development(KFAED)
- Medical University of Americas
- OECS Commission (formerly) OECS Secretariat
- OECS Juvenile Justice Reform
- Organization of American States (OAS)
- Pan-American Health Organisation (PAHO)
- Republic of China on Taiwan (ROC)
- Sugar Industry Diversification Foundation (SIDF)
- UNESCO
- UNICEF
- United States Embassy Barbados
- United States Department of State



- University of the West Indies (UWI)

I wish to thank our citizens and all our social partners for their contribution to our programs, the members of my Cabinet for their demonstrated sacrifice to serve this country, Permanent Secretaries and Head of Departments and all other Public Servants for their contribution to the success of my Administration over the past year.

**ANNEX I: NIA COMPARATIVE SUMMARY OF FISCAL INDICATORS  
ECONOMIC CLASSIFICATION (IN MILLIONS OF EC DOLLARS)**

	Actual	Actual	Actual
CATEGORIES	2014	2015	Jan - Sept 2016
<b>Total Revenue &amp; Grants</b>	<b>132.90</b>	<b>158.86</b>	<b>120.07</b>
<b>Current Revenue</b>	<b>128.47</b>	<b>133.86</b>	<b>97.42</b>
<b>Tax Revenue</b>	<b>98.29</b>	<b>100.66</b>	<b>73.13</b>
<b>Taxes on Income &amp; Profit</b>	<b>13.01</b>	<b>16.90</b>	<b>13.44</b>
Of which: Corporate Income Tax	4.20	4.11	5.19
Social Services Levy	8.48	12.70	7.97
<b>Taxes on Domestic Goods &amp; Services</b>	<b>41.86</b>	<b>40.29</b>	<b>26.70</b>
Of which: Stamp Duties	15.79	16.25	7.66
VAT	20.05	17.70	13.97
<b>Taxes on Int'l Trade &amp; Transactions</b>	<b>40.86</b>	<b>40.74</b>	<b>30.55</b>
Of which: Import Duties	10.62	11.58	7.41
Customs Service Charge	6.25	7.38	5.75
VAT	19.13	15.50	11.72
<b>Non-Tax Revenue</b>	<b>30.18</b>	<b>33.19</b>	<b>24.29</b>
Of which: Financial Services	12.76	13.84	10.03
Supply Office	7.34	8.18	5.44
Water Services	5.20	5.65	4.02
<b>Total Expenditure</b>	<b>148.34</b>	<b>149.43</b>	<b>119.20</b>
<b>Current Expenditure</b>	<b>124.79</b>	<b>123.51</b>	<b>94.30</b>
<b>Personal Emoluments</b>	<b>64.89</b>	<b>65.29</b>	<b>51.83</b>
<b>Goods &amp; Services</b>	<b>31.03</b>	<b>30.27</b>	<b>20.01</b>
<b>Interest Payments</b>	<b>16.69</b>	<b>15.46</b>	<b>11.36</b>
Domestic	14.71	14.48	10.81
External	1.98	0.99	0.55
<b>Transfers &amp; Subsidies</b>	<b>12.18</b>	<b>12.49</b>	<b>11.10</b>
<b>Current Account Balance</b>	<b>3.68</b>	<b>10.35</b>	<b>3.12</b>
<b>Total Grants</b>	<b>4.43</b>	<b>25.00</b>	<b>22.64</b>
<b>Capital Expenditure</b>	<b>23.55</b>	<b>25.93</b>	<b>24.89</b>
<b>Overall Balance</b>	<b>-15.44</b>	<b>9.42</b>	<b>087</b>
<b>Primary Balance</b>	<b>1.24</b>	<b>24.89</b>	<b>12.24</b>
<b>Principal Repayments</b>	<b>9.20</b>	<b>6.98</b>	<b>6.31</b>
Domestic	6.00	2.96	2.67
External	3.20	4.02	3.64

**ANNEX 11: COMPARATIVE SUMMARY OF THE VALUE ADDED TAX (VAT)**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>As at Sept. 2016</b>
<b>Total VAT Collection (in Millions)</b>	<b>35.42</b>	<b>39.18</b>	<b>33.20</b>	<b>25.69</b>
VAT as a % of Current Revenue	29.26%	30.5%	24.80%	26.28%
<b>VAT on International Trade (in Millions)</b>	<b>17.12</b>	<b>19.13</b>	<b>15.5</b>	<b>11.72</b>
<b>As a % of total VAT</b>	48.34%	48.83%	46.69%	45.62%
<b>VAT on Domestic Goods &amp; Service (in Millions)</b>	<b>18.3</b>	<b>20.05</b>	<b>17.7</b>	<b>13.97</b>
<b>As a % of total VAT</b>	51.66%	51.17%	53.31%	54.38%

**ANNEX 111: COMPARATIVE SUMMARY OF AVERAGE EMPLOYMENT  
BY SECTORS (2012 - 2016)**

**ANNEX IV: COMPARATIVE SUMMARY OF PUBLIC SECTOR DEBT STOCK**

<b>Industry</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Up to June 2016</b>
Agriculture, Hunting & Fisheries	72	88	67	109	142
Fishing	3	2	3	2	4
Mining & Quarrying	3	3	1	16	15
Manufacturing	94	93	133	73	79
Electricity, Gas & Water Supply	89	92	105	88	90
Construction	478	536	835	664	581
Wholesale & Retail Trade	566	610	521	585	600
Hotels & Restaurants	982	1,066	919	1,210	1,343
Transport, Storage & Communications	386	432	354	396	368
Financial Intermediation	196	207	198	197	202
Real Estate, Renting & Business Activities	195	238	200	233	230
Public Administration & Defense	1,513	1,585	1,694	1,684	1,762
Education	104	110	121	102	108
Health & Social Work	32	26	36	26	26
Other Community, Social & Personal Services	102	107	105	116	127
Private Household and Employed Persons	151	168	175	150	153
Extra-Territorial Organization & Bodies	0	0	0	0	0
<b>Total</b>	<b>4,966</b>	<b>5,362</b>	<b>5,467</b>	<b>5,651</b>	<b>5,830</b>

(IN MILLIONS OF EC DOLLARS)

	2013	2014	2015	As at Sept 2016
<b>NIA External Creditors</b>				
CDB	33.52	39.45	38.85	37.67
KFAED	10.43	8.84	9.63	8.71
EIB	1.12	0.50	0.00	0.00
IMF	2.31	0.00	0.00	0.00
MICB	5.09	4.78	4.47	4.32
<b>Total Outstanding External Debt</b>	<b>52.48</b>	<b>53.58</b>	<b>52.96</b>	<b>50.70</b>
<b>NIA Domestic Creditor</b>				
SKNA National Bank	130.26	101.96	110.81	119.31
Bank Of Nevis	56.04	57.91	56.37	55.78
SSB	29.54	28.36	27.22	25.99
Treasury Bills Issue (OTC) 91 days	65.48	70.65	83.52	91.69
Treasury Bills Issue (RGSM/OTC) 365 days	14.54	12.86	10.67	7.65
FCIB	1.45	1.99	1.94	1.90
RBTT	0.17	0.00	0.00	0.00
Surrey Paving	0.42	0.42	0.42	0.00
FINCO	0.71	0.60	0.45	0.32
TDC	0.97	0.82	0.59	0.42
<b>Total Outstanding Domestic Debt</b>	<b>299.59</b>	<b>275.58</b>	<b>291.98</b>	<b>303.06</b>
<b>Total NIA Debt</b>	<b>352.07</b>	<b>329.16</b>	<b>344.94</b>	<b>353.76</b>
<b>Government Guaranteed Debt</b>	<b>37.64</b>	<b>34.53</b>	<b>31.66</b>	<b>29.24</b>
<b>Total Public Sector Debt</b>	<b>389.71</b>	<b>363.69</b>	<b>376.60</b>	<b>383.00</b>

ANNEX V: SUMMARY OF CURRENT AND CAPITAL EXPENDITURE 2017

	<b>Description</b>	<b>Current Expenditure</b>	<b>% of Current Expenditure</b>	<b>Capital Expenditure</b>	<b>% of Capital Expenditure</b>	<b>Total Expenditure</b>
01	<b>Deputy Governor General</b>	402,000	0.26	-	-	402,000
02	<b>Legislature</b>	888,000	0.56	-	-	888,000
03	<b>Audit</b>	417,650	0.27	-	-	417,650
04	<b>Legal Services</b>	1,163,200	0.74	-	-	1,163,200
05	<b>Premiers Ministry</b>	5,276,400	3.35	3,965,100	5.02	9,241,500
06	<b>Ministry of Finance</b>	73,752,800	46.89	8,550,000	10.82	82,302,800
07	<b>Ministry of Communications</b>	12,375,800	7.87	27,372,000	34.64	39,747,800
08	<b>Ministry of Agriculture</b>	5,638,400	3.58	2,300,000	2.91	7,938,400
09	<b>Ministry of Health</b>	17,011,000	10.81	15,000,000	18.99	32,011,000
10	<b>Ministry of Tourism</b>	6,980,600	4.44	3,595,000	4.55	10,575,600
11	<b>Ministry of Education</b>	22,934,300	14.58	1,150,000	1.46	24,084,300
12	<b>Human Resources</b>	1,542,600	0.98	-	-	1,542,600
13	<b>Ministry of Social Development</b>	8,912,200	5.67	17,075,000	21.61	25,987,200
	<b>Total</b>	<b>157,294,950</b>	<b>100.00</b>	<b>79,007,100</b>	<b>100.00</b>	<b>236,302,050</b>