



NEVIS ISLAND ADMINISTRATION



BUDGET ADDRESS 2022

PRESENTED BY:

THE HONOURABLE

MARK A. G. BRANTLEY

PREMIER AND MINISTER OF FINANCE

TUESDAY 7th DECEMBER, 2021



"RECAPTURING THE MOMENTUM; RESTORING FISCAL SUSTAINABILITY"

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Mr. President, I beg leave to move the second reading of the bill shortly entitled the Appropriation Ordinance, (2022) 2021.

1.0 INTRODUCTION

It is an honor and a privilege for me this morning to rise and present this budget under the theme: **“Recapturing the Momentum; Restoring Fiscal Sustainability”**

1. Mr. President, this budget is presented against the backdrop of the continued uncertainty created by the global COVID-19 pandemic. Despite this, we are optimistic that during the upcoming fiscal year and beyond, we can return to some level of normalcy. I believe it to be true that Covid-19 is here to stay. We must therefore cope with the pandemic even as we seek to urgently recapture the momentum of the pre-COVID -19 era and set our economy on a path to fiscal sustainability.

2. During the budget presentation last year, we made projections that by this time in 2021 the global economy would have turned the corner on the pandemic. We were optimistic that the successful roll out of vaccination programs globally would have stabilized countries, restoring them to a pathway of growth which would ultimately benefit us. Unfortunately, this is not yet so as the pandemic continues to shrink global output, throwing tens of millions of people across the world into unemployment and poverty and disrupting economies across the globe.

3. Mr. President, it is therefore no secret that here in Nevis our economy continues to be severely impacted by the pandemic. Nonetheless, our island and our people must continue to demonstrate resilience in the face of adversity as the impact of this pandemic is unprecedented in scope and magnitude and it continues to defy predictions. Even as I speak we have now learned of a new variant, Omicron, which has once again thrown the world into turmoil and uncertainty.

4. We continue to be extremely grateful to all our citizens for their sacrifices and patriotism, especially our frontline workers, for putting country above self in the fight against this deadly Corona Virus. It is through collaborative efforts that we have successfully managed the pandemic thus far. I encourage us all to recognize our individual and collective responsibility as

we continue to safeguard our beautiful country and all of its people. Permit me to also express, on behalf of the people of Nevis, my deepest condolences to the Nevisians both at home and in the diaspora who have lost loved ones due to COVID-19. Our hearts and prayers are with you all.

5. Mr. President, over the past year, we have acquired the AstraZeneca and most recently, the FDA approved Pfizer vaccines and have been able to offer these to our people at all of our health centers across the island free of cost. The evidence is clear that vaccines are the best and most effective way to defeat this dangerous virus. I continue to urge our citizens and residents to do the responsible thing by getting vaccinated and follow all the COVID-19 Protocols. There is much truth in the often stated adage that “none of us will be safe, until all of us are safe.” The empirical evidence in our Federation and globally is clear that vaccination reduces the risk of getting Covid19; reduces the risk of transmitting COVID-19; reduces the risk of serious illness from COVID-19; reduces the risk of hospitalization from COVID-19; and most importantly reduces the risk of death from Covid-19. In fact of the 5 tragic deaths that we have had in Nevis due to COVID-19, none were vaccinated.

6. Mr. President, allow me to also thank our friendly governmental partners and other Regional and International Organizations for their strong show of support in the donation of vaccines and other emergency medical supplies in helping us to navigate through this extremely challenging period. We are especially grateful to the Government and people of The Republic of China (Taiwan) for the donation of equipment and supplies and to the Governments of India and the United States for the donation of life saving vaccines.

7. Mr. President, as we seek to turn the corner on this pandemic era, borrowing the theme from our 38th Anniversary Independence Celebration, we must seek to “adapt, diversify and recreate” if we are to navigate the present state of affairs and get beyond this crisis without further damage to our economy. Our goal ought not simply to be about a quick recovery of our economy but should also focus on safeguarding our progress and prosperity for the medium and long term. Our tourism sector continues to be our main economic engine. It is showing good signs of life for the 2021/2022 season but is yet to regain the levels of activity needed over the

near term. We must therefore continue to adopt coping strategies while expecting the gradual resumption of activities across this sector during the upcoming fiscal year 2022.

8. Mr. President, the need for a diversified economy has never been as greatly manifested than during this COVID-19 Pandemic. My Administration was forced to take bold steps and explore new frontiers to provide employment opportunities for our people. To this end we embraced the film industry as a means of tapping into the creative ideas and talents of our people. We are proud to partner with MSR Media, a UK based company, and have now created the foundation for a film industry for Nevis and the wider Federation. Thus far, we have seen four (4) featured films shot on Nevis and St Kitts. Those films are “One Year Off”, “Assailant”, “A Week in Paradise” and “Christmas in the Caribbean”.

9. I was very heartened that MSR Media established an Acting Academy using our facilities at NEPAC and that a number of our citizens and residents were able to gain acting and support roles in some of these films. More importantly, our people were able to gain employment as make-up artists and assistants while others were able to assume important management and logistical roles. Many hotel rooms at the Four Seasons and Hamilton Beach Resort along with several private villas were booked and many car rental agencies saw some welcomed business. The Gin Trap restaurant was reopened as a private club generating welcomed employment and activity.

10. Mr. President the past 18 months have truly been a challenging period for my Cabinet and Government. The debilitating effects of the pandemic severely tested our resourcefulness and our resolve and continue to pose unimaginable obstacles to effectuating our development plans. When I assumed the leadership of Nevis in December of 2017, I never thought that during my first term as Premier I would have lost nearly 2 years thus far to a global pandemic. Infrastructural development plans had to be adjusted or postponed; financial resources had to be reallocated to Health as we confronted this crisis; unbudgeted expenses occasioned by the COVID-19 pandemic had to be met; our people had to be kept safe. All this Mr. President while our tourism industry was shuttered and our tax revenues decimated. It has truly been an unprecedented challenge to govern in a time such as this.

11. If you can recall Mr. President, Covid-19 has been the world's first global pandemic in 100 years. There was no manual, no playbook nor guide as to how to manage this unprecedented crisis. And yet, my Government remained resolutely committed to the safety, growth and development of our people and our Island. Quite notably, we were able to keep all our Public Servants gainfully employed. Throughout lockdowns, curfews and long periods away from work, I think it is a matter for high praise that every single government worker, every single statutory corporation worker and every single pensioner was paid on time and in full. We were also able to limit the growth of the Public Debt even in the face of declining revenues while providing incentives to stimulate the other sectors of the economy as we anxiously awaited the rebounding of the tourism sector.

12. Mr. President, we witnessed the opening of the Newcastle Police Station and Fire Hall in December 2020 which was a welcome gift to the people of St. James Parish and the wider Nevisian community after earlier talks in some quarters of abandoning a physical police outpost in St James. In addition, we saw the opening of the state of the art CCTV Command Centre in Charlestown a giant leap forward in enhancing safety and security in our island. Most importantly, we have witnessed a reduction in violent crime on our Island. Mr. President we are truly delivering more safety and security for our people across Nevis.

13. We rejoiced at the groundbreaking ceremonies for additional housing for our people at Craddock Road, Hamilton, Maddens, Prospect and Rices even while we continued housing at University Heights. It is a matter of some pride Mr. President that this is the first time in history that the NHLDC is undertaking some 6 housing developments across the island simultaneously. Mr. President we are delivering more affordable housing for our people across Nevis.

14. Mr. President, work commenced on the Butlers Road Rehabilitation Project, and we have all borne witness to the unprecedented road works done throughout Charlestown. We have solved longstanding drainage issues in Ramsbury and Craddock Road, bringing welcomed relief to those neighborhoods. Mr. President we are delivering better roads across Nevis.

15. We have installed a 400,000-gallon water tank at Hamilton, along with a water filtration system, which has increased our water yield exponentially and added stability to our water supply. It is a matter of pride that the frequent cries we used to hear from our people that there is no water are heard no more. Mr. President we are delivering a better and more stable water supply across Nevis.

16. Mr. President, construction of the Technical Vocational Education Training (TVET) Center at the Gingerland Secondary School is now complete and ready for use. In the next fiscal year we shall see the start of the TVET center at the Charlestown Secondary School. We continue to provide financial support and scholarship opportunities for our students studying abroad and those pursuing studies online. We have innovated and reopened our schools, blending technology with in-person training for the safe delivery of education to our children. Mr. President we are delivering more training and education to our people across Nevis.

17. Our national showpiece and first ever National Park at Pinneys will be officially opened on December 19, 2021. This promises to be an epic event for the people of Nevis and the wider Federation. We publicly thank the Government and people of the Republic of China (Taiwan) for this significant investment as a monument to the friendship between our two countries. Mr. President we are delivering for our people across Nevis.

18. Mr. President, we have upgraded our health care system and invested in 2 brand new ambulances and critical equipment to fight the COVID-19 pandemic. This included the procuring of PCR testing equipment to allow us to test for the virus right here in Nevis. We have secured significant diagnostic equipment to be delivered early in fiscal year 2022. We have secured advanced refrigerators to store vaccines and have for the second time distributed masks and hand sanitizers to the residents of Nevis. We have hired nurses from the Philippines, Cuba and St Vincent and the Grenadines to add to our complement of local nurses. Our work on the new hospital wing continues and we anticipate being able to deliver this to the people of Nevis in the fiscal year 2022. Mr. President we are delivering improved healthcare services for all of our people across Nevis.

19. Mr. President we continue to provide support to the various sectors of the economy as a means of stimulating activity and promoting fiscal sustainability. We have also hired consultants and completely revamped the website and operations for the Nevis Investment Promotion Agency (NIPA) to create a first class one stop shop for investment into Nevis. In addition we invested heavily to upgrade the financial services registry to make it easier for users to access financial services online.

20. Mr. President, when the COVID-19 pandemic struck us in March of 2020 my Cabinet took a decision to pivot hard towards the Agricultural Sector. It is self-evident that a strong agricultural base is imperative if we are to ensure food security and self-sufficiency for our people. The stimulus provided by the NIA has played a pivotal role in the reviving and expansion of the agricultural sector on the Island of Nevis. We have already begun to witness an increase in the local supply of food items and our locally grown produce is now available on supermarket shelves across the Federation of St Kitts and Nevis. Mr. President we are delivering more food across the island of Nevis.

21. Mr. President, our micro lending program administered by the Small Enterprise Development Unit (SEDU) provided assistance to entrepreneurs engaged in small and medium-sized businesses. It is through this low interest rate funding, the waiver of customs duties on business equipment and ongoing training opportunities that these small business entities are able to develop and maintain their businesses during this difficult period. Mr. President we are delivering more assistance to small businesses and especially to women and youth across Nevis.

22. Mr. President, the innovative stimulus provided to the construction industry has been a tremendous success. I am advised that currently there are 163 active construction sites on Nevis. My Government waived the 10% Alien Land Holding License fee in an effort to stimulate the sale of existing villas on the island. I am advised that as a direct result the island of Nevis saw villa sales of over EC\$74 million in a mere nine (9) months. Many of these same villas are now being renovated adding to the jobs created in construction. Mr President we are delivering greater economic opportunity and construction jobs to our people across Nevis.

23. Mr. President on November 12, 2021 our electricity company NEVLEC received a brand new 3.8MW Wartsilla generator at a cost of just over US\$6 million. This is the second new generating set purchased by us in the past 5 years. The reason for this purchase was to stabilize the electricity grid and ensure that we minimize any unplanned outages on Nevis. We have invested notwithstanding our commitment to renewable energy because we are determined that as we wait for the Geothermal Energy to materialize we cannot and will not allow Nevis to fall into darkness. Mr. President we are delivering more reliable electricity to our people across Nevis.

24. Mr. President, these have been the main mechanisms employed by my Cabinet to resuscitate an ailing economy battered by the pandemic. It has not been easy but we remain eternally optimistic about our island and our nation. The road ahead will be extremely difficult as we reshape and renew our economy and society in this new and uncertain environment. I encourage all our people, especially our business sector, to adapt and be creative. While we are proud of our responses thus far much work lies ahead. We must therefore remain steadfast in our efforts to protect our people and rebuild our economy.

25. Mr. President, recapturing the momentum after this pandemic will require bold and decisive leadership. I am confident that our tomorrow will be better than our today. I am confident that our best days are yet to come as Nevis now seeks to build back better.

2.0 INTERNATIONAL AND REGIONAL ECONOMIC OUTLOOK

26. Mr. President, as we look for signs of improvement in the global economy, we are encouraged by the cautious optimism being expressed. The World Economic Outlook (WEO) published by the International Monetary Fund (IMF) in October 2021 characterized this stage of the crisis as **“Recovery During a Pandemic: Health Concerns, Supply Disruptions and Price Pressures”**. In this report the IMF predicts that having successfully managed the prior fallout from the pandemic, global growth is expected to reach 5.9 percent in 2021 and slowing to 4.9 percent in 2022. With regard to advanced economies, growth is expected to reach 5.2 percent in 2021 lowering to 4.5 percent in 2022. Growth in emerging and developing countries is expected to reach 6.4 percent in 2021 reducing to 5.1 percent in 2022.

27. Mr. President, we have seen firsthand the asymmetrical nature of the fragile economic recovery that has taken place, whereby developing and low-income countries such as ourselves have not been able to benefit fully from the global economic strides achieved thus far in the recovery. The IMF’s report also points out that the momentum of the recovery is beginning to wane and taper off as a result of persistent uncertainty due to the continuous periodic resurgence of the various variants of the virus within countries, inequitable distribution of vaccines and low vaccine uptake rates. These issues coupled with worsening weather disruptions brought on by climate change pose an even greater downside risk to the recovery for susceptible low-income countries and small island developing states like ourselves.

28. Mr. President, the Eastern Caribbean Central Bank (ECCB), in its **Communique of the 100th Meeting of the Monetary Council**, estimates that growth for the region is expected to reach 0.9 percent in 2021 increasing to 6.9 percent in 2022, which is a marked improvement over the contraction of 17.0 percent projected for regional economies in 2020. However, having made that optimistic prediction, the ECCB has expressed some hesitancy as to whether the region could actually achieve such robust growth in 2022 as there are several downside risks that can severely derail such an outcome.

29. The inequitable access to vaccines, low vaccine uptake rates and limited fiscal flexibility to effectively manage the pandemic are all issues that if allowed to persist will stymie the prospects for growth in the near to medium term. In addition to these challenges, increases in severe weather events as a result of climate change and the concerning rise in both the cost of imports and domestic food prices will lead to a further expansion in the already present economic divergence between advanced and low-income countries.

30. Further, Mr. President, the current data provided by the ECCB indicates that St. Kitts and Nevis actually experienced a significant contraction in GDP of 14.41 percent in 2020. However, the Federation is expected to experience some recovery in 2021 with Gross Domestic Product (GDP) for the year expected to only contract by a minimal 1.78 percent in comparison to the significant contraction experienced in 2020. This result indicates that there is still much more work to be done to get us back to the pre-pandemic levels of economic growth and to see the economic gains from the global recovery translated into tangible changes in the local economic landscape.

3.0 DOMESTIC ECONOMIC PERFORMANCE

3.1 Fiscal Performance 2020/2021

31. Mr. President, the fiscal year 2021 was projected to be an uncertain period for the local economy. Therefore, most of our policy support initiatives that were implemented during the latter half of the fiscal year 2020 have remained in place in an effort to spur economic activity. Given the current global and local economic landscape, my Administration continues to manage the tradeoff between the implementation of fiscal consolidation measures and the necessary synchronized fiscal expansion policies through our fiscal support programs, which are required to stabilize the local economy.

32. Our main economic earner, the tourism sector, continues to be significantly hampered by the lingering effects of the crisis and is yet to return to normal levels of activity. This has had a negative knock-on effect on the levels of employment, government revenue prospects, private sector investment, growth and profitability, and the standard of living of our people. Having projected that our economic performance for this current year 2021 to be on par with that of the last fiscal year, our fiscal position as at November 30, 2021 can be best described as stable, with an indication of a slightly better performance than projected.

33. Mr. President, the total recurrent revenue generated as at November 30, 2021 amounted to \$108.38 million, which represents a slight increase of \$5.37 million or 5.22 percent over the results of the same period in 2020, where the recurrent revenue generated at that time was \$103.01 million. This revenue coupled with the amount of \$41.25 million received as a share of revenue from the CBI Program, administered by the Federal Government, resulted in an overall total revenue of \$149.63 million.

34. Mr. President, the tax revenue collected as at November 30, 2021 amounted to \$77.67 million, which represents a marginal increase of 0.09 percent when compared to the amount of \$77.60 million collected for the similar period in 2020. Overall, tax revenue accounted for 71.66

percent of our recurrent revenue collected to date with the remaining 28.34 percent classified as non- tax related revenue.

35. The most significant contributor to tax revenue continues to be VAT receipts, which accounted for 19.74 percent of recurrent revenue. Notably, there has also been significant improvements in the revenue performance at the Financial Services Department which accounted for 13.72 percent of recurrent revenue, an increase of 53.78 percent when compared to the revenue collected for the same period in 2020. Other notable contributors to revenue include Stamp Duties: 10.77 percent, Social Services Levy: 7.39 percent and Import Duties: 7.28 percent.

36. Mr. President, the total expenditure for the period January to November 2021 amounted to \$164.72 million, which marks a decrease of \$7.24 million or 4.21 percent when compared to the outlay of \$171.96 million for the same period in 2020. Recurrent expenditure for the period under review amounted to \$132.33 million, which is a marginal increase of \$1.81 million or 1.38 percent when compared to the \$130.53 million spent in 2020. The main components of the period's recurrent expenditure were personal emoluments which accounted for 53.55 percent and the purchase of goods and services which accounted for 22.85 percent. Debt servicing consisting of both principal and interest repayments amounted to \$17.33 million or 13.09 percent of recurrent expenditure.

37. Mr. President, the outlay for capital expenditure for the period under review amounted to \$32.38 million, which represents a decrease of \$9.05 million or 21.84 percent when compared to the expenditure of \$41.43 million for the same period in 2020. Several ongoing public sector investment initiatives which are geared towards improving both the physical and social infrastructure on the island were undertaken during this period.

38. Mr. President, our fiscal position as at November 30, 2021 is encouraging. Despite the challenges with regard to revenue generation and having to significantly scale down our expenditure plans; we have been able to maintain our primary balance surplus which stands at \$2.24 million for the period under review. In comparison to the same period last year, the surplus

stood at \$3.16 million indicating a contraction of 29.01 percent. Although our fiscal deficit persists, it must be noted that the gap has narrowed, moving from a deficit of \$20.01 million as at November 30, 2020 to \$16.42 million as at November 30, 2021. This indicates an improvement of 17.96 percent. Though we are moving in the right direction, we will have to continue to strike a balance between enforcing fiscal sustainability measures and incentivizing the various sectors of our economy over the near to medium term.

3.2 Performance of the Value Added Tax (VAT)

39. Mr. President, all of our tax revenue streams continue to be negatively impacted, including our revenue from VAT receipts which ordinarily accounts for 25 percent of recurrent revenue. VAT collected on the consumption of domestic goods and services has been severely impacted by the crisis as a large portion of this revenue is driven by activities in the hotel and restaurant sector.

40. For the period under review, VAT collected at the Inland Revenue Department amounted to \$8.99 million, which represents a 26.22 percent decrease when compared to the \$12.18 million generated for the corresponding period in 2020. VAT receipts collected at the Customs Department for the review period amounted to \$12.40 million, a 3.14 percent increase in collections in comparison to the \$12.03 million collected for the same period in 2020.

41 Overall Mr. President, the total VAT receipts for the period of this review amounted to \$21.39 million. This result indicates that total VAT receipts have fallen by 11.64 percent or \$2.82 million when compared to the \$24.21 million collected for the same period in 2020. VAT generated on domestic goods and services is driven by activities in the local economy and with the slow rebounding of activities in the hotel and restaurant sectors, it is expected that VAT receipts will continue to suffer over the near term.

3.3 *Status of Public Debt*

42. Mr. President, as countries across the globe continue to recover from the effects of the COVID 19 pandemic on their economies, my Government has continued to implement responsible debt management policies and in so doing has been able to keep our borrowing to a minimum for the fiscal year 2021. We wish to thank our creditors for continuing to allow us the flexibility to work within our existing overdraft limits to meet the daily commitments of the government. I am happy to report that my Government has not contracted any new debt for this fiscal year. This is a remarkable achievement especially at a time when we are experiencing a drastic reduction in our revenue collections.

43. However, we continue to draw down on loan facilities which were approved prior to the onset of the pandemic. These include a \$486,000.00 drawdown on the Taiwan ICDF Loan for the Small Enterprise Re-lending Project, \$500,000.00 drawdown for the Water Drilling Project and \$1.9 million drawdown for Developmental Projects, both from loan funding provided by the St. Christopher & Nevis Social Security Board. Also, the Nevis Air & Seaport Authority (NASPA) undertook the refinancing of a debt instrument held with the Bank of Nevis Ltd in the amount of \$1.2 million. The purpose of this new facility was to consolidate existing debts while providing working capital to meet their daily expenditure needs.

44. Mr. President, I wish to report that the total debt for the Central Government as at October 31, 2021 stood at \$440.1 million which represents an increase of 1.2 percent when compared to the amount \$434.8 million as at December 31, 2020. This increase of \$5.3 million in the debt stock is primarily due to the capitalization of the monthly interest payments on the St. Kitts-Nevis-Anguilla National Bank Ltd.'s restructured loan as a result of the agreed upon moratorium. The previously mentioned drawdowns along with fluctuations in our daily overdraft balance have all contributed to this increase. The Central Government's stock of debt comprises \$406.5 million or 92.4 percent domestic debt and \$33.6 million or 7.6 percent foreign debt.

45. Mr. President, the total Public Sector Debt which includes the debt stock of our Statutory Bodies which is guaranteed by the NIA stood at \$492.9 million as at October 31, 2021. This

represents a 0.9 percent increase in comparison to the Public Sector debt stock of \$488.7 million as at December 31, 2020.

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4.0 RECAPTURING THE MOMENTUM

4.1 Investment, Job creation and Employment

46. Mr. President, the Nevis Investment Promotion Agency (NIPA) must be seen as an avenue to facilitate lucrative investment opportunities to increase job creation while developing long-term strategic partnerships with potential investors.

47. As indicated in last year's budget speech, efforts were well advanced to rebrand NIPA as we seek to become more aggressive in the investor market. The main feature of this rebranding exercise was the launching of the new NIPA Website and Investor Platform designed to heighten awareness of Nevis to the discerning investor. The new website platform, "InvestNevis.org" is interactive and offers a sophisticated user-friendly platform.

48. During this fiscal year, NIPA was able to promote investment opportunities in Nevis via virtual platforms, at several high-level forums hosted by the Ministry of Foreign Affairs which catered to our overseas consulates and ambassadors. Additionally, the Department hosted an education webinar "The Nevis Advantage" highlighting the benefits to potential investors of using a Nevis IBC, Trust and LLC for estate planning.

49. Moreover, on November 16, 2021 the Department participated in the Dubai Expo 2020 under the theme "Expanding Opportunities for Financial and Estate Planning". Our participation at this event took the form of a hybrid presentation consisting of both online and in-person presentations to potential investors at the expo. A number of distinguished speakers made presentations and also engaged the audience in live discussions after the presentation. This event, which was held at the Abu Dhabi Hall in Dubai, highlighted the products and services offered by our Financial Services Sector and targeted potential clients who are seeking solutions for estate planning or to establish financial services entities. We continue to contribute significantly to the ongoing exposure of the Federation at this event where Nevisian art, crafts and handiwork are being showcased at the St. Kitts and Nevis Pavilion there. This is excellent exposure for our

skilled personnel and artisans. The Exhibition will continue throughout 2021 ending on March 31, 2022.

50. It is also envisaged that the promotional efforts via social media platforms and the website can forge economic partnerships for business growth and expansion on the island. The newly revamped NIPA will become the interface between the investor and the various departments of government, including the Companies Registry, the Department of Physical Planning, the Ministry of Finance and the Ministry of Agriculture. This renewed effort will enhance the investor experience while also serving to increase the Federation's ranking in the Ease of Doing Business Index.

51. Mr. President, other initiatives currently being undertaken by NIPA to enhance our appeal to potential investors, include the launching of the Customer Relationship Management System (CRM). This system which was launched through the assistance of the Caribbean Association of Investment Promotion Agencies (CAIPA) seeks to assist in the management of the Department's interactions with current and potential investors while enhancing the investor facilitation experience.

52. Moreover Mr. President, NIPA is currently developing promotional videos for priority sectors and will disseminate these via the new website and social media platforms to gain more traction from potential investors, enhancing and simplifying our investment package for investors. NIPA will also continue to organize promotional webinars highlighting our financial services products and key priority sectors for development, as well as continue to gain exposure through the ongoing Expo 2020 Dubai Country Programming initiative. The Department will collaborate with Nevis Tourism Authority (NTA) to showcase NIPA's investment opportunity videos on the Nevis Visitor Channel with a view to incentivizing our ultra-high net worth visitors to become investors.

53. Mr. President, the above initiatives are clear indication that my Administration has not lost sight of the importance of attracting foreign direct investment as a means of providing employment opportunities for our people and driving economic growth.

54. We continue to incentivize a number of proposed and ongoing developmental projects including the development of the Rest Haven Property, the refurbishing and re-opening of the Nisbett Plantation Inn, the development of the land at Pinneys owned by NewFound, the development of the Wyndham Resort, the Apsara Science and Technology Park at Potworks, the Bush Hill Gardens development at Brown Hill, the Belmont Gardens development at Pinney's, the One and Only Resort development at Indian Castle, the new global headquarters for Hamilton Reserve Bank at Barnes Ghaut, an entity to manufacture local beer, and the Nautilus Club Marina Development at Cades Bay. It is intended that these proposed and ongoing developmental projects will come on stream during the next fiscal year.

55. We are however mindful of the global challenges brought on by the pandemic and its continued effects on larger economies such as the USA, European Union and South East Asia. These effects have led to limitations on the movement of resources away from general investment and into investment in health-related opportunities in an effort to fight against this pandemic. Despite this, we remain cautiously optimistic that we will see these proposed projects come to fruition.

56. In the interim Mr. President we continue to incentivize local business development as a means of providing employment for our people. We have incentivized a number of local villa and condo developments in an effort to stimulate employment in the construction sector. Incentives provided by my Government have seen the recent opening of the first phase of the Belmont Gardens Project at Pinneys. Its high-end dining and duty free shopping complement the ambiance of the Pinneys Park which lies adjacent. To further complement these two initiatives, my Administration will move with alacrity to complete phase 2 of the Pinneys Park Development Project which will involve the redesigning and upgrading of the areas presently occupied by the restaurants and bars at Pinneys Beach in a manner that enhances the ambience of the entire area.

57. Mr. President, our efforts at incentivizing the growth of our small business sector are bearing fruit as we are slowly witnessing the growth of a manufacturing sector on Nevis which is

providing material inputs to support our vibrant construction and health sectors. It must be noted that this CCM led Administration has always highlighted the growth of a manufacturing sector as one of its key priorities in its manifesto. We are indeed happy that we are now witnessing the operation of at least six medium to large scale manufacturing entities established here on Nevis, all with the capability to export their products to neighboring countries.

58. Mr. President, the data produced by the St. Kitts and Nevis Social Security Board shows that average monthly employment in Nevis during the first half of 2021 stood at 5361 persons. This is on par with the average monthly employment of 5381 for the year 2020 but substantially reduced when compared to the average monthly employment of 6060 experienced in 2019, prior to the onset of the Covid-19 pandemic. We expect these employment numbers to grow as the tourism sector rebounds. Likewise, the data provided by the Inland Revenue Department indicates that a total of 266 new business licenses were approved during the period up to November 15, 2021. This is in on par with the 296 licenses issued in 2020. In a similar manner the data provided by our local Companies Registry shows that a total of forty-six (46) local companies were incorporated at the Registry during the period up to November 15, 2021.

59. These numbers are indicative of our people's level of confidence in the economy and in the policies of my Administration with regard to creating the appropriate investment climate to stimulate job creation and employment.

60. Mr. President, despite the above accomplishments in the traditional sectors, there is an urgent need for a more diversified economy. Our partnership with MSR Media was the first step in our efforts to adopt the film industry as an alternative economic sector in our quest to diversify our economy away from the traditional sectors of retail trades, tourism, construction and financial services. We must aggressively seek to promote Nevis as a full-fledged movie-making destination. We have seen the tremendous economic benefits that can be derived from the development of a film industry as an additional revenue generating sector while serving as a means of harnessing the creative energies and talents of our young people.

61. I wish to report that a total of 35 individuals were able to gain full time employment by MSR Media during the filming of these four(4) feature films along with the contracting of services of a number of business entities including professional firms, equipment and vehicle rental companies, hotel and villa accommodations, transport, food, security and other services. The direct contribution of MSR Media to the local economy amounted to approximately \$3.5 million with counter-part funding from the NIA in the amount of approximately \$1.0 million. This pivot towards the film industry was a welcome boost and it provided vital employment opportunities at a time when a number of our people were laid off and in search of gainful employment. Mr. President, the skillset required to support the film sector must now feature in the programs to be offered at our TVET centers. The area of cosmetology is one of the intended programs which will serve to enhance the existing skill sets of those persons interested in becoming make-up artists.

62. Mr. President, having now analyzed the economic effects of this new industry, my Administration will immediately seek to develop a more detailed framework to promote Nevis as a film making destination. This framework will be developed in conjunction with our hoteliers and other participants in the tourism sector as this industry must serve as a means to complement our existing tourism promotional efforts with the ultimate goal of raising the occupancy levels at our hotels. A key feature of this framework will be a detailed package of fiscal incentives offered by government and the hotel and allied sectors. The experiences gained and skill sets developed by our people during these film making exercises must prepare our people to attain even greater roles in the film industry at the regional and international levels. This will also serve as an incentive to pursue career paths in this industry. This framework will be displayed on the NIPA website and will serve as a clear indication of our commitment to attract and develop viable partnerships with producers in the film industry.

4.2 Tourism and the Environment

63. Mr. President, this current fiscal period has been a year full of challenges for the tourism sector and has demanded creativity and proactive responsiveness from the Ministry of Tourism, the Nevis Tourism Authority and our numerous tourism stakeholders. These challenges became even more pronounced as the pandemic raged worldwide causing severe havoc in all our tourist markets and generating uncertainty in tourism demand. In response to this, it is imperative that we focus our attention on measures designed to recapture our pre-COVID-19 momentum and restore sustainability in our tourism sector.

64. Our efforts must now be geared at ensuring that Nevis stays current in our existing tourist markets. We must undertake an aggressive marketing and public relations campaign to regain the interest of potential visitors in an effort to restore buoyancy to our tourism sector.

65. To this end the Nevis Tourism Authority recently launched a brand-new website that combines stunning destination imagery with easy-to-read information clearly outlining the unique features of our luxurious Caribbean island. The website, which has already garnered positive reviews, provides an opportunity to communicate, inspire and engage with potential visitors. The new layout combines a sleek design with rich content and updated photography giving visitors to the site a true reflection of the destination with easily understandable details of our uniqueness.

66. Mr. President, we are also happy to report that the respected travel publication Conde Nast Traveller included Nevis in their Readers Choice 2021 list of the top 20 Island destinations in the Caribbean and the Atlantic. Nevis appeared in the #2 spot, with a rating of 94.27 and was surpassed only by St Barths. Nevis is known for its tranquility, its un-spoilt natural beauty and its association with famous personalities such as Alexander Hamilton. We must say thanks to all of the tourism stakeholders and agencies for their efforts which contributed to Nevis earning this accolade.

67. As we seek to adapt and diversify the activities of this sector, the Nevis Tourism Authority was very instrumental in facilitating MSR Media's filming operations on Nevis. The NTA has been very instrumental in attracting another production film company, Anna Barbara films, with offices in the UK and Los Angeles to choose Nevis as a destination for film production. Every effort will now be made to promote the destination for future film opportunities as we seek to diversify our tourism product offerings.

67. Mr. President, as we move forward to stimulate activity in this sector, the quarantine requirements for fully vaccinated visitors will shortly be removed. It is our hope that this will serve as a stimulus for an increase in visitor arrivals and increased bookings at our hotels, guest houses, restaurants and tour operators. We have also seen the return of cruise tourism to our shores after a hiatus of nearly two years with the inaugural call of World Navigator of the Mystic Cruise Line on October 24, 2021 with a capacity of 200 passengers. Passengers enjoyed bubble tours of Botanical Gardens and Pinneys Beach and from all accounts were very satisfied with their experience. We expect several additional calls this cruise season and are actively engaged in getting additional sites and excursions approved to provide a wider variety of offerings to our cruise guests.

68. In the context of community-based tourism, the Ministry also hosted the 2021 Nevis Garden Competition which saw 22 participants compete in the household category and 7 participants in the business category. We congratulate all of the winners and will continue to support this competition given the importance of vegetable and ornamental gardens to our food security and the aesthetic appeal of our destination. We thank our many sponsors and partners, including the embassy of the Republic of China (Taiwan), IICA, a host of private sector companies and the Departments of Agriculture and Gender Affairs for their valuable partnership and tangible support offered in a time of limited resources.

69. Mr. President, we continue to provide support for our artisan vendors by ensuring that the Artisan Village at Pinneys Estate provides a visitor-friendly welcoming experience. We also hosted our first ever night market on April 24th which provided additional commercial exposure for our resident vendors and other artisans. We must take this opportunity to encourage our

valued artisans to take full advantage of the opportunity afforded them, to get fully vaccinated and to open their shops regularly especially on the days of cruise ship arrivals so that the purpose and objectives of the Artisan Village can be realized. Another night market will occur on Saturday December 11, 2021 and all are invited to attend.

70. We must provide an improved and re-energized experience for our visitors. In this regard, work is ongoing to upgrade our heritage sites to enhance our visitor experience. We have completed the fencing at the New River site in preparation for developing an agro-tourism project at that location. This project will provide educational and interactive visitor experiences highlighting the key agricultural products such as sugar, cotton, coconut, tobacco and indigo which played a critical role in Nevis' economic history.

71. Mr. President, we are thrilled to announce that Pinneys Park is scheduled to officially open on December 19th, 2021. This is a momentous feat which is the result of much effort and collaboration among various ministries and organizations, as well as the generous financial support of our dear friends at the Republic of China (Taiwan). We anticipate that Pinneys Park will become a mecca for recreation, and leisure for families and a highly sought after venue for a host of private and corporate events. The Park boasts a unique lawn covered visitor centre comprising four (4) open and customizable meeting room spaces. In addition, there are two commercial spaces hosting a smoothie shop and a game room with adjoining public restroom spaces. The Park also features a children's playground, a lawn amphitheater capable of hosting open air events for up to 200 persons and a trail which could host picnics and similar small events. The park is set on 8 acres of beautifully landscaped property with over three thousand (3,000) plants and will be managed by capable and experienced staff providing permanent employment for a team of approximately twelve (12) persons.

4.3 Repositioning the Agricultural Sector

72. Mr. President, the continued effects of climate change which has manifested itself in an erratic weather pattern with very little rainfall and extreme heat is seriously damaging yields for those farmers who engage in open field farming. It is not only affecting crop farmers but livestock farmers as well who have to struggle to find forage for their animals.

73. To combat the effect of global warming on the agricultural sector and in an effort to ensure food security under these difficult weather conditions our farmers must be incentivized to engage in smart and innovative agricultural practices. We are indeed pleased that we are now seeing a number of young persons becoming interested in agriculture, both crop and livestock farming, who are quite willing to embrace technology and bring an innovative and business savvy approach to farming.

74. Mr. President, the advent of Shade House technology has been a viable alternative and is proving to be the smart way of meeting our food production goals. This year we were able to secure five shade houses valued at more than \$70,000.00 which were distributed to experienced farmers on Nevis. During this fiscal year, we have also seen private investment by our local farmers in the establishment of at least six shade house productions. At present there are at least 22 shade houses island wide. It is a clear indication that many of our farmers are now prepared to adopt innovative techniques for crop farming.

75. The capacity for export has always been a challenge for the Department as there is still a lack of sustainable and consistent production to satisfy local demand and to export to our neighbouring countries. As a first step towards developing an export market for our agricultural produce, my Administration in June 2021 commissioned the Laurinson Parry Storage facility at Prospect consisting of six (6) walk-in refrigeration units. This facility has 3,500 cubic feet of storage space with the capacity to store in excess of twenty five thousand (25,000) pounds of fruits and vegetables. The primary goal of this facility is to enable farmers to extend the useful life of their fresh fruits and vegetables and to reduce wastage during bumper harvests. In order to achieve this objective, officers of the Department will be required to work closely with farmers

to determine proper crop rotation and planting cycles. This will help our farmers to efficiently ascertain the volume of production in relation to local demand as we now have the capacity to store the excess produce while we make the necessary arrangements to export these fruits and vegetables to our neighbours.

76. Mr. President, our incentive program to farmers will continue into the New Year so as to ensure a steady and consistent supply of local produce. Through this program, the Department has recently made several one-acre plots of land in the Low Ground area available to both crop and livestock farmers. In addition, the Department will continue to expand production at Indian Castle Estate where more than five thousand fruit trees are cultivated on 35 acres of land, focusing mainly on long term and traditional fruit crops. We will continue our cultivation of food crops at New River, Potworks and Prospect with the planting of onions, peanuts, sweet corn and beets. This strategy is a deliberate effort to ensure that the Department is not competing with local farmers who prefer to farm the more short-term crops such as lettuce, tomatoes sweet peppers, cucumbers, and melons to name a few.

77. The Department will continue its efforts in planting and maintaining traditional fruit or tree crops such as soursop, guava, avocado, golden apples, cashew and citrus. It will seek to foster a partnership with the Ministry of Health in bringing awareness and to educating the population about the nutritional benefits of local produce to encourage their inclusion in our diets.

76. Mr. President, the Department has now realized a dream of integrating agriculture with tourism by working with the Nevis Tourism Authority to convert the Cades Bay farm into a tourism product with both entertainment and educational value for patrons. This facility has received rave reviews even at this early stage and we are confident that over the medium to long term this site will be one of the major attractions for our visitors, providing them the opportunity to experience a variety of products made from our local fruits and vegetables.

77. Mr. President, the advancement of Agro-Processing as a viable economic sector will be encouraged as it continues to be a significant cottage industry with increasing demand for its

products. We must continue to encourage the growth of this sector as these value-added products represent a significant opportunity to extend the shelf-life of our local fruits and vegetables and develop an export market. We are thankful for the assistance from IICA and other allied agencies in establishing the Nevis Agro Processing Centre more than 15 years ago. The staff at the Agro-Processing centre must be congratulated for persuading at least four (4) supermarkets on Island to stock a range of agro-processed products such as local Fruit Concentrates, Gluten free Flours, Breadfruit & Plantain Chips.

78. Mr. President, in the area of livestock production, we are grateful for the continued support from the Ross University School of Veterinary Medicine for their assistance in enhancing the quality of the cattle at the Maddens Stock Farm. The introduction of new breeds to the herd is already having a positive impact. We are now seeing an improvement in the quality of animals at the Maddens Stock farm, and it is our intention to make these new breeds of animals available to farmers. This will result in an improvement in the breed of cattle island-wide with the ultimate goal of improving the quality of beef and beef by-products available for sale to consumers.

79. We are still yet to be self-sufficient in the production of beef as a large portion of our cattle stock was eradicated years ago through disease. We are now seeing renewed interest from farmers with regard to the rearing of cattle, and it is our hope that over the medium term, with the assistance of the Ross University of Veterinary Medicine, we can increase the quantity and quality of our cattle stock and be self-sufficient in the production of beef.

80. In a similar manner, the University made a significant donation of goats to the Department of Agriculture as we seek to restart and upgrade our small ruminant production program. The offspring of these animals will also be made available to local farmers in an effort to improve the quality of mutton available to consumers. This decision was based on an overwhelming demand for goat meat and a renewed interest from farmers to engage in goat rearing on a large scale.

81. In the area of pork production, the Department has been instrumental in introducing a new breed of pigs to farmers. Through our breeding program at the Madden Stock Farm, we have been able to make available an improved breed of the Duroc and large white piglets for sale to farmers thus improving the quality of animals on their farms. This program has been successful to date as we have sold at least thirty (30) piglets to farmers over the past six months with another thirty-six (36) projected to be available for sale before the end of January 2022. This program will continue throughout the new fiscal year. The ultimate objective of introducing these new breeds is to improve the quality of meat and meat products processed by the abattoir unit. This unit continues to distinguish itself with the quality of meat and by-products produced on an annual basis.

82. The main limiting factor in our ability to increase the output from the Abattoir Unit is the availability of animals. It is as a direct result of this challenge that my Administration sought the assistance of the Ross University of Veterinary Medicine to improve the quality of our breeds. We are encouraged as well by the support from the local community. Our records show that even with the closure of our hotels and restaurants, sales at the abattoir have increased.

83. Mr. President my Government is also committed to the development of a poultry sector to provide locally raised chicken to our people. Statistics show that chicken remains the most popular meat consumed in the Federation and millions of dollars are spent on imported chicken each year. We feel the time has come for Nevis to be self-sufficient in the production of chicken for local consumption and possibly export across the OECS region. To this end the Government has identified the necessary investors and should have a significant broiler production facility starting on Nevis during the next fiscal year.

84. Mr. President, while we have clearly outlined our policies and programs to reposition this sector, we must also focus on providing a healthy and safe working environment for the staff at the Ministry and Department of Agriculture. To this end, my Government having consulted with the Engineers at the Public Works Department, has taken the decision to demolish the existing premises and reconstruct a new office building to house the Ministry and Department of Agriculture. The present structure, which was a prefabricated structure, erected over 20 years is

in a state of disrepair and proving a health and safety hazard for the employees at this site. Provision will be made early in the new year to relocate the staff to an alternative site and commence the design and demolition work on that property. This is a multi-year project and we have allocated the amount of \$1.0 million in this budget to fund the cost of construction during the fiscal year 2022. Further provision will be made in the ensuing year to meet the additional cost as work progresses.

4.4 Redefining the Financial Services Sector

85. Mr. President, we continue to incentivize the Financial Services Sector as it is one of the main revenue earners for Nevis. During this fiscal year a revised schedule of fees was introduced at the Department to address routine regulatory requests, administrative and ancillary matters. These changes in the fee structure coupled with an increase in product registration resulted in increased revenue. The Departments' revenue collection stood at \$12.05 million as at September 2021, indicating an increase of 46 percent when compared to the amount of \$8.24 million collected for the same period in 2020.

86. Mr. President, contributing significantly to this increased revenue was a total of one thousand three hundred eighty-two (1382) new product registrations which represents an increase of 31 percent when compared to the same period in 2020. As at September 30th, 2021 there were 12,490 active entities on the register comprised of 8,657 International Business Corporations, 3,186 Limited Liability Companies, 529 trusts and 118 Multiform Foundations. In addition, there are three (3) International Banks, forty-five (45) Trust and Corporate Service Providers and six (6) Money Services businesses also on the register. As it relates to the international insurance services, there are three (3) International Insurance Brokers, sixteen (16) Insurance Managers and one hundred seventy-eight (178) active International Insurance companies also registered at the Department.

87. In an effort to enhance the level of service offered to our Service Providers, a new electronic, internet based, and multifaceted Corporate Registry Integrated Secure System ("CRISS") was launched on March 1, 2021. This CRISS system is already providing for the

electronic processing of at least 75 percent of the services offered by the Companies Registry. Licensed Trust and Corporate Service Providers (“TCSPs”) in Nevis are now able to upload documents and make payments electronically from the comfort of their offices.

88. Mr. President, the Financial Services sector by its very nature is a high-risk sector and the reputation of the jurisdiction relies heavily on the integrity and good character of the players in this sector. My Administration took the view that the establishment and implementation of a robust legal, regulatory and administrative framework for the licensing and supervision of Trust and Corporate Service Providers is essential for promoting Nevis as a well-regulated jurisdiction. In this regard we took the decision to introduce legislation to govern the actions of Corporate Service Providers and other persons operating in this sector in order to ensure that the reputation of the jurisdiction continues to be held in high regard.

89. Therefore, Mr. President, the Nevis Trust and Corporate Service Providers Ordinance 2021, was passed in this Assembly on 23rd March 2021 and was brought into force on 1st May, 2021. The Ordinance deals with the licensing, monitoring and supervision of all trust and corporate service providers. It makes provision for the establishing of a licensing committee; defines the regulated activities, the classes of licenses to be issued and grants authority to the Regulator to conduct onsite examinations without notice. The Regulations in support of this Ordinance were promulgated on 25th August, 2021 to operationalize the Ordinance and formalize the existing administrative procedures thus bringing the Ordinance into full effect.

90. Mr. President, the international banking industry has grown considerably since the promulgation of the Nevis International Banking Ordinance (NIBO) along with the associated regulatory and supervisory structures. There are presently three international banks licensed to operate in our jurisdiction. It is not our intention to have a profusion of international banks but rather to encourage the growth in those institutions that can bring real value added to our jurisdiction. An International Banking Division was formally established at the Department with the appropriate level of staffing and is charged with the responsibility of monitoring and regulating the activities of our international banks in accordance with the Basel Core Principles

which is the international standard in banking that governs the licensing and supervision of these entities.

91. The International Insurance sector continues to evolve and in an effort to respond to new and emerging risks and trends in this sector, amendments were made to the Nevis International Insurance Ordinance. These amendments are intended to make the Ordinance more pragmatic by allowing for the electronic filing of annual accounts, streamlining of the winding up process of international insurance entities while expanding the definition of insurance brokers.

92. The internationally recognized feature event, the Department's AML/CFT conference, will again be hosted in 2022 following a two-year postponement due to the ongoing presence of the COVID-19 pandemic. It is anticipated that next year's conference, which will be the event's 15th Anniversary, will feature engaging discussions with eminently qualified speakers and it will be designed to assist regulated entities improve their respective AML/CFT compliance programs.

93. Additionally, my Administration will seek to procure a data collection and analysis system that will enhance supervisory diligence and vigilance of entities in this sector. This tool will enhance data collections, validation, assessment and analysis, thereby providing accurate data that is immediately available for evaluation and reporting. This real-time high-quality data will allow staff at the Department to be in a better position to identify, score and mitigate risks. This tool will replace manual processes with automated data flows and online communications, thus reducing the cost and time spent on data collection and enable staff to focus on pre-emptive and early supervisory actions.

94. Mr. President, during the period March 15 – 26, 2021 the Federation of St. Kitts-Nevis underwent its 4th Round Mutual Evaluation on-site visit by the Caribbean Financial Action Task Force (CFATF). This mutual evaluation exercise was conducted to determine the level of our country's compliance and effectiveness in implementing the requirements of the Financial Action Task Force (FATF) Recommendations on combatting money laundering, the financing of terrorism and proliferation financing. This examination was conducted on a range of regulated entities including financial institutions, trust and corporate service providers and money services

businesses. The preliminary report has been provided for our review with the opportunity for us to submit any responses to the CFATF Assessment Team for consideration. This report was scheduled to be presented and discussed at the CFATF Plenary scheduled for November/December 2021 after which, we will be formally advised of our country's rating as issued by CFATF.

95. Once the CFATF Mutual Evaluation Final Report is completed and published, the Department will engage in implementing the recommended actions that have been identified by the Assessors. This may result in legislative amendments to product legislation as well as the allocation of additional resources to supervise new categories of regulated entities or sectors. We remain committed in working with other competent authorities and law enforcement agencies in meeting international standard requirements and industry best practices.

4.5 Infrastructure Development

96. Mr. President, during this fiscal year my Administration took the decision to invest in public infrastructure as a means of stimulating economic activity and recapture some momentum in the local economy thus creating employment for a number of our equipment operators and construction workers. As is widely accepted, the construction sector had to become the economic engine to keep our momentum going.

97. As promised in my last budget address, work commenced on the Butlers Village Road Project during the month of May 2021. The majority of the construction activities centered on the upper section of the village road. These works included the construction of retaining walls, relocation of utility poles, realignment of driveways, construction of drains and the paving of this section of the road. The construction of these retaining walls and the realignment of driveways were undertaken by contractors and equipment operators from Butlers Village itself, spurring employment and economic activity in the community.

98. Moreover Mr. President, work is also continuing on the main Manning's/Butlers Road and along the Range Road with the laying of water lines in preparation for physical construction

work which will commence shortly. This road project is indeed transforming the community of Butlers. Consistent with the policy of my Government we are building Nevis for us and by us.

99. Road alignment was also undertaken in the Charlestown area on the section of road leading from Jew's Street to the Maude Cross Preparatory School. These works included the reconstruction of all curbs and the road carriageway, the resurfacing and realignment of the roadway including the redesigning of the intersection at the top of Happy Hill Drive and Marion Avenue, the relaying of underground utility lines, installation of a concrete box culvert drain, widening of the corner intersection of Government Road with Jew's Street and the enhancement of the sidewalk adjacent to the Anglican Church Manse wall with concrete paver bricks.

100. Work also continues on the road section at Chapel Street from the entrance to the Charlestown Methodist Church to the Maude Crosse Preparatory School. Other road works undertaken in the Charlestown area include milling & resurfacing of the roadway at Market Street, Happy Hill Drive, Main Street stretching from the Memorial Square to Government Road and along Prince William street stretching from the Court House to the water front. These works also include the refurbishing of the dilapidated concrete drain at the end of the road at Gallows Bay. These improvements in the road network are in an effort to ease traffic congestion in Charlestown while making these areas safer for pedestrians.

101. Mr. President, in preparation for the hurricane season and in an effort to protect the properties of residents, extensive drainage work was carried out along water courses in Ramsbury and Newcut Road/Craddock Road. Approximately 400ft of U-drain was constructed at Newcut Road along with 430 ft. of similar drains at Ramsbury so as to eliminate stagnant runoff water which was proving a health hazard and a breeding ground for mosquitoes. We have also completed designs to rectify the drainage issues at Paradise Estate, at the section of road leading up to Barnes Ghaut Village, and along the Island main road at Pinneys Estate in the area adjacent to the Pinneys Hotel. Mr. President, the total expenditure on both major and secondary roads for the period January to November 2021 amounted to \$6.96 million.

102. Mr. President, our road rehabilitation program for the upcoming fiscal year 2022 include the completion of the works on the Butlers Village Road Rehabilitation Project and commencement of work on the Bath Village Road Rehabilitation Project Phase 2. Preliminary redesign work has commenced on the realignment of the Island Main Road from Cliff Dwellers northward through to Camps Junction in the vicinity of Ex-petrol Gas Station, as well as from Camps Junction to Cades Bay via Fountain Village and Westbury. It is our intention that once external financing can be arranged at reasonable borrowing terms, work will commence on these two projects using a phased approach over the next twelve (12) months. These are major projects that have the ability to stimulate economic activity on the island and have a multiplier effect on our economy.

103. Mr. President, other secondary road works will include milling and resurfacing of the Island Main Road from TDC Home & Building Depot to Four Seasons Golf Course, the By-Pass Road from Pinney's to Club Trenim, the rehabilitation of Pump Road from the Water Department to Club Trenim, with possible modification to the intersection of Pump Road with Government Road to improve maneuverability at this intersection. Also it is expected that several areas in Ramsbury will have some road rehabilitation works and drainage improvements. The milling and resurfacing of Main Street from Government Road to the ET Willet Park and Long Point Road from the Port to the roundabout by Valu-Mart, is also scheduled to be completed in the new fiscal year. Our total capital outlay projected to finance our road rehabilitation program for the new fiscal year amounts to \$10.0 million.

104. Mr. President, in the area of water resource management, climate change is negatively impacting our environment especially the natural water cycle on the island. It is having a severe effect on the level of rainfall annually, which has then led to a reduction in the rate of recharging of our water aquifers and the water supply at our natural springs. With this in mind, it is imperative that this Administration continues to pay special attention to the water sector so as to mitigate these effects and ensure that we have an adequate supply to meet our daily needs.

105. As a direct response to the issue, my Administration through the Nevis Water Department (NWD) has recently expanded the water infrastructure at the Hamilton Reservoir. We have

installed a water treatment system, constructed a 400,000 gallon Florida Aquastore glass fused water storage tank and installed a new steel roof on the old water storage tank at that site with a storage capacity of 300,000 gallons. The increased storage capacity of 700,000 gallons is in an effort to ensure that the residents of Charlestown and its surroundings have an adequate supply of water at all times.

106. In addition, my Administration has already made a significant down payment to the US based company, Florida Aquastore, towards the purchase of another glass fused steel coated storage tank costing US\$426,000. This tank will be installed at the Pond Hill Reservoir site as a replacement for the existing 180,000 gallon storage tank. It will have a storage capacity of 250,000 gallons increasing the capacity at that site by 70,000 gallons. It is expected that materials for assembling the tank will start arriving on Island early in the New Year and installation of the storage tank will commence soon thereafter.

107. These efforts at increasing our water storage are meant to complement the CDB Water Enhancement Program which was completed in 2020. That program did not provide for the supply of water but instead focused mainly on water distribution, with some storage capacity, and involved the laying of 21.7 miles of pipeline Island-wide, so that we could deliver water to the intended consumers. It is now the responsibility of my Administration to ensure that we have sufficient supply available for distribution to consumers.

108. Mr. President, it is still our intention to explore and drill for more water to augment our existing water supply so that we can meet the growing demand and mitigate the effects that climate change is having on our natural springs and aquifers. In 2016, we secured funding from the Social Security Board to facilitate this process and it is our intention to move with alacrity on this project over the medium term.

109. We have made tremendous strides in ensuring an adequate supply of water on island. We continue to appeal to all consumers to settle their bill payments on time and to seek payment arrangements with the Water Department for those who are in arrears. We have introduced the e-

Pay platform for bill payment making it easier and more convenient for customers to settle their water bill payments online at their own convenience using any electronic device.

4.6 Achieving Energy Sustainability

110. Mr. President, the UN Sustainable Development Goal (SDG 7) relates specifically to the energy sector and mandates that 100 percent of a country's population should have access to an affordable, clean and sustainable supply of electricity. We have already achieved that primary goal on Nevis as electricity supply is readily available in all communities island wide.

111. Our present generating capacity provided by the diesel engine generators at the Prospect Power Station stands at 11 MW with a peak demand of 9.36 MW. At this peak demand this provides a very narrow surplus capacity in the event of failure of any of our generating sets. Based on projections, the demand for electricity in Nevis is expected to grow by an average of 3 percent per annum over the next three years and 1.5 percent thereafter. The total number of electricity customers on Nevis comprises 6540 residential and 907 commercial customers along with 183 electricity connections for the various entities of Government.

112. Mr. President, the above data puts our electricity generating system in a precarious state and a high degree of risk in the event of engine failure or engines taken offline for routine maintenance. This will result in the curtailment of supply to some consumers due to inadequate reserve capacity at the plant. In response to this and in an effort to ensure a continuous adequate supply of electricity on island, a new 3.8 MW generating unit is currently being installed at the Power Station at a cost of just over US\$ 6.0 million. This unit is expected to be fully installed, tested and ready for commissioning in January 2022. This additional capacity is critical to the reliability of supply over the next three years and will provide the necessary backup capacity. With this additional generating capacity in place, work can now proceed to rehabilitate a number of existing engines with a view to improve their reliability and efficiency thus reducing operating and maintenance costs, fuel consumption costs and a general reduction in the carbon emissions generated per Kilo Watt Hour.

113. Mr. President, even as we have taken steps to ensure a reliable supply of electricity using fossil fuel generating sets, we are still determined to pursue the exploration of renewable energy to reduce carbon emissions as part of the global initiative to fight climate change. Over the medium term, Nevis is set to play a major role in this global initiative as we possess huge renewable energy potential in the area of geothermal energy.

114. Mr. President, plans are still in place to construct a 10 MW Geothermal plant at the Hamilton Estate (N3 Site) to meet local demand. There have been many challenges with this project primarily in the efforts of the developers to identify suitable financing to carry out the next phase of the project. However, discussions are now at an advanced stage with Caribbean Development Bank for financing the drilling phase of the Geothermal Plant and we are more than hopeful that the project will see the production of energy not later than mid-2023. We expect the developers to be on island during December 2021 during which time we shall update the public more specifically as to when drilling and plant construction will commence.

4.7 Crime Fighting and Security

115. Mr. President, my Government continues to make national security a central part of our governance agenda. We are aware that the safety and security of our people is the sacred duty of every government and an important pillar in the creation of a vibrant, robust and stable society.

116. There has been a reduction of 9 percent in violent crimes in Nevis as at October 31, 2021 when compared to the same period in 2019. It should be noted that in the year 2020 we experienced several instances of severe lockdowns and nightly curfews and as such the year 2020 was not considered to be an adequate source of comparative data for our analysis. We must give thanks to our diligent and dedicated law enforcement officers for the critical role they have played in making this possible.

117. However, Mr. President, we are deeply saddened that a few weeks ago there was a double homicide where two youngsters were senselessly killed. Our condolences and prayers are with the families of these two young men and all others who have suffered from criminal activity. I

appeal to those who are determined to commit similar criminal offences to immediately desist from these practices. A life of crime eventually leads only to the jail house or the cemetery. My Government remains fully committed to keeping criminal activity at an all-time low and we pledge to give our undying support both moral and financial to the brave men and women of our security forces.

118. Over the years, our willingness to support our security forces has been demonstrated in the construction of the Gingerland Police Station, the Cotton Ground Police Station, the Police Barracks at Bath and Butlers and the recently constructed Newcastle Police Station. In addition, we have pledged the amount of \$550,000 in this budget to provide additional equipment and services for the security forces stationed on Nevis.

119. Mr. President, while we are reasonably satisfied with the progress made in the fight against criminal activity on land, the protection of our borders and the controlling of illicit activities at our borders are still a major concern for my Government. In an effort to control this problem and increase surveillance of our borders, I am delighted to announce that very shortly we will witness the permanent stationing of a Coast Guard Unit at the Long Point Port. This will bolster our crime fighting capabilities in deterring and intercepting illegal activities in our waters and along our coastlines. This will indeed be a historic moment for us and is a clear indication of my Government's continued commitment to the safety and security of our people in partnership with the Federal Ministry of National Security.

120. The rolling out of our CCTV program in support of our crime fighting efforts continued during this fiscal year with the laying of fibre optic cabling from Charlestown to Fothergills in Gingerland and extending to Cotton Ground as well. A total of seventy-five (75) CCTV cameras have been installed in various locations along these routes including in and around Charlestown and its outskirts. Our brand new state-of-the-art CCTV Command Centre, which is a major part of our crime fighting apparatus, is now fully functional with the appropriate level of staffing to fully execute this program.

121. Mr. President, the evidence is abundantly clear that CCTV programs enhance public safety by providing material evidence for crime prevention and detection while also acting as a deterrent to criminal activity. My Government remains indebted to the ROC (Taiwan) for its generous support of this program which we are gratified to confirm has enhanced the safety of the island.

5.0 RESTORING OUR FISCAL SUSTAINABILITY

5.1 *Transforming the Education Sector*

122. Mr. President, the Ministry of Education has a renewed resolve to implement the support mechanisms which will foster an environment of success, particularly in the face of the ongoing pandemic. As such, the Ministry's theme, **“Education for the Future”**, is the guiding principle for the delivery of the objectives as outlined in our Education Sector Plan.

123. It is no secret that the COVID 19 pandemic has negatively affected the teaching and learning process resulting in the delayed resumption of classes for the school term and the temporary suspension of some classes due to contact tracing. However, the Ministry of Education continues to navigate these challenges and to embrace opportunities to be innovative in their approach to the delivery of education. We have taken proactive steps to re-position our Education System to prepare our students for successful futures regardless of the challenges.

124. Mr. President, the delivery of education can no longer be limited to a single system of face-to-face modality even though regarded as safe and child-friendly but must be coupled with the virtual classroom where the two systems can run simultaneously. In preparation for this dual faceted system for the delivery of education, my Administration has committed substantial resources for the development of virtual classrooms with all mechanisms in place to facilitate a seamless transition at the required time. We have substantially upgraded the internet bandwidth at all of our schools to ensure reliability in connectivity and embraced the online platform Microsoft Teams as our preferred platform for the delivery of the virtual classroom.

125. I am happy to report that all schools have transitioned to the online platform and are now able to deliver teaching through the virtual classroom. These systems were fully tested and proven adequate during the latter half of the school year 2020 and continuing into this fiscal year. Our students and teachers were able to function in the physical classrooms and deliver face-to-face instructions for part of the day and later transitioned into the virtual environment for teaching for the latter half of the day. This focus on technological integration in our education

system extends beyond our ability to conduct virtual classes and incorporates our thrust to utilize technology in all facets of the classroom. Additionally access to the Microsoft 365 platform provides students with additional applications, such as the Microsoft Office Suite, which will be very helpful in preparing various school assignments.

126. This year, the CXC examinations took place amidst many challenges. The examinations schedule was extended and the testing dates were moved to dates that were later than in previous years. Due to the pandemic our students, teachers, non-instructional staff and administrators had to navigate community spreads, lockdowns and many uncertainties to be able to complete the examinations during the scheduled period. Despite these challenges in the administering of the overseas exams, our students did remarkably well. Even though the examination results are not yet finalized we must commend our students for their outstanding performance notwithstanding these challenges.

127. There has been a concerted attempt to increase parental engagement and partnerships within our school system. The Early Childhood Unit, with support from UNICEF, hosted a three-part early literacy series captioned **“Read With Me”**. At these interactive sessions, parents of students of all preschools were introduced to tips which support literacy development at home. This literacy series was accessible to parents virtually and this option provided the opportunity for us to increase the number of parents and households participating in the sessions.

128. Mr. President, as the longstanding relationship with the Republic of China (Taiwan) continues to bear fruit, secondary school students were exposed to the Mandarin Language during the last school year. The program was also extended to include short sessions for teachers, ministry staff and the general public. As a result, classes in Mandarin are now being offered to students and the wider community with the aim of affording the opportunity for participants to take the Test of Chinese as a Foreign Language. This initiative is facilitated by a volunteer teacher, trained in Mandarin, from the Republic of China (Taiwan).

129. Mr. President, my Administration is cognizant of the importance of Technical Vocational Education Training (TVET). This will ensure that our school leavers are awarded a level of

competency enabling them to find gainful employment. It was for this very reason that the Federal Government in conjunction with the Nevis Island Administration embarked on the ongoing TVET Enhancement Project for St. Kitts and Nevis. This Caribbean Development Bank funded project involved not only the construction of physical training facilities but also the provision of equipment as well as scholarship training and other short-term courses for the instructors. Importantly Mr. President, a total of eight (8) Nevisian instructors have been trained or are currently receiving training under the project in the areas of Cosmetology, Industrial Technology, Agricultural Science, Electrical Engineering and Computer Science to facilitate the program at the two centers to be constructed on Nevis.

130. I am happy to report that work on the physical classroom facility at the Gingerland Secondary School is now complete. The total expenditure to date amounts to \$2.01 million of which my Administration has provided counterpart funding of \$305,525.00 with the remaining amount of \$1.7 million covered by the TVET loan funding from the Caribbean Development Bank. The official opening of the training centre and commencement of classes is projected for early in the New Year.

131. Mr. President, our attention must now turn to the renovation and expansion of the current structure at the Multi-Purpose Centre at the Charlestown Secondary School to facilitate a similar program for students at that school. Mr. President, I am advised that the design work is in the final stages of completion, and we expect to receive the final drawings and tender documents early in the New Year. Thereafter, the bidding process will commence and contracts awarded as we expect construction work on this facility to commence during the upcoming fiscal year. The estimated cost for constructing the TVET centre at the Charlestown Secondary School is approximately \$6.2 million.

132. Mr. President, I wish to reiterate that the TVET curriculum to be executed at these centres will be geared towards “hands on training” for all students as some of these subject areas can now be sat at the CXC level. In addition, efforts will be made to extend the training to persons already out of school as TVET training must be seen as an avenue to get our people technically certified so that they can compete effectively in the job market both locally and

beyond. The advent of formal technical vocational training is an exciting moment in the transformation of our education system for the benefit of all and we anxiously await the full roll out of the program.

133. We continue to be thankful to our allied partners for their timely and generous donations to the Ministry and Department of Education to aid the various schools island wide. Mr. President, special mention must be made of the Windsong Foundation for their timely donation of three new coaster school buses to our fleet. This has greatly enhanced our efforts at ensuring that our students, especially those travelling from the rural areas, get to and from school in a safe and timely manner. We encourage other entities to partner with us in similar fashion to assist in the delivery of education to our children.

5.2 Repositioning our Health Care Sector

134. Mr. President, the COVID-19 pandemic has required us to demonstrate renewed commitment to the health and well-being of our people. It has changed the way healthcare is now delivered, experienced and assessed. It is obvious there is a positive correlation between the health of our citizens and the level of economic activity and output. The evidence is clear that countries with an aging population and persons having high levels of comorbidities were hardest hit by the pandemic resulting in high rates of infection, illness and death. Some of these economies suffered heavily as a result of prolonged periods of lockdowns in order to bring the virus under control. This then led to business closures and downsizing which resulted in large numbers of persons becoming unemployed.

135. As a region comprised of small island developing states, it is imperative that we successfully tackle the COVID-19 health crisis and bring it under control in the region and especially here on our island. Vaccination has proven to be the only effective way to quickly bring this virus under control. The World Health Organization has advised that a 40 percent population vaccination rate by 2021 and 70 percent by mid-2022 is the bench mark of a successful vaccination program. As at November 2, 2021 the Federation has achieved a vaccination rate of over 46 percent of the total population being fully vaccinated, which includes

72.7 percent of adults fully vaccinated and 9.1 percent of children aged 12 to 17 fully vaccinated. In Nevis 47 percent of the total population has been fully vaccinated as at November 07, 2021. In comparison to the rest of the region our Federation has taken the lead in this regard.

136. Mr. President, my Administration has been proactive in ensuring that actions are taken to tackle COVID-19 related issues through timely response, testing, isolation, quarantine and treatment. The introduction of the AstraZeneca and now FDA approved Pfizer vaccines has provided an extra layer of protection to compliment the non-pharmaceutical measures. However, we urge individual and collective responsibility among our residents if we are to bring this pandemic under control.

137. Over the past year, the pandemic exposed critical challenges in our healthcare system and magnified the growing need for a skilled workforce. This sector has always been challenged with an undersupply of various skilled health professionals. While there appears to be an oversupply of general practitioners, the current shortage of nurses, specialist physicians and allied technicians remains a concern if we are to address the critical needs of our people. Although there are mechanisms in place to assist those who wish to pursue a career in nursing at the Clarence Fitzroy Bryant College, my Government must now facilitate a program to incentivize our general practitioners to specialize in various areas of need.

138. Through our strategic and diplomatic partnerships, the Ministry of Health & Gender Affairs received generous donations of ventilators, oxygen concentrators and masks from the government of the Republic of China (Taiwan); disinfecting and sanitizing supplies from private and corporate entities, two PCR machines, namely the Gene Expert and the Quantum Studio 5, courtesy of Mr. Patrick Drahi and the Government of Japan respectively; a forty bed field hospital and a generous supply of Pfizer vaccines from the Government of the United States of America. We are also grateful for the assortment of medication and the AstraZeneca vaccine which were donated by the government of India and for the various COVID-19 related supplies that we received through the Pan American Health Organization (PAHO).

139. Mr. President, to complement these donations, my Government invested in a number of COVID-19 related equipment and supplies namely, two Ventilators costing EC\$106,695.90, a Point of Care Machine at a cost of US\$26,877.61, a Vaccine Refrigerator costing US\$13,531.00, additional hospital beds, a Chemistry Analyzer and other associated PCR testing supplies.

140. During the upcoming fiscal year 2022 efforts will be made to prioritize preparedness so that we can effectively respond to future pandemics and other public health emergencies. In pursuit of this, we must continue the upgrade of critical capacities of the hospital and other health facilities to improve efficiency and the quality of services. To enhance the services offered at the hospital, my Administration will seek to provide PCR testing and specialized chemistry tests and will acquire a mammogram machine to add to the services presently offered.

141. Mr. President, a CT Scan Machine at a cost of US\$839,000.00 will be commissioned shortly thanks to the Patrick and Lina Drahi Foundation. It is my Government's intention also to establish a Central Medical Stores which will help with the management of all vital equipment and medical supplies within the Ministry of Health. A parcel of land has been identified and discussions have started with PAHO to assist with the design and layout of the constructed space.

142. If we are to be successful in the fight against the COVID-19 pandemic, the critical management of chronic health conditions and preventative health strategies must remain a priority on our national health agenda. We must intensify our health promotion and education programs to encourage healthy lifestyles so as to prevent and aid in the speedy recovery from illnesses. We are delighted that as a result of having the COVID -19 protocols in place there has been an increased awareness of personal and public hygiene measures as well as an increasing thrust towards maintaining good healthy lifestyle practices. We must continue to place greater emphasis on public health so as to address the societal and environmental factors that increase the likelihood of exposure and disease and guide actions aimed at protecting and promoting health.

143. Mr. President, reliable and efficient health care can only be achieved if we have well trained and qualified human resource personnel. Continuous training of the staff paired with

acquiring of specialist doctors and nurses is a priority to attain excellence. We are grateful to the government of Cuba who deployed health professionals to aid us in our response to the crisis during the first 18 months of the pandemic. My Government however will endeavor to address workforce issues related to shortages, through training and recruitment and effectively deploy existing professionals to ensure the quality of health care is not compromised.

144. The Ministry continues to provide the proper infrastructure to ensure that adequate facilities are available to give optimum care. Renovations have been done to various health facilities and plans to rebuild the Charlestown Health Centre have been mobilized. The hospital expansion interior layout plans have been completed and work has already resumed at that critical project. The Alexandra Hospital has now embraced technology by utilizing a Health Information System to aid in the delivery of quality health care. This technology is very important in delivering high-quality and safe care as it acquires, stores and analyses medical data. The second tier of this project will be the rollout of this system into our health centres across the island.

145. Mr. President, the rapid health care response and the philanthropic mobilization around the COVID-19 pandemic has been impressive and unparalleled. We owe a debt of gratitude to our Task Force both federally and locally, our front-line health and allied care workers, local and foreign individuals, businesses, regional and international organizations and friendly governments for supporting our response. Institutions such as PAHO and CARPHA never wavered in their commitment to the fight against the COVID-19 pandemic. My Administration would like to place on record its profound thanks to the various agencies and organizations for their generosity in granting assistance in training or donation of resources, equipment and medical supplies.

5.3 Social Protection and Intervention Programs

146. Mr. President, the onset of the COVID-19 pandemic and its lingering effects of increased unemployment and underemployment especially among single parents and those at the lower end of the social strata resulted in an increased demand for assistance under our social safety net programs.

147. During this fiscal year the Department recorded a substantial increase in applications for food and other household living assistance from persons who were affected economically by the pandemic. Our efforts to respond to this increased demand was made possible through collaboration with regional and local entities and organizations such as the South Florida Nevis Association, UNICEF, The Nevis Red Cross, Yachtsman Grill and the Four Seasons Resort. We must commend these entities for their generosity which allowed additional families to receive benefits under our existing social programs.

148. Mr. President, our program for our seniors was revamped due to the need to reduce social interaction so as to protect this vulnerable group from contracting the COVID-19 virus. All monthly recreational gatherings and in person training sessions for seniors were therefore temporarily suspended. In an effort to keep our seniors engaged during this period the Department took the decision to use online electronic platforms to execute the seniors program. To this end training sessions for the seniors and their field staff will be organized so as to ensure familiarity with the technology and the use of online communication platforms. Seniors who qualify and are able to, will be trained in initiating zoom and other such meeting and communication tools.

149. These training sessions are expected to commence during the first quarter of the new fiscal year. The trainers will organize and deliver training through the zoom platform and it is anticipated that field workers, family members and caretakers will assist the selected seniors in navigating the training. Once this training is completed, group communications and other suspended activities for the seniors will resume using the electronic platform. The Department is

optimistic about this venture as it has already carried out successful computer training program with this target group.

5.4 Engaging our Youth

150. Mr. President, programs for our Youth continue to be geared towards supporting the interests of all of our young people, through capacity building efforts, with a view to steer them along a path to becoming productive and self-sustaining individuals. The Department of Youth, through the CARICOM Youth Ambassadors' Program, secured grant funding from the Global Environment Facility (GEF) Small Grants' Program to finance a number of community based environmental projects throughout the various communities.

151. Ongoing programs such as the Youth Impact 12 Program and the St. Kitts and Nevis 25 Most Remarkable Teens Program, which are designed to celebrate youth excellence, were quite effective during this fiscal year. A total of nine (9) individuals were awarded through the Youth Impact 12 Program while three (3) teenagers were awarded for their sterling contributions to youth development under the 25 Most Remarkable Teen's Program.

152. Worthy of note is the interest of the Department in climate change advocacy. The Department deemed it critical for young people to become sensitized to the issues relating to climate change and the preservation of the environment. A number of initiatives were implemented including the appointment of Green Ambassadors, the production of a Save the Earth music video, Youth Beach Games (with emphasis on marine conservation), and the Conversations in Nature Talk Show. The music video was also showcased at the United Nations Climate Change Conference (COP 26) held in November 2021 in Glasgow, Scotland.

153. Mr. President, we continue to make great strides in rehabilitating our at risk youth as we seek to steer them onto an alternative and productive path. We continue to commit resources through our ongoing training sessions hosted at our newly opened facility at Pinney. These sessions which form part of the 7th cycle of the **“YES TO SUCCESS”** program are designed to provide skills training, critical awareness and life skills for our youths.

154. During the period September to December 2021 our youths participated in a four-month skills training session to develop their competency in the area of plumbing and electrical wiring. In addition, our skills training centre also facilitated a UNICEF sponsored Hospitality Preparedness Training aimed at persons seeking employment in the hotel and restaurant sectors. Based on the success to date, we are quite confident that this **“Yes to Success”** Youth skills training & Diversion site is achieving its objective of providing an avenue to rehabilitate our at risk youth and put them on a path to a productive future.

155. Mr. President, during the fiscal year 2022, the Department will further engage in programs to strengthen and regulate the operations of all youth-serving and youth-led groups and organizations and to celebrate with youth practitioners. A twelve months’ GEF-funded Youth Group Capacity Building Training will commence in the New Year where the Department will be required to conduct a social audit of all youth-led organizations to determine their level of compliance with the national youth policy.

156. But Mr. President as a government we can only do so much. We therefore call on all parents, our religious leaders and other persons of influence in our community to partner with us to help save our youths. Over the years we have lost too many talented youths through gun violence. Nevis and the wider Federation has been robbed of their contribution to national development. This must be of serious concern for all of us and it will require the actions of all if we are to avert this trend. The time for youth is not in the future. The time for youth is now. We must ensure that our young people are given the opportunity to live productive lives.

6.0 SOLUTIONS FOR OUR HOUSING NEEDS

157. Mr. President, the Nevis Housing and Land Development Corporation continues to spearhead the housing revolution with the objective of providing affordable housing solutions to residents at a reasonable price.

158. Housing construction has commenced in full at developments at Maddens, University Heights, Craddock Road, Hamilton and soon to start at Rices and Prospect. These various development will deliver some 104 quality homes in quality neighborhoods to families across Nevis. The expenditure here will contribute significantly to the economic activity on Nevis in 2022.

159. There are currently some 5 remaining lots of land for sale at Eden Browne Estate and 25 lots currently available for sale at Morgans Estate. In addition, I am proud to announce that the Government is finalizing plans to purchase some 36.16 acres of land at Garners Estate which will be subdivided and made available to those at home and abroad who wish to own a piece of the rock. This is forward thinking Mr. President and we applaud the NHLDC for its efforts on behalf of the people across Nevis. We urge our people to avail themselves of the opportunity and acquire land for themselves and their families for future housing development.

160. I am also delighted Mr. President that the cries of the good people of Cherry Gardens were heard and answered by my Government. In that development more than 50% of the homeowners complained of serious defects to their sewage disposal systems. My Government committed to fix the problem and I am proud that we honored our commitment and brought relief to some 42 families in that area. As a result our residents in Cherry Gardens are now more comfortable in their homes and the health risks posed have been eliminated.

7.0 FISCAL PROJECTIONS 2022

7.1 Fiscal Measures

161. Mr. President, as we turn to our fiscal measures for the new budget period, the objectives of my Administration will focus on stabilizing and consolidating our current fiscal situation. We are fully aware that the economic performance experienced prior to the onset of COVID-19 will not be restored immediately but we are optimistic that there will be gradual improvements in economic activities during the new fiscal year as we set out to rebuild our economy in the post COVID-19 era. We will continue to take steps to consolidate Government spending and incentivize the private sector by encouraging the growth of the small business sector while also seeking to attract foreign direct investment as part of the rebuilding process.

162. With this in mind, my Government therefore presents a budget for the fiscal year 2022 that is free of any new taxes, levies or fees coupled with a package of incentives to stimulate growth and economic expansion across all sectors of the economy.

163. Mr. President, we will continue to extend our existing fiscal incentive programs such as the first time home owners program which is designed to stimulate growth in the construction sector by providing concessions on building materials to residents of Nevis wishing to construct their first home. In a similar manner, my Cabinet has decided to extend our COVID-19 Relief Construction Stimulus package for an additional six (6) months up to June 30, 2022. This program which was initially implemented in September 2020 provided similar relief for all residents on Nevis undertaking any form of construction activity with material costs in excess of \$30,000.00. Under both incentive packages, applicants are only required to pay the 17 percent Value Added Tax on purchases of building materials. To date a total of sixty three (63) residents have benefited from concessions under our COVID-19 Relief Construction Stimulus package.

164. Mr. President, I am happy to report that the data provided by the Department of Physical Planning indicates that there are 163 active construction sites Island wide that are being monitored by that Department on a daily basis. Our local suppliers of building materials are also

indicating evidence of increased sales over the past year as a result of our incentive programs to stimulate activity in the construction sector. This is a clear confirmation that both incentive programs are translating into construction activity on the ground and therefore jobs in our local economy.

165. Moreover, my Cabinet has taken the decision to extend our policy of the waiver of the Alien Land Holding Fee for an additional six (6) months up to June 30, 2022. This policy which was initially implemented in September 2020 provided a waiver from the payment of the Alien Landholding License Fee for all non-nationals wishing to purchase existing properties, specifically land and building but not applicable to the simple purchase of undeveloped land only. Since its implementation in September 2020 a total of 54 applicants have benefitted under the program generating sales of over \$74 million and Stamp Duty revenue for the Administration in the amount of \$4.5 million thus far.

166. Similarly, after consultation with our Realtors and in an effort to expedite sales of existing properties here on Nevis, approval has been continued for purchasers of any existing property in excess of US\$400,000.00 to qualify for citizenship under our Citizenship by Investment Program. This program is administered at the Federal level.

167. Our program for concessions for start-up business entities along with our program for concessions for entities operating in the tourism sector will continue into the new fiscal year. These are in addition to our existing concession package extended to our returning nationals and also our program to facilitate the movement of skilled persons into our island.

168. Mr. President, we will also publish via the NIPA portal an attractive package of concessions for the film and fashion industry to try and attract film makers, photo shoots and other creatives to Nevis as we try to build out the infrastructure to become a leading film and fashion destination in the Caribbean.

169. These measures will serve to stimulate activities in our real estate, construction and creative sectors and provide employment even as we anticipate the full turnaround of activities in the main economic sector of tourism.

170. Mr. President, we will continue to take steps to boost the growth of our revenues through:

- Strengthening our tax collection policies by implementing aggressive collection and enforcement measures and offering affordable payment installment plans as a means of settling arrears of tax revenue payable to Government.
- Continuing to streamline our policy for tax concessions and limiting exemptions from the various taxes only to areas as prescribed in relevant legislation, Cabinet policies or when necessary to be used as a short-term tool to drive the long-term benefits of increases in business activities, which ultimately lead to increasing employment opportunities for our people.
- Discontinuing the random policy of granting duty free concessions on vehicles but instead limiting concessions to only instances where the existence of the vehicle plays a vital role in the commercial activities of the business. The deciding test will be whether or not in the absence of the vehicle the core functions of the business will cease to exist.

171. Mr. President, we will continue to make a concerted effort to persuade our people to be responsible citizens and to honour their tax obligations. We will continue to enforce our existing policy whereby all persons or entities seeking to contract goods or services to Government must be current with their payment of all fees and taxes or would have made suitable arrangements for the payment of their taxes before entering into such contract.

172. In addition, such entities who are in default of a suitable payment arrangement will not be able to renew their business license or transact other business activities with the Inland Revenue Department until these matters are regularized or an adequate arrangement is agreed upon. It is only fair that as business entities benefit from the economic policies of the Administration that they pay their share of fees and taxes to allow Government the resources to further fund these programs. We therefore encourage all taxpayers to file and pay their taxes on time.

173. In the face of declining revenues due to a stagnant COVID-19 battered economy, we must continue our short term measures and align our expenditure with our projected revenues for the new fiscal year. Therefore, my Cabinet has approved the continuation of the following expenditure reduction measures for a further six (6) months up to June 30, 2022:

- Suspension of all overseas travel for all Public Servants, including Members of Cabinet, unless these travels are fully funded
- Maintain the monthly Travel Allowance payable to all Public Servants, including Members of Cabinet, at 50 percent
- Deferral of increments to all Civil Servants
- Deferral of any promotions of officers or upgrade in their Salaries and Wages
- Deferral of any new employment of officers into the Public Service. Where officers have exited the service we would first seek to reorganize duties among existing staff before employing replacement officers.

174. Mr. President, these short term measures will help us to contain our fixed monthly commitments within reasonable limits as we await the economic recovery in our main sectors.

7.2 Projected Revenues and Expenditure

175. Mr. President, having taken the above fiscal measures into consideration, the Expenditure Budget for the upcoming fiscal year 2022 is set at \$229.0 million. We have allocated the amount of \$180.9 million to recurrent spending representing 79.0 percent of the total budgeted expenditure.

176. Mr. President, having considered the likely improvements in the global economy and the resulting effects on economic activities on the Island, my Administration is projecting to collect the amount of \$131.4 million in Recurrent Revenue which represents a marginal increase of 2.5 percent when compared to the projected revenue of \$128.2 million for the fiscal year 2021.

177. We expect our Recurrent Revenue to be augmented by the remittance of at least \$45.0 million from the Federal Government in respect of a share of revenue under the CBI Program. Our combined total Recurrent Revenue for the upcoming fiscal period 2022 is therefore projected at \$176.4 million and when compared to the projected Recurrent Expenditure of \$180.9 million provides a deficit on the recurrent budget of \$4.5 million.

178. Mr. President, the amount of \$48.2 million has been allocated for the funding of our capital expenditure program. This represents a reduction of 22.8 percent when compared to the amount of \$62.3 million that was allocated for the fiscal year 2021. This reduction in Capital Expenditure is largely due to the substantial completion of work on a number of large value projects such as the Pinney's Park Project and the Alexandra Hospital Rehabilitation Project in addition to my Administration's policy to be conservative in our spending over the medium term.

179. We anticipate that funding for our capital budget will be comprised of grant funding from the Sustainable Growth Fund and from developmental partners. In addition, my Administration will seek loan funding from the St. Christopher & Nevis Social Security Board and from other financial institutions at concessionary rates not exceeding 3.5 percent per annum to complete the funding for these capital works.

180. Therefore Mr. President, a summary of resources projected to finance our 2022 expenditure program is outlined as follows:

- Current Revenue - \$ 131.2 million
- Projected minimum Revenues from CBI - \$45.0 million
- Social Security Loan and other Proposed Concessionary Loans - \$15.3 million
- Development Partner Funding and other Grant Funding - \$1.5 million
- Other Financing including increase in Overdrafts, additional transfers from the Sustainable Growth Fund and sale of Government Treasury Bills - \$36.0 million

181. Mr. President, while we have made these projections, I wish to reiterate that annual budgets are merely projections for revenue and expenditure based on the level of economic

activity and resource availability. The extent to which we roll out expenditure will naturally depend on our ability to access funding especially for executing the programs as outlined in our capital expenditure budget.

182. As a continuing policy of my Administration, I wish to assure the public that we will not be irresponsible in our spending. We will only seek to undertake projects if the funding is available, without putting undue pressure on our limited cash flows or if external funding can be accessed at low cost in accordance with our debt management strategy. I further assure you that if funding cannot be accessed at these concessionary rates, we will curtail our expenditure program and carry forward to the fiscal period 2023 any projects which were not executed due to lack of the appropriate financing.

183. Mr. President, the major allocations in our expenditure are as follows:

- The Office of the Premier is allocated funding in the amount of \$7.7 million representing 3.4 percent of the total budget. Included in this amount are funds allocated to support the security services and the expansion of our CCTV program in our fight against criminal activities.
- The Ministry of Finance is allocated funding in the amount of \$82.8 million representing 36.3 percent of the total budget. Included in this amount are funds allocated to meet our Debt Servicing obligations.
- The Ministry of Communications and Works is allocated funding in the amount of \$32.4 million representing 14.2 percent of the total budget. Included in this amount are funds allocated for our infrastructure development program namely the upgrading of our road network, maintaining of government buildings and other structures along with provisions for upgrading our water services.
- The Ministry of Agriculture et al is allocated funding in the amount of \$12.6 million representing 5.5 percent of the total budget. Included in this amount are funds allocated for our food sustainability and security, disaster mitigation, upgrading of our processing facilities and initial preparation for the construction of a new Ministry of Agriculture Office Building. *

- The Ministry of Health and Gender Affairs is allocated funding in the amount of \$34.0 million representing 14.9 percent of the total budget. Included in this amount are funds allocated for improvements to our health care facilities, procurement of specialized equipment and supplies as a direct response to the ongoing COVID-19 pandemic along with the final completion of the internal layout for the Alexandra Hospital Expansion Program.
- The Ministry of Tourism is allocated funding in the amount of \$5.2 million representing 2.3 percent of the total budget. Included in this amount are funds allocated for the repositioning of our Tourism Sector so as to recapture the momentum of the pre-COVID-19 era and for maintaining our various tourism products on island to enhance our visitor experience.
- The Ministry of Education, Library Services and Information Technology is allocated funding in the amount of \$33.7 million representing 14.8 percent of the total budget. Included in this amount are funds allocated for the delivery of quality education to our people, repositioning of the education system by adopting online platforms in support of the virtual classroom, executing work under the CDB TVET Enhancement Program and general maintenance of our educational facilities.
- The Ministry of Social Development, Culture, Youths and Sports is allocated funding in the amount of \$15.7 million representing 6.9 percent of the total budget. Included in this amount are funds allocated for the delivery of our social protection agenda, reorienting our at-risk-youths and improvements to our sporting facilities.

CONCLUSION

184. Mr. President, throughout my presentation this morning I have sought to clearly give an account of our stewardship by highlighting the numerous achievements of my Administration over the last twelve (12) months. These achievements clearly show that we are a resilient people and despite the many challenges posed by the COVID-19 pandemic, we were able to manage our resources well and have delivered on our commitments to the people of Nevis.

185. I have also sought to carve out a pathway to restore growth for the upcoming fiscal year 2022 and beyond, in a manner that will regain momentum at a level prior to the onset of the pandemic thus restoring fiscal sustainability in the economy. This pathway is an indication that we are putting the necessary mechanisms in place to deal with external and home-grown challenges.

186. However, the successful implementation of these policies and programs will require the collective efforts of all. My Administration will intensify our collaboration with the Nevis Division of the Chamber of Industry and Commerce, the Hoteliers, our Registered Agents, the Real Estate Agents, the Contractor's Association, our farmers and fishers and other key organizations including the Parliamentary Opposition Members and the Federal Government to drive economic growth in our beloved Nevis.

187. Mr. President, we call on the Nevis Division of the Chamber of Industry and Commerce to be proactive and to immediately conduct an assessment of business entities across all sectors of the economy with a view to determining which sectors have the capacity to accommodate new business entrants. The data produced from this exercise will drive innovation and creativity in new business development as too often new business entrants are merely prepared to enter the market in the traditional sectors rather than venturing into business areas that are innovative and unique.

188. We feel this assessment will serve to guide government in tailoring incentive packages in a manner that will stimulate business development in these new and emerging sectors of the

economy. We firmly believe that government incentive packages should be driven by active players in the economy such as the Nevis Chapter of the Chamber of Industry and Commerce and other organizations in order for us to maximize the benefits that can be gained through the various incentive programs.

189. Mr. President, we continue to recognize that the only way to improve the livelihood of our people and be able to provide for our essential services is to take the necessary steps to grow our economy in a manner that will increase our revenue base. Over the past eighteen (18) months we have not received any additional funds from CBI proceeds administered at the Federal level, to supplement our declining revenues in the face of the economic slowdown and in meeting the increasing health related costs associated with the pandemic. Your government has therefore been very prudent and innovative in managing the limited resources available to us on a daily basis to meet all our commitments in a timely manner.

190. The NIA has continued to receive a fixed monthly amount of \$3.75 million as a share of revenue from the CBI program. This amount does not reflect a proportional percentage share of CBI receipts and has remained constant despite the challenges of COVID-19 to the Nevis economy.

191. Mr. President an amount of \$56.0 million was received in 2015/2016 from the SIDF to fund specific capital projects on Nevis including the Treasury Building, the Alexandra Hospital Expansion Project, the Mondo Track and the Water Taxi Pier. However, I must also make it clear that the amount of the \$260.0 million of direct transfers to Nevis, which has been mentioned in many forums, was actually received from the Federal Government over a period of seven (7) years.

192. Mr. President, a major portion of these transfers are related to the funding of a number of specific programs. These include the roofing assistance program, the payment of double salaries and partial funding for the completion of construction and furnishing of the New Castle Police Station. These were not funds generally available for discretionary spending by my Administration to support the NIA's initiated programs.

193. Mr. President, I am sure all will agree that we have been a responsible government and our programs and policies are an indication of our dedication and our determination to succeed in delivering on our commitments to our people. The onset of the pandemic and its astounding negative economic effects have hampered our ability to fully deliver on all our programs over the past eighteen (18) months.

194. Nevertheless, we ask all our citizens and residents to keep the faith, to continue to support your government and to work to strengthen the hands of your leaders when called upon so we can continue to recapture the economic momentum and lead our island to better and brighter days for ourselves and our children.

195. Mr. President, the road ahead will be extremely difficult and will need strong, bold, decisive, tested and mature leadership, which my Government has provided and will continue to provide. As we try now to move beyond this dreadful pandemic, we must build back better and ensure that we keep our island in safe and stable hands.

196. Mr. President, I remain confident that despite the current challenges there lies a better and brighter tomorrow which we must all work together to achieve. I am confident that our best days are yet to come.

197. I end by thanking the people of Nevis for the faith and confidence they have placed in my Government. I take this opportunity to wish each and every member of this Honorable House and every man woman and child in our beloved island a Happy Christmas and a New Year filled with hope and optimism as we restore fiscal sustainability and economic growth.

198. Mr. President, Nevis is on the right track and I urge our people to hold hands and partner with us to Recapture The Momentum.

Mr. President, I so move.

9.0 ACKNOWLEDGMENTS

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

Caribbean Agricultural Research and Development Institute (CARDI)

Caribbean Development Bank (CDB)

Caribbean Institute for Meteorology and Hydrology (CIMH)

Caribbean Public Health Agency (CARPHA)

Caribbean Regional Technical Assistance Centre (CARTAC)

Caribbean Tourism Organization (CTO)

Eastern Caribbean Central Bank (ECCB)

Food and Agriculture Organization (FAO)

Inter-American Institute for Cooperation on Agriculture (IICA)

International Monetary Fund (IMF)

Kuwait Fund for Arab Economic Development (KFAED)

Medical University of Americas (MUA)

OECS Commission (formerly) OECS Secretariat

Organization of American States (OAS)

Pan-American Health Organization (PAHO)

Republic of China on Taiwan (ROC)

Sugar Industry Diversification Foundation (SIDF)

The Commonwealth Secretariat,

UNESCO & UNICEF

United States Embassy Barbados

University of the West Indies (UWI)

Mr. President, I wish to thank our citizens and all our social partners for their contributions to the various government programs; my Cabinet Colleagues for their demonstrated sacrifice to serve this country; Permanent Secretaries and Heads of Departments and all other Public Servants for their contribution to the success of the Administration over the past year.

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

CATEGORIES	Actual 2018	Actual 2019	Actual 2020	Actual Nov 2021
Total Revenue & Grants	191.70	179.55	173.84	149.63
Current Revenue	138.44	138.51	118.67	108.38
Tax Revenue	102.27	105.37	89.85	77.67
Taxes on Income & Profit	19.70	20.47	18.74	14.42
Of which: Corporate Income Tax	6.20	7.30	7.42	5.22
Social Services Levy	10.49	10.44	9.52	8.01
Taxes on Domestic Goods & Services	32.91	34.22	30.13	25.69
Of which: Stamp Duties	10.56	11.83	11.41	11.67
VAT	16.93	16.38	12.94	8.99
Taxes on Int'l Trade & Transactions	45.80	46.76	37.83	32.79
Of which: Import Duties	11.76	11.95	8.90	7.89
Customs Service Charge	8.99	9.92	8.26	5.90
VAT	16.11	17.31	13.55	12.40
Non-Tax Revenue	36.17	33.14	28.82	30.71
Of which: Financial Services	13.87	12.75	11.60	14.87
Supply Office	7.01	6.29	5.54	4.52
Water Services	5.68	6.49	4.50	5.88
Total Expenditure	198.35	207.59	181.13	157.19
Current Expenditure	147.53	150.27	134.45	124.80
Personal Emoluments	78.50	81.11	77.06	70.86
Goods & Services	35.10	36.38	28.34	30.24
Interest Payments	17.18	15.57	13.71	9.80
Domestic	14.43	14.36	12.51	8.81
External	2.74	1.21	1.20	0.98
Transfers & Subsidies	16.75	17.22	15.34	13.91
Current Account Balance	-9.09	-11.76	-15.78	-16.42
Total Grants	53.26	41.03	55.17	41.25
Capital Expenditure	50.81	57.32	46.68	32.38
Overall Balance	-6.64	-28.05	-7.29	-7.55
Primary Balance	10.54	-12.48	6.42	2.24
Principal Repayments	12.57	9.60	8.03	7.53
Domestic	4.64	6.27	4.52	3.92
External	7.93	3.33	3.51	3.61

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

	2016	2017	2018	2019	2020	Nov 2021
Total VAT Collection	32.64	32.61	33.03	33.69	26.49	21.39
VAT as a % of Current Revenue	24.56%	25.27%	23.86%	24.32%	22.30%	19.74%
VAT on International Trade	16.22	15.56	16.11	17.31	13.55	12.40
As a % of total VAT	49.69%	47.72%	48.76%	51.38%	51.20%	57.98%
VAT on Domestic Goods & Services	16.42	17.05	16.93	16.38	12.94	8.99
As a % of total VAT	50.31%	52.28%	51.24%	48.62%	48.80%	42.02%

**ANNEX III: COMPARATIVE SUMMARY OF AVERAGE MONTHLY EMPLOYMENT
BY SECTORS (2016 – 2021)**

Industry	2016	2017	2018	2019	2020	June 2021
Agriculture, Hunting & Forestry	113	114	123	134	120	133
Fishing	2	3	2	1	2	1
Mining & Quarrying	10	2	2	2	2	4
Manufacturing	82	89	88	102	83	65
Electricity, Gas & Water Supply	91	94	95	108	107	111
Construction	608	588	544	547	453	498
Wholesale & Retail Trade	635	643	675	707	646	681
Hotels & Restaurants	1,346	1,329	1,323	1,401	986	763
Transport, Storage & Communications	393	377	396	278	220	228
Financial Intermediation	210	206	206	231	230	274
Real Estate, Renting & Business Activities	240	258	276	304	281	327
Public Administration & Defense	1,323	1,808	1,809	1,855	1870	1867
Education	117	127	122	133	122	124
Health & Social Work	28	33	35	40	38	44
Other Community, Social & Personal Services	134	131	109	103	90	106
Private Household with Employed Persons	149	147	147	135	130	137
Extra-Territorial Organization & Bodies	-	-	-	-	-	-
Total	5,481	5,948	5,949	6,081	5,381	5,361

**ANNEX IV: COMPARATIVE SUMMARY OF PUBLIC SECTOR DEBT STOCK
(IN MILLIONS OF EC DOLLARS)**

	2017	2018	2019	2020	Oct 2021
NIA External Creditors					
CDB	33.64	33.42	30.57	27.30	24.34
KFAED	7.24	5.96	5.17	4.68	4.25
MICB	4.01	3.55	3.24	3.09	2.62
Taiwan ICDF	-	-	-	1.94	2.43
Total Outstanding External Debt	44.89	42.93	38.98	37.01	33.64
NIA Domestic Creditor					
SKNA National Bank	134.32	144.32	143.23	146.05	150.12
Bank Of Nevis	60.35	66.87	77.70	87.55	91.33
SSB	24.83	25.66	33.81	40.75	42.11
Treasury Bills Issue (OTC) 91 days	98.43	100.37	101.64	104.83	108.96
Treasury Bills Issue 365 days	8.67	8.40	8.30	8.30	5.28
FCIB	5.57	5.08	6.16	7.45	6.03
FINCO	0.11	-	0.59	0.38	0.21
TDC	0.12	-	-	-	-
SIDF	2.50	2.50	2.50	2.50	2.50
Total Outstanding Domestic Debt	334.89	353.20	373.93	397.81	406.53
Total NIA Debt	379.78	396.13	412.91	434.82	440.17
Government Guaranteed Debt	36.75	42.93	48.55	53.93	52.79
Total Public Sector Debt	416.53	439.06	461.46	488.75	492.96

ANNEX V: SUMMARY OF CURRENT AND CAPITAL EXPENDITURE 2022 (in EC\$ Dollars)

	Description	Current Expenditure	% of Current Expenditure	Capital Expenditure	% of Capital Expenditure	Total Expenditure
01	Deputy Governor General	575,500	0.32	0	0	575,500
02	Legislature	790,300	0.44	0	0	790,300
03	Audit	498,900	0.28	0	0	498,900
04	Legal Services	1,262,800	0.70	0	0	1,262,800
05	Premiers Ministry	5,635,000	3.12	2,050,000	4.26	7,685,000
06	Ministry of Finance	79,893,350	44.17	2,950,000	6.13	82,843,350
07	Ministry of Communications	15,454,900	8.54	16,990,000	35.28	32,444,900
08	Ministry of Agriculture	7,179,500	3.97	5,350,000	11.11	12,529,500
09	Ministry of Health	22,816,100	12.61	11,250,000	23.36	34,066,100
10	Ministry Tourism	4,095,000	2.26	1,100,000	2.28	5,195,000
11	Ministry of Education	28,163,500	15.57	5,500,000	11.42	33,663,500
12	Human Resources	1,786,000	0.99	0	0	1,786,000
13	Ministry of Social Development	12,734,000	7.04	2,970,000	6.17	15,704,000
	Total	180,884,850	100.00	48,160,000	100.00	229,044,850