



NEVIS ISLAND ADMINISTRATION

# BUDGET ADDRESS 2024



PRESENTED BY:

The Honourable  
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Premier & Minister of Finance

INVESTING FOR GROWTH:  
BUILDING THE FRAMEWORK  
TO SUPPORT A RESILIENT AND  
SUSTAINABLE ECONOMY

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Madam President, I beg leave to move the second reading of the bill shortly entitled the Appropriation Ordinance, (2024) 2023.

## 1.0 INTRODUCTION

1. Madam President, it is an honour and privilege for me this morning to rise and present this budget under the theme **“Investing for Growth: Building the framework to support a Resilient and Sustainable Economy”**. This theme builds on the strategy adopted in my budget presentation earlier this year. Here the focus is again placed on transforming our economy in a way that will facilitate growth and resilience.

2. Madam President, today after having a series of consultations with stakeholders such as our Realtors, Small Business owners, Financial Services Sector, our local banks and the Chamber of Industry and Commerce (Nevis Chapter), I seek to present a plan to move our economy forward in a sustainable manner embodying the ideas garnered from these fruitful meetings. Each year we continue to build on our framework for development which involves harmonizing the policies of the Administration with the plans of these private sector partners in a way that stabilizes the economic environment and fosters sustainable growth.

3. Earlier this year we celebrated our 40th Anniversary of Independence under a theme which highlighted growth and sustainability as the founding principles of our achievements. There is no doubt that we have indeed come a long way as a young and developing nation. I assure you that even brighter days lie ahead.

4. As we continue our economic reset, we must implement measures to enhance economic stabilization in the short term, whilst simultaneously reinforcing the foundation for economic expansion in the medium to long term. This objective is already on track as we continue to see a rebound in our recurrent revenue collections over the past year, and quite noticeable is the increase in the Value Added Tax (VAT) on domestic goods and services which is a prime measure of the economic health of our domestic economy.

5. Madam President, as we look forward, we are compelled to take the necessary steps to rebuild our economy in a sustainable way. The priority for my Government over the medium term will be a focus on Agricultural sustainability; Tourism and Real Estate development; Communication and Information Technology development; Renewable Energy; Financial Services, Entertainment and Light Manufacturing.

6. Even as we witness the improvement in the tourism sector, the economic and social setbacks over the past four (4) years have shown us that we must seek to diversify our economy to dilute our principal reliance on tourism. Hence, we must strengthen and encourage the growth of the construction sector along with activities in our manufacturing sector. We must increase our investment in agriculture to achieve food sovereignty and continue to pursue the development of alternative energy sources in our quest for energy sustainability. We must attract new and diversified service-oriented business entities, continue to promote Nevis as a destination for filming and deepen and expand our reach to position Nevis as a well-regulated financial services centre. In a similar manner we must undertake fiscal reforms to prioritize our revenue and control expenditure ultimately leading to debt sustainability and growth.

7. We must further commit resources to our infrastructure development, which includes our roads and our telecommunications infrastructure. We will seek to work with our telecommunications service providers to ensure that they can support our thrust in further developing this service-oriented business sector. We will continue to invest in education and skills training at all levels to supply the quality skills needed for employment. Our technical vocation education program will be brought into sharp focus as the main driver of the skilled labour force required to support this new thrust. We will continue to invest in our health care system and other attributes that will enhance the productive capacity of our people.

8. Further, as part of our developmental strategy, we will continue to initiate programs to deliberately stimulate employment in the emerging sectors. Special emphasis will be placed on our small business sector. Small businesses serve a pivotal role in the development of our economy.

9. Even as we advance our economy Madam President, we must ensure that our most vulnerable are not left behind. Our Social Services Division will continue its programs and initiatives which provide social safety nets aimed at reducing inequalities, alleviating poverty and promoting the overall wellbeing of the most vulnerable members of society. We shall continue to innovate to assist the most vulnerable in various communities. Our programs for our seniors and our vulnerable will continue in earnest.

10. Madam President, be assured that this Concerned Citizen Movement Administration will continue to pursue policies that would enhance our economic climate, promote investment and stimulate economic activity with the ultimate goal of inspiring human progress and enhancing economic resilience. We put people at the epicentre of all we do and every policy prescription must demonstrate that in Nevis our people matter most.

## **2.0 INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS**

11. Madam President, the economic statistics for the Federation of St. Kitts and Nevis, as produced by the Eastern Caribbean Central Bank (ECCB) indicate that Gross Domestic Product for the fiscal year 2022 grew by 7.6percent. The ECCB also forecasts that the economy of St. Kitts and Nevis is expected to grow by 3.8 percent in 2023 and 4.8 percent in 2024. In comparison, the Eastern Caribbean Currency Union (ECCU) region which saw growth of 8.9 percent in GDP in 2022, is expected to grow by 6.4 percent in 2023 and 5.1 percent in 2024.

12. In a similar manner, the International Monetary Fund (IMF) in its October 2023 World Economic Outlook (WEO) report indicated that the baseline forecast is for global economic growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and further decline to 2.9 percent in 2024. These expectations are well below the historical average growth percentage of 3.8 percent witnessed over the period 2019 – 2020. The report further outlines that growth in advanced economies is expected to decrease from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024. The WEO also advises that emerging markets and developing economies are projected to experience a marginal decline in growth moving from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024.

13. On a positive note, the report does highlight the fact that global inflation rates are expected to decline steadily over the medium term. However, due to the magnitude of factors affecting prices globally, this decline in prices may take some time to be recognized by consumers. There continues to exist many downside risks to growth such as the continued fallout from the war in Ukraine, commodity export bans, rising global interest rates, high costs of living especially regarding energy, food prices and housing, climate change and issues around geoeconomic fragmentation.

### **3.0 SUMMARY OF SELECTED ACHIEVEMENTS**

14. Madam President, we are indeed pleased with the work done thus far by your CCM led Administration regarding infrastructural improvements, private sector growth initiatives, legislative updates to improve the business environment and improved social safety net programs. We anticipate that these changes will advance our ability to take advantage of opportunities that would spur further positive changes in the economic landscape. There is no doubt that the work done thus far will aid in the development of a framework that will support long-term resilience and sustainable inclusive economic growth.

15. Worthy of note is that for this financial year, my Administration has accomplished the following:

- Successfully implemented our retirement benefit scheme for all non-established workers.
- Paid public servants a second tranche of 5 percent salary increase.
- Re-established operations at the Call Centre Premises at Brown Hill.
- Facilitated the operations of an additional Call Centre in Charlestown.
- Completed the reconstruction of the island's main road from Cliff Dwellers to Newcastle.
- Completed the resurfacing of the By-pass Road from Artisan Village to Pump Road.
- Completed the main road works in Bath Village.
- Reinstated the hosting of the Financial Services Anti-money laundering (AML) Conference
- Successfully hosted the CTO Human Resources conference in Nevis.
- Completed work on upgrading the facilities at the Water Taxi Pier.

- Commenced work for the construction of the broiler processing facility at Prospect.
- Relocated the Charlestown Health Centre to new and improved premises.
- Continued the housing revolution with home construction in Maddens, Craddock Road, Prospect and Rices.
- Completed the laying of over 12,000 feet of water mains island wide to ensure consistent delivery of water
- Purchased and installed state of the art mammography equipment and computer hardware and software at Alexandra hospital and offered free mammograms to Nevisians for 2023.

## **4.0 DOMESTIC ECONOMIC PERFORMANCE**

### ***4.1 Fiscal Performance 2022/2023***

16. Madam President, our budget for this fiscal year 2023 was set at \$261.65 million. It laid out a new condensed structure for the Administration with expenditure plans for the near to medium term. Recurrent revenue was forecasted to grow by a modest 7.0 percent over what was collected in 2022 driven mainly by improvements in Value Added Tax (VAT) collections which had already showed signs of rebound post pandemic.

17. When we examined our actual achievement for the period 2022/2023 our recurrent revenue generated as of October 31, 2023, amounted to \$118.88 million, which represents an increase of \$9.69 million or 8.9 percent over the \$109.19 million generated over the same period in 2022. This is also an improvement of \$1.54 million over the forecasted revenue of \$117.34 million which was expected to be generated by October 2023.

18. This revenue coupled with the amount of \$61.96 million, which includes funds received through development aid along with our share of the revenue from the CBI Program, resulted in a total revenue of \$180.84 million. This represents an overall increase in revenue of \$14.40 million or 8.7 percent when compared to total revenue of \$166.44 million collected for the period up to October 2022.

19. Madam President, the tax revenue collected as of October 31, 2023, amounted to \$92.51 million, which represents an increase of \$6.58 million or 7.7 percent when compared to the



amount of \$85.93 million collected for the same period in 2022. This outturn for the fiscal year 2023 thus far indicates that the local economy is continuing to build on the gains achieved in 2022. Overall, tax revenue accounted for 7.88 percent of recurrent revenue with the remaining 22.2 percent classified as non-tax revenue.

20. VAT receipts are an important source of revenue and make up a significant portion of the Administration's tax revenue. VAT receipts of \$32.36 million collected up to October 2023 accounted for 35.0 percent of tax revenue and 27.2 percent of total recurrent revenue. Other notable contributors to recurrent revenue include Corporate Income tax – 8.5 percent, Stamp Duties – 8.3 percent, revenue from International Financial Services – 9.4 percent, Import Duties – 7.8 percent and Social Services Levy – 8.5 percent.

21. Madam President, the total expenditure for the period ended October 31, 2023, amounted to \$197.47 million which marks an increase of \$24.29 million or 14.0 percent when compared to the outlay of \$173.18 million for the period ending October 31, 2022. Recurrent expenditure for the year amounted to \$153.24 million, which is an increase of \$14.93 million or 10.8 percent when compared to the outlay of \$138.31 million for the same period in 2022.

22. The main components of recurrent expenditure for the period under review were personal emoluments which accounted for 47.9 percent, including the second tranche of the 5 percent salary increase paid to public servants and goods and services which accounted for 22.9 percent. Debt service payments consisting of both principal and interest repayments amounted to \$27.61 million or 18.0 percent of recurrent expenditure.

23. The capital expenditure for the period under review amounted to \$44.22 million, which represents an increase of \$9.35 million or 26.8 percent when compared to the outlay of \$34.87 million for the same period in 2022. This expenditure relates to our investment in both the physical and social infrastructure on the island aimed at achieving further economic expansion over the medium term.

24. Therefore, Madam President, our primary balance has contracted by \$4.79 million, moving from a surplus of \$15.78 million at the end of October 2022 to a surplus of \$10.98

million as of October 31, 2023. Our overall balance moved from a surplus of \$1.13 million at the end of October 2022 to a deficit of \$3.90 million as of October 31, 2023. The fiscal deficit remained relatively unchanged moving from \$21.25 million in 2022 to 21.64 million at the end of October 2023.

25. Madam President, our fiscal position as of October 31, 2023, remains hopeful and we are on track to exceed our revenue targets while remaining within our outlined expenditure parameters.

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

26. Madam President, VAT acts as a valuable indicator of the economic health of the island. As outlined below, VAT receipts continue to trend upwards and we expect this robust growth trend to continue into the medium term. The return to pre-crisis level in the Tourism Sector and the continued expansion of economic activity across all sectors have put total VAT receipts on a path to outpace budgeted expectations for this fiscal period.

27. The total VAT revenue collected as of October 31, 2023, stood at \$32.36 million which is an increase of \$1.62 million or 5.3 percent when compared to the \$30.74 million collected for the period October 31, 2022. On this trend, it is expected that the total VAT receipts for 2023 would exceed the 36.90 million collected for the year 2022 by a noticeable margin.

28. Currently, VAT receipts account for 27.2 percent of our total recurrent revenue, which is higher than the general average contribution of 25 percent. The total VAT collected thus far consists of \$18.96 million or 58.6 percent from the consumption of domestic goods and \$13.40 million or 41.4 percent from international trade and transactions.

29. Of note, the VAT collected at the Inland Revenue Department of \$18.96 million has increased by \$2.06 million or 12.2 percent when compared to the \$16.90 million generated for the corresponding period in 2022, while VAT collected at the Customs Department of \$13.40 million decreased slightly by \$0.44 million or 3.2 percent in comparison to the \$13.84 million collected for the same period in 2022.

30. Madam President, these results indicate that even though the local economy still faces many challenges, the fiscal stance adopted by my Administration to help navigate our economy through some of the worst economic times and chart a path for an economic rebound and transformation are holding steadily.

### ***4.3 Public Debt and Debt Restructuring***

31. Madam President, as at 31 October, 2023 the Central Government Debt Stock Portfolio stood at \$480.08 million, which is an increase of 4.8 percent when compared to the debt level of \$458.27 million as at December 31, 2022. For the period under review, the Central Government domestic debt amounted to \$450.74 million which represented 93.9 percent of total Central Government Debt, while the foreign debt amounted to \$29.34 million which amounted to 6.1 percent of total Central Government Debt.

32. During this fiscal period the Administration contracted a loan in the amount of \$3.2 million from the Bank of Nevis Limited to finance the resurfacing of the By-pass Road stretching from Pump Road to the Artisan Village at Pinneys. Additionally, we continued to draw down on the previously approved loan facility from the Bank of Nevis to finance the Island Main Road Project stretching from Cades Bay to Newcastle.

33. Our Central Government Debt, combined with the debts of our Statutory Corporations, provide an overall Public Sector Debt of \$544.69 million as at October 31, 2023, which indicates an increase of 4.0 percent when compared to the Public Sector Debt level of \$523.92 million as at December 31, 2022.

34. Madam President, this Government seeks to be fiscally responsible and therefore any increase in debt at any level is unwelcomed. However, given the twin problems of upward pressure on expenditure particularly in the areas of Healthcare, Education and Infrastructure expenditure and the downward pressure on revenue caused by a much slower than expected economic recovery, I believe that we can be proud to have kept the increase in total debt to less than 5.0 percent over this period.

35. Notwithstanding our ability to service our debt effectively Madam President it is critical and urgent that the Nevis Island Administration embarks on a path to reduce the public sector debt. Debt reduction both at the Central Government and at the Statutory Corporation levels will therefore be a critical objective during this fiscal year.

36. To achieve this, we will need to maximize our revenue collection and tightly control our expenditure. Nevis must live within its means while ensuring that the necessary safety nets for our most vulnerable are maintained.

## ***5.0 NEW PROGRAMS & INITIATIVES***

37. Madam President, one may ask “What can be expected of my Government for this upcoming year?”. In addition to our infrastructure program as will be laid out in our Capital Budget, my Government will implement the following new initiatives:

- In conjunction with the Federal Government, we will implement a new Multi Tax Solution (MTS) system at the Inland Revenue Department. This Revenue Management System will streamline and automate all tax administration processes from tax levying to tax collection while enhancing intelligent data reporting. It will transform the IRD from a paper-based organization into an electronic platform offering online portal services for business registration, filing and the payment of tax returns. The much-anticipated go-live date is the first quarter of 2024 and a series of taxpayer education programs to build awareness will commence early in the new fiscal year.
- We will honor our commitment to pay the final tranche of the 5 percent salary increase to our public servants. This was a commitment made and a commitment that will be kept.
- Expand our programs for greater Skill Training and Adult Education.
- Embark on drilling of at least three (3) wells to boost our water supply while commissioning a small Desalination Plant also to boost our water supply.
- Commence in full our broiler operation at the Department of Agriculture
- Assume ownership of the thirty (30) bus shelters located island wide which will be used as valuable marketing tools for our small business operators.
- Launch the digital marketplace for our small business operators.

- Finalize some critical acquisition of lands for important public purposes.

Madam President, this is just a synopsis of the new initiatives to be implemented by my Government in the upcoming budgetary period.

## **6.0 BUILDING RESILIENCE FOR A SUSTAINABLE ECONOMY.**

### ***6.1 Job Creation and Employment***

38. Madam President, job creation has always been a hallmark of my Administration's development strategy. The average number of jobs and the number of persons employed on Nevis continues to trend upwards post 2020. The employment trends observed over the past three years and especially for the period January to October 2023 indicate that there continues to be steady growth in jobs across all sectors of the economy. The average number of jobs as of December 31, 2022 stood at 6,057, while the average number of persons employed at December 31, 2022 stood at 5,583 indicating that there was a surplus of jobs on the island. This surplus has been satisfied by the 457 persons reported to hold multiple jobs or put simply, employed by more than one employer.

39. During the period December 2020 to July 2023 there has been a 28 percent increase in the average number of jobs on the island. A significant portion of this growth is in the Tourism Sector which at the end of 2020 moved from 661 jobs to 1,234 jobs at the close of the fiscal year 2022 and remained steady around this level up to the third quarter of 2023.

40. The average number of persons employed as registered with the St. Christopher and Nevis Social Security Board at the end of December 2022 stood at 5,583 which indicates an increase of 25.6 percent when compared to 4,445 persons in 2020, and 6.5 percent when compared to 5,244 persons in 2021. The reported number as of July 31, 2023 was 5,534 which is already ahead of the 2020 and 2021 outcomes and is expected to further increase during the latter half of 2023 as we head into the robust tourist season.

41. Similarly, data as provided by the St. Christopher and Nevis Social Security Board's Statistic Department indicate that at July 2023, the average number of jobs on Nevis stood at

5,965. This outcome has not only surpassed the 4,646 jobs reported for the entire year 2020; and the 5,638 jobs reported for the year 2021 but is quite on par with the 6,057 jobs reported for 2022 even as we are yet to see the commencement of the 2023 tourist season.

42. The data also indicates that as of July 2023, there was a surplus in the average number of jobs by 431 which may have been satisfied by the 421 persons that were reported to hold multiple jobs for this period. Of note is that post 2020, the number of persons holding multiple jobs has grown by 114.8 percent. In 2020 - 196 persons, 2021 - 382 persons, 2022 - 457 persons, Jul 2023 - 421 persons.

43. There continues to be significant growth in average gross wages earned by employees on the island. The average gross wages earned moved from \$13.25 million at the end of 2020 to \$21.66 million as of July 31, 2023. This indicates a growth rate of 63 percent post 2020. At the end of the fiscal year 2022, average gross wages stood at \$18.90 million which shows that for the first seven months of 2023, wages earned have already surpassed that of 2022 by 14.6 percent.

44. Along with the growth in the wage rate, there has been a steady increase in the number of employers on the island. At the end of 2020, the number of employers stood at 397 as recorded with the St. Christopher and Nevis Social Security Board's Statistic Department. This has risen to 538 as at July 31, 2023 which is a 35.5 percent increase over the last three and a half year period. As the economic conditions on the island continue to improve, it is anticipated that businesses will expand and that new startups will be entering the market. The employment data across all sectors is encouraging and it is expected that these numbers will continue to trend upwards in the medium term.

45. Madam President, the above is borne out through the Social Services Levy collected at the Inland Revenue Department and levied on direct wages. The amount collected up to October 31, 2023 stood at \$10.2 million. This is an increase of \$1.3 million or 14.6 percent when compared to the amount of \$8.9 million collected for the said period in fiscal year 2022 and an increase of 18.5 percent or \$1.59 million when compared to the \$8.61million collected in 2021.

## ***6.2 Public/Private Sector Partnerships for Development***

46. Madam President, as mentioned in my last budget address, the stark reality for us is that our local resources are exceedingly limited. We must continue to usher in an era of public/private partnerships for development if we are to grow and advance our economy in a way that brings tangible benefits to our people.

47. To this end my Administration was delighted to establish a partnership with Radius Holdings LLC, a USA-based company, to commence operations at the call centre in Brown Hill. This company currently operates a call centre in Jamaica. To date a total of 70 persons have already gained meaningful employment at the call centre and based on our discussions with the operator it is anticipated that employment will increase gradually with the final objective of having at least 180 persons fully engaged at this facility over the next twelve (12) months. This data processing centre serves clients worldwide with front office services, debt collection and other exercises.

48. In a similar manner we have collaborated with TelaMed Partners out of the USA to facilitate the opening of the first ever medical type call centre operations on Nevis. This centre which is located in Charlestown presently employs a staff of 9 persons and provides front office service for medical doctors in the United States. It is projected to increase employment to at least 40 employees over the next twelve (12) months.

49. In the area of manufacturing, we are partnering with the Nevis Peak Brewery Company Limited to develop a Brewery in Nevis. The first phase of this operation will see the opening of a Restaurant and Brew Pub at Pinney's with the future intention to develop a full-scale Brewery on Nevis. It is envisaged that this entity will employ at least twenty (20) persons when it becomes fully operational.

50. We continue to strengthen our partnership with the Nevis International Service Providers Association (NISPA). To this end a contingent from both NISPA and the Nevis Investment Promotion Agency (NIPA) participated in the Step Caribbean Conference in Panama in June 2023. This conference was very insightful and both entities were able to benefit from quality

education, useful resources, valuable connections, professional recognition, and international connections. Following this exercise, we witnessed the re-domiciliation of several Financial Services entities from that region to Nevis.

51. The Nevis Investment Promotion Agency NIPA collaborated with Sotheby's, a real estate and investment company operating in Nevis, to create a series of webinars entitled, "The Allure of Nevis", targeting investments in Real Estate, Yachting, Tourism, Finance and Banking. These informative webinars provided fast track information from expert panelists within the listed fields with the aim of advancing Nevis as a destination open for investment.

52. To further propel our "Nevis open for investment" strategy, our investment promotion agency continues to create promotional marketing videos in our seven priority fields of investment, namely Financial Services, Tourism Services, Light Manufacturing, Real Estate, ITC and Communication, Agriculture and Entertainment. These videos which are disseminated to our digital audiences via social media sites are designed to sensitize the public, local and foreign investors of the investment opportunities available in Nevis.

53. We welcome the recent news that the finalization of the sale of the Nisbet Plantation Inn is imminent. This property once provided significant employment to the good people of St. James and was a source of economic activity for local fishers, farmers and other allied agencies in the Tourism sector. Considering this, we granted significant fiscal concessions to the buyer as an incentive to rehabilitate the property and return it to operation in the shortest possible time thus returning employment for our people. We are therefore anxiously looking forward to the reconstruction and reopening of this property.

54. On the matter of the development of the Vance Amory International Airport, plans are still on track. As indicated in my last budget address we recognize that our tourism product can be more sustainable if we continue to target high value visitors who are interested in longer stays. To tap into that market, we need to position our airport as convenient, dependable, safe and efficient with superior private jet accommodation, providing adequate hangar space, parking, fuelling facilities, maintenance, and a first-class FBO. This joint venture project will involve the extension of the airport runway by approximately 1,500 feet and the upgrading of our existing



facilities to accommodate private jets and regional jets used by American Airlines and other US carriers.

55. I am pleased to report that we have signed a contract with the engineering and design firm Perez Engineering Limited to provide professional services for the airport expansion, reconstruction and design along with construction supervision for the proposed works to be undertaken at the airport. We have made adequate provisions in this budget for the funding of phase 1 of this work which will involve the consultation and design phase of the project.

56. I am also pleased to report Madam President, that public consultations on this critical project have already started. This is consistent with the Nevis Island Administration's commitment to be an open and transparent government.

### ***6.3 Tourism Sector***

57. Madam President, I wish to turn attention to the all-important area of Tourism which is a critical pillar of the Nevisian economy. As we continue our gradual recovery, our tourism sector experienced modest growth in 2023 marked by stronger levels of bookings at hotels, restaurants, tour companies and other tourism enterprises. In the area of cruise tourism, we continue to receive interest from cruise lines such as Wind Surf, Sea Dream 1 & 2, Star Flyers, Sea Cloud 2 and others.

58. We are well aware of the transformative power tourism possesses, both as an economic driver and as a catalyst for sustainable development. Our focus remains clear: to strategically invest in our tourism industry, fostering not only growth but a high level of resilience and sustainability which is integral to the prosperity of the island of Nevis. Our budget theme underscores our commitment to laying a sturdy foundation for the future, one that ensures the enduring success of our economy, while preserving the beauty and culture of our land.

59. Our multifaceted thrust towards sustainable development in tourism is predicated on 4 Ps – people, planet, profit and partnerships. The "People" aspect emphasizes the central role of

local communities, tourists, and the workforce in the tourism industry. It underscores the importance of ensuring that tourism benefits local residents and enhances their quality of life. Sustainable tourism involves respecting and preserving the cultural heritage, traditions, and ways of life of the people of Nevis.

60. The "Planet" dimension highlights the critical need to protect and preserve the environment and natural resources of the destination. It recognizes that tourism, if not managed sustainably, can have adverse effects on the environment, including overdevelopment, pollution, and habitat destruction. Sustainable tourism therefore aims to minimize its ecological footprint by implementing measures like conserving energy and water, reducing waste, and supporting eco-friendly transportation options.

61. The "Profit" element underscores the economic viability of the tourism industry. It involves making investments in tourism infrastructure, marketing, and services that not only benefit tourists but also provide opportunities for local entrepreneurs and businesses. It recognizes the economic value of natural and cultural assets and seeks to leverage them responsibly for long-term financial gain.

62. "Partnerships" emphasize the collaborative approach required for sustainable tourism development. It acknowledges that no single entity or stakeholder can achieve sustainability goals in isolation. Effective partnerships involve cooperation between governments, local communities, the private sector, and non-governmental organizations (NGOs). It also extends to international collaboration, where nations and organizations work together to support sustainable tourism practices.

63. The "4 Ps" framework therefore reflects a holistic and balanced approach to sustainable tourism development. This approach is critical to ensure that tourism not only drives economic growth but also contributes to the long-term well-being and resilience of Nevis. Considering this framework, we have made some strides in 2023 and will continue this focus in 2024.

64. We successfully hosted the Caribbean Tourism Organization's 10th Biennial Human Resources Conference, which was held at the Four Seasons Resort Nevis from 30th October –

1st November 2023. It provided valuable exposure for the destination and ensured that our local tourism practitioners benefitted from the wealth of information that was shared during this event. Over 160 persons attended, including delegates from several Caribbean countries from Trinidad to the Cayman Islands and was facilitated by speakers from the USA and Canada. I wish to use this medium to thank all of our sponsors and partners for their sterling contribution in ensuring that our visitors had a truly memorable Nevisian experience.

65. The Malcolm Guishard Recreational Park continues to attract thousands of visitors in its second year of operation warranting further investment in areas such additional seating, playground amenities for our children, exercise amenities and additional landscaping. The Pinney's Beach Enhancement Project is about 50 percent complete. We are confident that it will enhance the entire Pinney's Beach area. The work being done will make the area more attractive for business and recreation through improved drainage, upgraded road network, a centralized sewage system, improved lighting, proper parking, improved security and landscaping. The project is expected to be completed by mid-2024.

66. Madam President, I am pleased to advise you that the famous Bath Stream, which is one of our most visited sites, is currently in the process of getting a much-needed physical upgrade. Bathroom facilities, changing rooms, seating facilities, parking spaces and an improved access road along with fencing and landscaping will be installed and completed during the upcoming fiscal year. The Gazebo pool will also be re-surfaced. We crave the patience of the public while we undergo these upgrades which are needed to improve the functionality and aesthetics of this important site. The Bath Hotel upgrade project will also continue in 2024 through the auspices of the Nevis Historical & Conservation Society and its kind partners and sponsors.

67. In 2023, we have invested heavily in airlift into Nevis. This is a critical component of the success of our tourism industry. The Cape Air service between St Thomas USVI and the Vance W Amory International Airport has been doing well and there are considerations for negotiating an additional route with this airline. We have also seen increased airlift via our sister island St. Kitts with greatly improved connectivity for our visitors to Nevis via InterCaribbean Airways, Caribbean Airlines and most recently JetBlue.

68. The Nevis Tourism Authority (NTA) had several successes in 2023. It was able to increase the digital footprint of the destination in our main market areas. The NTA has aggressively created a greater awareness of the destination through its digital marketing efforts. Viewership to the destination website has increased by 110 percent (187K total website users) and there has also been increased engagement on social media platforms by 300 percent (15M total impressions). Year to date, the social media efforts of the NTA have resulted in over 350 public relations print, online and social media mentions, as well as increased coverage with a possible global reach of 5 million. We have asked the NTA to increase the digital efforts as a more cost-effective way to advertise Nevis.

69. Both the USA and UK Sales representatives continued their work among the trade partners in their respective areas. We have increased our destination educational programs with tour operators and Travel Agents, particularly those located in the Northeast USA and London, UK, which are the main feeder market areas for Nevis. The NTA held very successful joint road shows with the St. Kitts Tourism Authority in London and in the Northeast USA. Particularly, with the increased airlift from JetBlue into the Federation, Nevis partnered with SKTA to educate travel agents in Boston, Connecticut, New York and New Jersey, all feeder cities for JetBlue. This initiative has resulted in immediate bookings for stays at our hotels.

70. In terms of cruise, we also expect a small increase in the number of cruise calls moving from 47 calls to 52 in the upcoming year. The expected capacity is projected to decrease by 2 percent when compared to previous years, as a few of the larger sized vessels have reduced their number of calls. However, we are expecting the return of Club Med 2 with 6 calls carrying 394 passengers and Spirit of Discovery with 1 call carrying 999 passengers. In addition to the above, we are expecting inaugural calls from Emerald Azzurra with 1 call carrying 100 passengers and Ritz-Carlton Evrima with 2 calls carrying 298 passengers.

#### ***6.4 Construction and Manufacturing Sectors***

71. Madam President, the construction sector continues to be an excellent economic support pillar and a notable complement to the rebound in economic activity in the tourism sector. We continue to incentivize this sector through programs such as the first-time homeowners' program and our other programs for commercial development and villa/condo development. Under these programs prospective homeowners are granted exemption from customs duties and are required to only pay the Value Added Tax (VAT) on all building materials.

72. The data as provided by the Department of Physical planning showed that for the period January to October 2023 a total of 239 building applications were received by the Department ranging from new home construction, renovation of existing properties, construction of apartment buildings, construction of commercial properties and erecting of perimeter fencing.

73. Of this number, a total of 188 permits have been approved and construction work has started on at least 124 of these approvals. As of October 31, 2023 there were a total of 177 active construction sites throughout the island under periodic monitoring by the officers of the Department of Physical Planning. In addition, sixty-two (62) applications were received for subdivisions of lots of which a total of 52 have been approved during the period under review.

74. The establishment of a viable manufacturing sector with the capacity to provide materials and other supplies in support of our construction sector is a priority for your Government. The growth and development of this sector is of paramount importance if we are to fully maximize the gains in the construction industry and reduce our reliance on the importation of items for construction.

75. Madam President, we are delighted to advise of the opening of CEQUIP Windows and Doors, a manufacturing company located on Nevis specializing in the manufacture of customized windows and doors. This is a welcome addition to our stock of manufacturing entities. I remind us Madam President that in Nevis we already have manufacturing of kitchen cupboards, fencing wire, concrete bannisters, moldings, wooden doors, metal fabrication, roofing

materials and guttering all to support our construction industry. In addition, we have the manufacturing of rum, natural beauty products and face masks all happening in Nevis.

76. We continue to incentivize the growth of this sector through our generous concessionary policy of Customs Duties exemption on the importation of raw materials and equipment to be used directly in the manufacturing process. We encourage all our manufacturers to become a VAT registrant thus allowing their entity to recoup the VAT paid at the Customs Department on the importation of raw materials.

### ***6.5 Repositioning the Agricultural Sector***

77. As it relates to our Agricultural Sector Madam President, this is a vital sector which has been given pride of place by this Government. We know that larger countries are unable to satisfy their own internal demands resulting in restrictions in the quantity of food being exported. This, coupled with the current war in Ukraine, the wheat producing capital of the world, has brought the ultimate effect of an escalation in the price of food items in the international market and therefore in our local supermarkets.

78. Madam President, our small size in this regard can be seen as an advantage and the sustainable development of the sector will provide us with the opportunity to feed ourselves and reduce our reliance on an uncertain international global food markets. The sector is a source of sustenance and a symbol of resilience that has shaped the island's history and can continue to define our future.

79. As a government, in conjunction with our farmers, we are compelled to do more to achieve resiliency and sustainability in agriculture, whether it be livestock husbandry, crop or fruit production, agro-processing or fishing. There are significant agricultural opportunities that are arising from the current difficulties that suppliers in the global market are experiencing in regard to the exporting of food. Our farmers have demonstrated their ability to produce a wide variety of food products, however, the critical concern is the consistency of supply.

80. Madam President, our people demand food daily and therefore the concept of seasonality of production especially as it relates to vegetables must be negated. There is therefore a need for consistent local production which can encourage import substitution, which in turn will support the expansion of the sector and ultimately lead to the creation of more employment in the sector along with increased income levels for our local farmers. This approach is the underpinning concept of the aspiration of Caricom's "25 by 25" which is a policy framework aimed at reducing food imports by 25 percent by the year 2025.

81. We are fully aware that the agricultural sector on the island of Nevis faces its share of challenges. The limited availability of land space for cultivation and animal grazing, the vulnerability to natural disasters, and the pressures of climate change present hurdles that the island's farmers have worked diligently to overcome.

82. To confront these hurdles madam President, it will require the adoption of modern agricultural techniques, the integration of technology and government support to build resilience in this sector. Therefore, our Government continues to promote green or shade house facilities as a preferred means of farming especially for short term crops such as tomatoes, lettuce and sweet peppers. To date there are 24 Greenhouses presently under active cultivation and contributing at least 50 percent of the short-term crops available for consumption. In a similar manner, we are encouraging and incentivizing animal farmers to engage in intensive and semi-intensive farming to combat the challenge of limited land space as we seek to meet the increasing demand for meat and meat products.

83. As a testament to our efforts at increasing food crop production, a total of 95,485 pounds of food crops were processed at the Larinson Parry Agricultural Depot at prospect during the period January to November 2023. These include watermelon, butternut squash, sweet potatoes, tomatoes and sweet peppers.

84. During the upcoming fiscal year, the Department of Agriculture intends to put 700 acres of land under active crop cultivation and livestock production at New River, Prospect, Cades Bay, Potworks and Indian Castle. Our focus will be primarily on food crops and vegetables such as Tomatoes, Watermelons, Cucumbers, Pumpkins, Butternut Squash and Sweet Potatoes. We

also expect the Fruit Orchard at Indian Castle to start producing in earnest especially coconuts which are widely sought after.

85. We are also increasing our thrust in meat production particularly beef and mutton. Our meat processing capabilities at the government run abattoir continues to receive great reviews from our hoteliers, restaurateurs and our local citizens. Our choice cuts of meat by-products such as ham and sausages are organic, more appetizing and healthier than the imported versions. During the period January to November 2023 a total of 55,177 pounds of meat and meat by-products were processed at the local abattoir. This number represents less than 10 percent of what is demanded locally, as such we urge our livestock farmers to take both a scientific and business approach to their operations if we are to close this consumption gap.

86. Madam President, we are pressing ahead with our efforts to pursue Broiler Production with the acquisition of a turnkey bird processing plant, as well as the associated equipment for the provision of the various chicken parts. The construction and installation of the turnkey facility at Prospect is expected to commence very early in the new year and completed early in 2024. We wish to thank the InterAmerican Institute for Cooperation on Agriculture for their support in providing training and expert consultation on this project.

87. In preparation for the launch of this signature project, the Ministry of Agriculture continues to engage in discussions with potential farmers. We are actively pursuing the purchase of lands which will be subdivided and made available to farmers via leasehold agreements for the rearing of birds. It is the Ministry's intention to operate only the processing facility, this will be done in a similar manner as the abattoir, allowing private farmers to engage in the production of birds with government assuming the responsibility of processing and marketing the sale of these poultry products.

88. We have already approached suppliers of baby chickens in Barbados and the United States. We urge interested farmers to start the necessary preparation for the housing of their birds, as we wish to have birds available for slaughter as soon as the facility is commissioned for operations early in the new year. These birds take six weeks to mature and it is the Department's intention to have the assigned livestock officer work closely with farmers to develop a proper



rotation system so that there can be a constant supply of birds to the facility at each rotation. The Ministry's target is 10,000 birds weekly which would equate to 50,000 pounds of chicken meat for our population, which is a small step when compared to the average amount of 132,500 pounds of chicken consumed weekly by residents on Nevis.

89. We also encourage the establishment of a hatchery to supply our own chicks. This will complement the hatchery to be developed in St. Kitts through partnership with the Republic of China (Taiwan). The government stands ready willing and able to offer the necessary incentives to make this a reality for investors.

## ***6.6 Redefining the Financial Services Sector***

90. As it relates to our all-important Financial Services Sector, I am pleased to report that during this fiscal year 2023 we were delighted to again host the annual AML/CFT/CPF conference. This conference, which has garnered international commendation was attended by well over 180 participants. The participants comprised of the management and staff of local registered agents and participants from jurisdictions such as United States, Dominica, British Virgin Islands and as far south as Panama and Uruguay. This conference which was held under the theme "Accountability in Action: Managing Evolving Compliance Risks and Threats" was quite an appropriate response to combating the concerns of international regulatory agencies.

91. The goalposts in this sector are ever changing despite our best efforts to comply with the requirements of these international agencies. We will always remain under the threat of being blacklisted and grey listed from entities such as the OECD and CFATF. The rules and guidelines imposed on us by these agencies are changing day by day and are designed to slow our growth in developing this critical sector. We must remain resolute even in the face of these difficulties. The threat of de-risking and the loss of correspondent banking relations for our commercial and international banks are challenges which we must overcome. To combat this, we must seek to enhance our technological development and develop alternative means of settling transactions. The use of digital platforms and the development of virtual assets as a means of settling transactions must be brought into sharp focus for the sustainability and survival of this all important sector.

92. Madam President, the Federation of St. Kitts and Nevis and by extension Nevis, completed its Mutual Evaluation Exercise late last year. I am advised that the report for St. Kitts and Nevis's Mutual Evaluation was again reviewed at the CFATF Plenary held in Aruba at the end of last month. The initial report following the completion of the mutual evaluation exercise did provide some technical challenges for us and rated our jurisdiction as partially compliant. We are confident that following our responses to the issues raised in that report and our presentation at the recently held CFATF discussions that our jurisdiction will retain its rating of largely compliant.

93. In a similar manner the 16th Global Plenary Meeting was held in Lisbon Portugal at the end of November at which our jurisdiction, like others, was put under sharp focus as it relates to tax matters and the transfer of information for tax purposes. Madam President, this sector will always be evolving. External pressures will force us from time to time to make necessary legislative amendments if we are to maintain our status as a well reregulated and reputable financial services jurisdiction. I wish to assure all the stakeholders in this industry that my Government stands committed to doing whatever is necessary to maintain the reputation and good standing of this sector.

94. In demonstration of the importance of this sector, the data generated by the Financial Services Registry indicates that as at October 31, 2023 there were 15,546 active entities on register. This is an increase of 36 percent when compared to the total of 11,392 entries on register in December 2022. Quite noticeable is that new incorporations for the period January to October 2023 stood at 3,003 when compared to the 1,507 entities incorporated for the same period in 2022. These new incorporations are comprised of 2,084 International Business Corporations (IBC's) including 5 entities providing International Insurance services, 810 Limited Liability Companies (LLC's), 101 entities providing Trust Services, and 8 Multi-form Foundations. Additionally, there were a total of 44 active Trust and Corporate Service Providers on Register as at November 2023.

95. Despite these challenges, Madam President, this sector continues to be a dominant economic pillar. It generates up to 15 percent of our direct revenue and plays a substantial role in

private sector economic transactions in areas such as wages and salaries earned, telecommunications, property rental and transaction remittance fees through our domestic banking sector.

96. We have also seen significant growth and interest in our international banking sector. We expect shortly to move from 3 international banks to 6 and anticipate future growth in this area. This sector requires active monitoring and regulation and your Government is committed to investing in additional regulatory expertise and technological tools to ensure that Nevis remains a well regulated and trusted destination in the financial services sector globally.

97. It is our ambition Madam President to grow this industry by 50 percent year over year and we intend to achieve that through active investment and engagement with the sector and the professionals working within it. One such initiative is to pursue a stand-alone statutory entity Nevis Finance to act as a one stop shop for financial services on Nevis. This approach exists in most of the world's leading financial centres and Nevis is committed to learning best practices from them as we continue to grow this sector.

### ***6.7 Emergence of the Filming Sector***

98. Madam President the Administration pursued a successful partnership with MSR Media during COVID 19 to create a film industry in Nevis from scratch which saw the production of some 9 films over a 2-year period. MSR Media has now moved its operations elsewhere, but we thank them for their partnership in showing Nevis what is possible in this new and exciting sector. We have now hired a Film Commissioner attached to the Nevis Investment Promotion Agency and we intend to continue to incentivize film, music, commercials and photo shoot producers to bring projects to Nevis. We have excellent leads for 2024 and expect to see several film projects on Nevis during the next fiscal year.

## **6.8 *Infrastructural Development***

99. Madam President, our road rehabilitation program executed under the theme “transforming lives enhancing communities” continued apace during this fiscal year. It is undoubtedly true that in every community where this government has executed a major road rehabilitation program over the past 5 - 6 years, be it Hanley’s Road, Butlers, Braziers, Shaws Road, Bath Village or Brown Hill, that community has been transformed. Madam President, this Government being true to our mantra of: “People Matter Most” has indeed transformed the lives of all residents within these communities. In fact Madam President, I am today saying to our nationals abroad who will descend on Nevis for Culturama 50 and our Homecoming Celebration in 2024 that many who have not been home for some time will not recognize some parts of Nevis anymore.

100. During this fiscal year we completed major road rehabilitation works on the first phase of the Bath Village main road and the village road in Butlers. Work was also completed on a section of the Cotton Ground Road commonly referred to as “Banjo Road”. In addition, work was undertaken to improve drainage on the main culvert on Samuel Hunkins Drive and at Rawlins Village in Gingerland. Other road rehabilitation projects expected to be completed shortly include the milling and resurfacing of the road at Marion Avenue and Samuel Hunkins Drive. The Public Works Department has also completed the paving of the section of road in Potworks leading from the St. James Anglican Church to the Apsaras Development.

101. My Administration has also engaged the services of Surrey Paving and Aggregates Limited to resurface the By-pass Road stretching from the Water Department to the Artisan Village at Pinney's. This project, which cost approximately \$3.2 million, involved the milling and resurfacing of the road along with improvements in drainage. The works are now substantially completed with just a few minor drainage work and road markings to be completed. Earlier this year we saw the completion of works on the island’s main road from Cliff Dwellers to Nisbets again undertaken by Surrey Paving at a cost of \$11.0 million. This work involved realigning sections of the main road, general resurfacing and construction and the realignment of the road drainage system. These two major projects which have transformed these communities

were undertaken at a total cost of \$14.2 million directly funded through a loan facility from our local bank.

102. The Administration is still cognizant of the fact that there exists great economic potential in accessing the south side of the island. This was mentioned at great length in my last budget presentation. The Ministry has commenced the preparation of bidding documents for the eventual construction of that road leading from the Long Point Port Road extending along the southern belt to Indian Castle. Although delayed, we shall in 2024 invite proposals for the preliminary surveys and designs leading towards the eventual start of the project.

103. Madam President, as it relates to our water services, we continue to crave the patience and understanding of our people as we seek to grapple with the negative effects of climate change on our water system. The ongoing changes in rainfall patterns are seriously affecting the rate of recharge of our aquifers. To put it simply, our water supply is harvested from underground water via the wells located in various areas. As water is pumped from our wells for daily use, there is an expectation that these wells will recharge themselves through the natural process of underground water continuing to flow into them during our rainy season. The continuous reduction in the amount of rainfall annually due to global warming has naturally reduced the amount of available underground water to recharge these wells. The resulting effect is that several of our existing wells are running very low on supply leading to a reduction in the quantity of water flowing through our water distribution system.

104. To remedy this situation and to ensure that there is a continuous flow of water available for our residents, the Administration can either invest in the development of a desalination plant to convert sea water into potable water or undertake the drilling of new wells in untapped areas. My Administration has sort to explore both options. To this end we invited proposals for drilling from five (5) entities namely, Water & Oil Wells Services Co. Limited from Trinidad; Jamaica Wells; EXOFOR from St. Marten; H. Mario Williams and Ziegenfuss Drilling Inc of new Jersey USA. Additionally, with the assistance of the Government of the United Arab Emirates we shall have the commissioning of a small desalination plant on Nevis early in the new year to buffer our water supply as well.

105. Madam President, we have engaged the services of Bear Rock Consulting Inc to carry out the exploration process to determine the most feasible and lucrative areas for drilling and those studies shall inform our approach. Drilling of wells is an expensive venture and as a government we must seek to use the best knowledge and expertise available so that our resources are not wasted by drilling into areas which are not viable. I am happy to report that we have identified three areas that we think are worthwhile for drilling namely, Dasent Estate, Rawlins and New River. It is the intention of my Government that having received proposals and selected the driller, they can be mobilized very early in the new year. We have allocated the amount of \$5.0 million in this budget to facilitate the work on the first phase of this water drilling program.

106. Madam President, we continue to undertake work on rehabilitating our water distribution network island wide to avoid wastage due to breakage. It involves replacing some of our existing water mains with state-of-the-art piping, thereby connecting all of our communities to our storage facilities. In doing so, this ensures that water supply can be moved easily around the island as required. To this end 2,200 feet of 4" PVC pipes were installed in the Brown Hill and Pinney's area along with the upgrading of the Pipe Network in Rawlins Pasture to 4" HDPE piping. Further, 3,700 Feet of 2" HDPE water mains were installed in Colquhoun Estate, Prospect Estate adjacent to the Government Repair Shop and in the area commonly referred to as "Montserrat Village" to alleviate the extremely low pressure being experienced during peak demand periods.

107. Additionally, Madam President, there were upgrades to the water mains included in the Charlestown By-pass Road project where several pipe branches were installed to aid future development in that area. Replacement lines were installed in Bath Village to facilitate the Bath Road Improvement project. Approximately 6,000 feet of 6" HDPE pipes were installed from Cliff Dwellers to Hurricane Hill to facilitate the Island Main Road Improvement Project. Likewise, 4" HDPE pipes were laid in Rawlins Pasture, Maddens, Stoney Grove Housing project, Craddock Road Housing Project and the Cherry Garden (Chimney Crescent) Housing Project. This forms part of our water maintenance program for which we continue to allocate approximately \$4.0 million annually for water services upgrades.

108. Madam President, providing water is a costly venture and it is the responsibility of the government to do whatever is required to provide this necessity to all residents. Our ability to do so hinges greatly on the revenue collections at the Nevis Water Department. We continue to be alarmed that despite an increase in the supply of water provided daily, we are not seeing the corresponding increase in the revenue collections at that Department. It says that there are several customers who continue to be in arrears for water consumed and many who are refusing to pay.

109. My Cabinet has instructed the Department that the water disconnection program should continue monthly for the upcoming year for all persons in arrears for three months or over. I wish to encourage everyone to see it as their sacred and responsible duty to pay monthly and regularly for water consumed whether or not you receive an actual billing from the Department. The threat of disconnection should never be the driving factor to force you to pay for this valuable commodity. I remind the Nevisian public that we prefer to collect than disconnect so even where amounts cannot be paid in full, we urge you to please speak to the management at the Water Department to implement a payment plan.

## ***6.9 Pursuit of Renewable Energy***

110. Madam President we have heard much about renewable energy and geothermal energy in particular. Having had US\$17 million approved by the Caribbean Development Bank for this project on December 9, 2022, I had hoped to be able to report today a completion of the production well drilling phase. Unfortunately the project has again experienced delays due to a funding gap of roughly US\$20 million and a failure of the initial round of bidding for the production well drilling. We are now in the final stages of a second round of bidding and I am hopeful that we can announce a successful bidder early in 2024.

111. Along the way this project continues to attract considerable favourable global attention as the first genuine possibility for an entire nation to be weaned entirely off fossil fuels for the generation of electricity. Geothermal energy promises to transform not just Nevis but our sister St. Kitts and the neighboring islands in the archipelago we call home.

112. Madam President, I am pleased to report that on Monday 20th November, 2023 the National Assembly of St. Kitts and Nevis historically voted unanimously to pursue geothermal development as a national priority for the benefit of both Nevis and St. Kitts. This historic step signals the unity of purpose between the Federal government in Basseterre and the Administration in Charlestown to finally bring this tremendous resource to fruition for the benefit of all our people. As the Federal government pursues its sustainable island state agenda, the geothermal resources in Nevis have now been recognized as the critical foundation on which that agenda can be achieved.

113. Madam President, clean cheap geothermal energy means that we no longer will be buffeted by the vagaries of global oil prices. We will no longer pollute the atmosphere with the burning of fossil fuel for electricity generation. We will no longer see our financial resources being stripped away for payment of exorbitant fuel costs. We can transform our economy to an energy-based economy. We can bring lasting relief to our people from high electricity costs. We can export energy to neighbouring islands. We can harness desalination efforts to solve water shortages across our Nation. We can attract new industries and create new jobs. We can develop green hydrogen and ammonia for export. In short Madam President the possibilities with geothermal energy are endless and this resource holds the key for the future prosperity and sustainability for our island and country.



## **7.0 SOCIO-ECONOMIC TRANSFORMATION**

### ***7.1 Transforming the Education Sector***

114. Madam President, the Ministry of Education continues to adopt the theme of “Investing in Quality Education: Empowering the Nation” as its mantra in the delivery of education. This theme underscores the continued significant investments being made in our education sector over the years all to build the framework to support a resilient and sustainable economy through empowering our students by providing avenues for improved learning outcomes.

115. Madam President, I pause to congratulate our students on their outstanding performances at both the CAPE and CSEC levels. At the CAPE level, I wish to congratulate Ms. Jahkela Barrett who passed 9 units with 4 grade 1’s and a GPA 3.61; Ms. Kayla Daly who passed 8 units with 3 grade 1’s and a GPA 3.56; Ms. Sahari(Sah-ri) Archibald who passed 10 units with 3 grade 1’s and a GPA 3.45.

116. The top performers at the CSEC level, we must recognize Mr. Aiden Liburd who passed 10 subjects with 8 grade 1’s and Ms. Imogen Archibald who passed 9 subjects with 8 grade 1’s both at the Charlestown Secondary School. At the Gingerland Secondary School, Ms. Shaneal Evelyn who passed 9 subjects with 6 grade 1’s and Mr. Yudel Wisdom who also passed 9 subjects attaining 4 grade 1’s.

117. Madam President, I am heartened to report that enrolment at UWI Global Campus Nevis site continues to rise. Presently, there are 45 ongoing students, 16 new registrants commenced September, 2023 and several who are already registering for the January 2024 cohort. Additionally, several will be returning after taking a leave of absence.

118. I wish to congratulate our 13 students who recently graduated the UWI Global Campus on November 11, 2023, via a virtual ceremony which was held at the Royal St. Kitts Hotel, having been awarded Bachelor and Master of Science degrees in many disciplines such as Management Studies, Marketing, Accounting, Youth Development, Social Work, Tourism and Hospitality Management and Education and Literacy Studies. We will continue to make a concerted effort to sensitize our people to the tremendous opportunities offered by the UWI

Global Campus which allow them to stay at home with their families and continue their normal daily lives, while at the same time attaining academic qualification at a much-reduced cost.

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

120. Towards this end, my Government embarked on a significant policy change aimed at reforming our education system to enhance the quality of our labour force. We stand fully committed to the expansion of Technical Vocational and Education Training (TVET) at our secondary schools. Our TVET Centre at the Gingerland Secondary School is now fully complete and operational offering training in Cosmetology, Furniture Building and Furniture Finishing.

121. These TVET centres are projected to function as a secondary and continuing education skills training institutions offering CSEC and CVQ level programs during after school hours for the wider public while continuing to facilitate the secondary school students during normal school hours. The most important feature of this TVET program is that students will now be offered training that delivers the urgent and emerging skills needed for economic competitiveness in a modern economy, thus expanding the supply of skilled and employable labour with regionally acceptable certification.

122. Once fully functional, the programs offered at these centres will be market driven and geared towards meeting the needs of the private sector in critical subject areas such as Auto Mechanic, Electricity and Electronics, ICT, Hospitality and Culinary Arts, Air conditioning and Refrigeration, Agricultural Science, Furniture making, Food Preparation, Welding, Landscaping, Plumbing, Bee Keeping, Cosmetology, Accounting and Building Construction.

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

124. Madam President, to complement our TVET education program, the teaching of Science, Technology, Engineering and Mathematics education, commonly known as STEM will also continue to be a priority for students and teachers. We have prioritized expanding our STEM activities to include establishing STEM Clubs, executing Mathematics Camps and exposing our students to Digital Literacy with coding being the focus.

125. Overall Madam President, the Ministry of Education continues to strengthen the delivery of education in accordance with the 2030 Sustainable Development Goal 4, which aims to “ensure inclusive and equitable quality education that promotes lifelong learning opportunities for all”. This was enshrined in the five(5) year education sector strategy that was adopted in 2017. This strategy honours the imperatives as laid out in the OECS sub-regional education strategy, which takes as its vision “Every Learner Succeeds” and was a key element of the Early Learners Program earlier implemented in the OECS region funded by USAID.

126. In this regard I commend the recent study tour to Estonia and Finland by education and IT officials from the Administration and thank Minister Counsellor Elsa Wilkin Armbrister for facilitating this study tour.

127. Madam President we must also commend the cooperation between the Federal Government and the Administration and the generosity of the Windsong Foundation to ensure that every single student on Nevis has access to a computer, tablet or other such device and that every school, every community centre and every household on Nevis has access to reliable internet. We shall leave no child is left behind and that is our solemn commitment.

## **7.2 *Repositioning our Health Care Sector***

128. Madam President, the aftereffects of the recent pandemic are still having catastrophic consequences on our health services and our ability to continue to provide the level of service necessary to maintain a health society. Added to this is the escalating cost of medicine which poses many challenges especially for those who are in the low-income category and are often times more prone to non-communicable diseases. In the wake of these unprecedented global challenges, and the rise in non-communicable diseases among the younger members of our population, the Ministry of Health has been forced to play an even greater role to help mitigate and modulate these pressing issues. The decisions we make today will no doubt shape the future for generations to come. It is therefore our shared responsibility to pave the way for a resilient and sustainable health system that leaves no one behind.

129. Investment in health care therefore is not merely an expenditure; it is an investment in human capital, productivity, and societal well-being. A healthy population forms the bedrock of a prosperous and sustainable nation. It is imperative that we strengthen our healthcare systems, ensuring they are accessible, affordable, and resilient. We must place greater emphasis on health education and outreach, preventive healthcare and build out a robust medical infrastructure as we seek to empower our citizens to live fulfilling lives and contribute meaningfully to the economy.

130. As a government we are continuously called upon to do more, to invest more in an array of modernised health and diagnostic services for our people. While we are being asked to do so, we are also imploring our people to contribute more to the provision of these services. To this end my Government intends to undertake a revision of the fee structure for services offered at the Alexandra Hospital and our other health facilities. This revision is primarily to re-align our moderately low fee structure with the cost of providing these services. We are forever reminded that health care must be accessible to all. Therefore, even in this new fee structure provisions will be made for those persons at the lower income level who do not have the benefit of health insurance, so that they are not barred from accessing health care.

131. In the area of diagnostic services, we are very pleased to offer Mammograms, Echo Cardiogram and CT scans. Specialized Chemistries – such as HepB, PSA and Thyroid Function

Test will become available in the new year. We will continue our regular program of Free Pap smear screenings for Cervical Cancer. We will also continue to offer free mammograms but only until December 31, 2023. These services available at our hospital are on par with those that can be accessed in the major health facilities within the region. We wish to beg our people to avail themselves of these services as we seek to promote a robust health care sector and a healthier Nevis.

132. During this upcoming year we will embark upon several new initiatives for health care. This will include the commissioning of an Emergency Dispatch Project funded by the Four Seasons Homeowners Foundation where dispatchers will be trained as first responders for emergency calls. We will continue the roll out of the Alexandra Hospital Laboratory Blood Donor Volunteer Drive which allows persons to register to be blood donor volunteers at the hospital.

133. Madam President, our health care system like others continues to be challenged by the global shortage of skilled health care professionals, including doctors, nurses, and other essential staff. The challenges that we have faced in regard to recruiting and retaining an appropriate cadre of healthcare professionals is hampering our progress in providing an enhanced level of health care for all. We continue to incentivize our locals to enrol in the nursing program offered at the Clarence Fitzroy Bryant College. Our returning medical doctors are also incentivized to pursue further studies specializing in areas such as Surgery, Ophthalmology, Cardiology, Anesthesiology and Internal Medicine.

134. We have made some progress in developing a cadre of professionals, but we are still some distance away from having a health care system where our local professionals are the dominant contributors. We anxiously await the return of two (2) of our local Medical Doctors who are studying in Cuba specializing in Anesthesiology and Ophthalmology, one (1) medical doctor pursuing studies in the USA specializing in Health Administration, Planning and Policy in Emergency Health Services along with one medical student in Cuba specializing in Dentistry.

135. Madam President, as it relates to our physical infrastructure, I will admit that due to unforeseen challenges we have been unable to progress as intended with work on the new

hospital wing for this fiscal year. All external works have been substantially completed, and efforts are now entirely geared towards the design of the internal layout. I am to report that we have engaged the services of Medical Design Consultants LLC, a Florida based company, which has been working to provide quantity take-offs for the internal aspects of the new hospital wing. The report will serve as a guide to the contractor at the finishing stages and include matters such as recommended wall locations and floor ceilings; appropriate type and location for elevators and air-conditioning systems; suitable electrical and emergency alarm systems, proper drainage systems for waste generated from areas such as the laboratory and operating theatre, along with other international best practices for equipment and furniture layout.

136. We have been slow in our progress, but it was a deliberate action on the part of this Government to get it right and ensure that the right choices are being made and guided by those who are knowledgeable in this field. Once we have received the consultant's report, it is our intention to resume work expeditiously on this project and we have allocated significant funding in this budget to move this project to completion.

137. As it relates to our program of "Partnership for health care", we continue to be grateful to the Government of Cuba for providing scholarships to our aspiring health professionals and for providing trained health care professionals on a rotation basis. We are also grateful to the Government of the Philippines for facilitating our recruitment program for nurses and other health care professionals. We remain grateful to Dr Raymond Hubbe for facilitating the robust Nevis Eye Care Programme which continues to provide screenings, medication, cataract surgery, updated equipment and new state of the art procedures for our citizens.

138. Additionally, we would also like to thank, the Four Seasons Home Owners Foundation for facilitating the First Responder Crisis Intervention Training for our front line officers, the Patrick & Lina Drahi Foundation for donating a New Picture Archiving and Communication System (PACS) for our Radiology Department, the Paediatric Assistance League (PALS) for items donated to the maternity ward, the Nevis Cooperative Credit Union for donating a laptop for the Radiology Department along with the Government of Taiwan & Cao Zhong Zhi Foundation for donating mobility devices (wheelchairs, walkers, canes, folding commodes for our seniors and those with disabilities). We must make special mention of Urology & Associate

for their Free Prostate Screening every January for our men. This year we saw a record number of men totalling 726 undergoing the annual prostate screening.

139. Madam President we have made and continue to make tremendous strides in healthcare in Nevis.

## ***8.0 SOLUTION FOR OUR HOUSING NEEDS***

140. Madam President, in housing, our program for providing affordable housing executed by the Nevis Housing and Land Development Corporation (NHLDC), continues to transform the lives of citizens and residents on Nevis. During this fiscal year the NHLDC budgeted to construct a total of twenty-seven (27) houses at a total cost of \$6,675,601.69. To date a total of nine (9) homes have been fully completed at a cost of \$2,317,993.78 with eighteen (18) still under construction at an estimated total cost of \$4,357,607.91 to completion.

141. These houses are built in areas such as Maddens Estate (Cedar View Housing Development - Phase 3), Hamilton Estate (Sugar Mill Residences), Ramsbury Estate /Craddock Road (Mountain Crest Residences), Low Ground Estate (Chimney Crescent), Rices Village (Bay View Gardens) and Spring Hill Estate (University Heights). For the period 2013 – 2023 the NHLDC has constructed a total of 296 houses at a total cost of \$69,594,373.56.

142. For the upcoming fiscal year, the NHLDC is projected to construct and distribute at least fifty (50) affordable homes with all amenities to prospective applicants. These houses will be a mixture of four (4), three (3) and two (2) bedrooms built on approximately 5,000 to 8,000 thousand square feet of land. The projected areas are: Maddens Estate (Cedar View Housing Development - Phase 3), Hamilton Estate (Sugar Mill Residences), Ramsbury Estate /Craddock Road (Mountain Crest Residences), Low Ground Estate (Chimney Crescent), Rices Village (Bay View Gardens) and Spring Hill Estate (University Heights). The proposed allocations are as follows: Maddens Estate – 26 houses, Hamilton Estate – 5 houses, Rices Village – 4 houses, Ramsbury Estate / Craddock Road – 6 houses, Low Ground Estate – 7 houses and Spring Hill Estate – 2 houses.

## **9.0 FISCAL PROJECTIONS 2024**

### ***9.1 Fiscal Measures***

143. Madam President as it relates to our implementing fiscal measures, this fiscal year we intend to be resolute and steadfast with our revenue collections. Over the past two years we relaxed some of our measures as we were aware that both businesses and individuals were turning the tide in relation to the pandemic. We therefore gave several concessions and implemented other concessionary measures to aid in the recover process.

144. These strategies, even though they were quite helpful in aiding the recovery, resulted in a loss of valuable government revenue, putting our fiscal situation in a state of imbalance. It is also interesting to note that even as we were asked to forego revenue collections, we were at the same time called upon to increase our spending in critical areas such as Education, Health Care and Social Protection through our poverty alleviation programs.

145. Our economy is now showing signs of a rebound in all the major sectors and therefore we believe it is time to reduce some of these concessionary measures and get our fiscal house back in order.

146. Therefore Madam President, my Government intends to institute the following revenue recovery measures designed to reduce the accumulation of arrears incurred by various government departments and re-align the revenue from essential services with the cost of providing them:

- Reassess the rates for electricity consumption to lower the burden now on the government for subsidies on electricity. This will be calculated in accordance with the electricity consumed. The extent of the charge on your bill will be dependent on your electricity usage and we therefore encourage all to be conservative in their electricity consumption.
- Revise the fees for services provided at our health facilities, especially at the Alexandra Hospital where the fees for meals and other charges are excessively low for people who must stay overnight at our hospital. To put this in context Madam President we currently



charge EC\$20 per day for hospital stays at Alexandra which includes bed, 3 meals and some medication. This is clearly unsustainable. We are aware that a growing portion of our population has health insurance which will ordinarily cover these costs in a large way and as such the effect of any increase on individuals will be minimal. We will, however, make the necessary provisions for the vulnerable so that their access to health care remains unimpeded.

- Reassess prices of items offered at the Supply Office. This adjustment to the price of these items is driven by the general increase in the cost of buying these items on the international and regional market.
- Recommence our regular disconnection program at both the Water Department and NEVLEC. We wish to encourage all of our citizens to be responsible and make the regular monthly payments for their utility bills a priority.
- Link the renewal of various licenses issued by the Inland Revenue Department to the payment of taxes especially the payment of your Property Tax. Put simply, as you think about heading to the Inland Revenue Department to renew your Driver's License or Business Licence please ensure that you make payment for all your other taxes that are in arrears or make a payment plan with Inland Revenue.
- Reinstitute the issuance of the Tax Clearance Certificate issued by the Inland Revenue Department which will be applicable to all business entities wishing to conduct any transaction with the Administration. In other words, all entities wishing to do business with the Administration whether it is providing goods or services or seeking duty-free concessions must present a copy of their Tax clearance Certificate to the relevant government Department. This certificate will show the state of your indebtedness to the Inland Revenue Department, if any.
- Reassess water rates to bring the price of water more in line with the cost of producing such water so as to guarantee the sustainability of our water system. Again, special provisions will be made for those vulnerable members of the community to ensure that their water supply is not interrupted.
- For corporate entities, we will continue to link the annual renewal of the Business License to your good standing at the Company Registry and to your tax status as it relates to your filing of Unincorporated Business tax, VAT and Corporation Taxes. We urge all to be responsible taxpayers and pay your taxes on time. We have discontinued the

practice of granting a waiver of interest and penalties for late payment. We have instead offered instalment payment options and expect that persons will undertake the necessary discussions and have suitable instalment arrangements put in place and honour these arrangements once implemented.

- On the matter of Property Tax collections, we continue to be alarmed that despite the robust construction sector and the large numbers of properties constructed monthly we are only seeing marginal increases in our collection of Property Tax. The officers at the Inland Revenue Department will continue their efforts to ensure that all properties on Nevis are on the Tax Roll. I wish to urge all to kindly ensure that your property is registered with the Inland Revenue Department and that your taxes are paid annually.

147. Madam President, we continue to make a concerted effort to persuade our people to be responsible citizens and to honour their tax obligations. It is only fair that as individuals and business entities seek to benefit from the economic engagement with the Administration and on the island that they must pay their share of fees and taxes to allow Government the resources to further fund critical programs. We therefore encourage all taxpayers to file and pay their taxes on time. All of us must be responsible citizens.

148. In that regard Madam President, I must sound the alarm that certain sectors within our society particularly some offering legal and other professional services seem to wish not to pay any taxes or to otherwise find creative ways to avoid sharing in the responsibility for maintaining our beloved island. Our tax officers at the Inland Revenue Department have been mandated to take all measures available at law to pursue and collect taxes owed to the Administration.

149. Madam President, we will continue to extend our existing fiscal incentive programs such as the first-time homeowner's program which is designed to stimulate growth in the construction sector, our program for concessions for start-up business entities along with our program for concessions for entities operating in the tourism sector. The concession package extended to our returning nationals and also our program to facilitate the movement of skilled persons into our island will continue. It is our hope that the persons who would receive benefits under these programs will seize the opportunity to make meaningful contributions towards the growth and development of our economy.

150. In addition to the fiscal measures outlined above Madam President:

- We will discontinue our COVID-19 Relief Construction Stimulus Program. This program which was initially implemented in September 2020 provided relief for residents undertaking any form of construction activity requiring them to pay only the 17 percent Value Added Tax on building materials. We believe that this program is now fully exhausted hence our decision to discontinue it with effect from December 31, 2023.
- We will continue to streamline our policy for tax concessions and limit 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, ultimately leading to an increase in employment opportunities for our people.
- We will discontinue the random policy of granting duty free concessions on vehicles simply because someone is the holder of a business license. Concessions would only be favourably considered where the vehicle forms a critical part of the business activity. The deciding test will be whether in the absence of the vehicle the business' core functions will cease to exist.

151. Even as we implement these fiscal measures in regards to revenue collection, we must also be responsible as a government and streamline our expenditure to avoid waste, duplication and overpayment for services rendered to Government. We will, however, honour our commitment to grant the last tranche of the 5 percent salary increase to our public servants with effect from January 1, 2024.

We will also:

- Revamp some of our social programs to ensure that the programs reach the intended targeted groups such as our single mothers, the elderly and those at the lower end of the income bracket. Government's role is to help those who genuinely need that help and so means testing will be mainstreamed across all government social programs to ensure that already scarce resources truly reach those in need.
- Continue to suspend overseas travel for all Public Servants, including Members of Cabinet, unless these travels are fully funded by external agencies or deemed critical to the daily functioning of government.

- Suspend the payment of increments for the upcoming fiscal year in order to curtail the growth in our wage bill in light of the payment of the last tranche of the 5 percent salary increase to public servants.
- In preparing this budget we have deferred any requests for promotion of officers or upgrade in their salaries and wages. In addition, we will defer the employment of any new officers to the Public Service. Where officers have exited the service, we would first seek to reorganize duties among existing staff before employing replacement officers.

152. Madam President, now that we have implemented our pension scheme for Non Established workers, we shall require workers who have achieved the age of 62 to transition into retirement. These workers will not be replaced unless such replacement is deemed critical and duties will be reassigned among continuing staff. The pension scheme now ensures that our NE workers have additional income monthly to support whatever income they might be entitled to from Social Security.

153. Madam President these measures are intended to have an immediate impact on our fixed monthly commitments bringing them within reasonable limits and in line with our revenue projections as we await a more fulsome economic recovery in all sectors.

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

154. Madam President, as we turn to our fiscal projections, the budget for the upcoming fiscal year 2024 is set at \$282.7 million. We have allocated the amount of \$208.5 million to recurrent spending representing 74.0 percent of the total budgeted expenditure.

155. Madam President, having considered the expected uptick in economic activity for the upcoming fiscal year, my Administration is projecting to collect the amount of \$154.8 million in Recurrent Revenue which represents a projected increase of 6.0 percent when compared to the projected revenue of \$146.4 million for the fiscal year 2022.

156. We expect our Recurrent Revenue to be augmented by the remittance of at least \$66.0 million from the Federal Government representing our share of revenue from the CBI Program.

This remittance when combined with our projected revenue collections, as outlined above, will provide a total overall Recurrent Revenue of \$220.8 million for the upcoming 2024 fiscal period. When compared to the projected Recurrent Expenditure of \$208.5 million this provides a surplus on the recurrent budget of \$12.4 million.

157. Madam President, the amount of \$74.2 million has been allocated for the funding of our capital expenditure program. This represents a 12.0 percent increase when compared to the amount of \$66.1 million that was allocated for the fiscal year 2022. This is largely due to my Administration's policy to undertake some capital projects which are revenue generating and others which are an integral part of our growth and development strategy. These were already outlined earlier in my presentation.

158. We anticipate that funding for our capital budget will be comprised of low cost loan funding where applicable and grant funding from regional and international partners.

159. Therefore, Madam President, a summary of resources projected to finance our 2024 expenditure program is outlined as follows:

- Current Revenue - \$ 154.8 million
- Projected minimum Revenues from CBI Passport Processing Fees – \$66.0 million
- Concessionary Loans - \$13.7 million
- Grant Funding - \$3.5 million

160. Madam President, while we have made these projections, we intend to be very strict with the collection of revenues and will seek to reduce revenue losses by curbing our open-ended concession policies. I wish to reiterate that annual budgets are merely projections for revenue and expenditure. The extent to which we roll out expenditure will naturally depend on our ability to access funding especially for executing the items as outlined in our capital expenditure program.

161. I wish to assure the public that we will not be reckless in our spending, and we will only seek to undertake projects if the funding is available or can be accessed at low cost in accordance

with our debt management strategy. Where funding cannot be accessed at concessionary rates, we will curtail our expenditure program and carry forward to the fiscal period 2025 any projects which were not executed due to lack of approved financing.

162. Madam President, the major allocations in our expenditure are as follows:

- The Office of the Premier is allocated funding in the amount of \$12.01 million representing 4.0 percent of the total budget. Included in this amount are funds allocated to support our quest for energy sustainability.
- The Ministry of Finance is allocated funding in the amount of \$99.86 million representing 35.0 percent of the total budget. Included in this amount are funds allocated to meet our Debt Servicing obligations and to fund our newly implemented Non-Established Workers Retiring Scheme.
- The Ministry of Communications and Works et al is allocated funding in the amount of \$41.1 million representing 15.0 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 \$19.4 million representing 7.0 percent of the total budget. Included in this amount are funds allocated for our food sustainability and security, upgrading of our processing facilities and funding of activities for Culturama 50 Celebrations.
- The Ministry of Health, Gender Affairs and Social Empowerment is allocated funding in the amount of \$48.3 million representing 17.0 percent of the total budget. Included in this amount are funds allocated for providing improvements in the quality and delivery of Health Care, recruitment of medical professionals, supplies and equipment, delivery of our social protection agenda and funding the final phase of construction work under the Alexandra Hospital Expansion Program.
- The Ministry of Tourism is allocated funding in the amount of \$11.0 million representing 4.0 percent of the total budget. Included in this amount are funds allocated for developing and maintaining our historical sites and other tourist attractions and funding our quest to achieve sustainability in our tourism offerings.

- The Ministry of Education, Library Services, Information Technology, Youth and Sports is allocated funding in the amount of \$45.9 million representing 16.0 percent of the total budget. Included in this amount are funds allocated for the delivery of quality education to our people, funding our TVET Program, funding our program for our Youths along with upgrading and general maintenance and improvement of our sporting and educational facilities.

## ***10.0 CONCLUSION***

163. In concluding Madam President, today I have sought in a thorough and exhaustive manner to lay out my Government's Agenda for development over the medium to long term. We do not envision the fiscal year 2024 to be without challenges but we expect to meet and overcome them. As such, this Administration will endeavour to ensure that we are prepared to meet these challenges by employing the tools and knowledge that are available to us through the development of an economic framework that incorporates sustainable resource mobilization and allocation, sustainable debt management, strategic collaboration, and partnerships, all of which will be anchored by the tenets of fiscal responsibility and accountability.

164. Although we have seen a remarkable rebound in our Tourism sector in the past 12 months and have seen marked improvements in some revenue sources, we must be prudent and consider that the near to medium term outlook is still filled with uncertainty and unforeseen risks that can hamper our diligent pursuit of sustainable economic growth and meaningful socio-economic transformation. We will continue to work towards translating our economic performance over the past 12 months into actionable policies that will guide our path to more stable fiscal footings for the near to medium term.

165. We will work towards maintaining a sustainable balance between fiscal responsibility and economic support for our small and vulnerable economy. We will continue to invest in our economy and our people as we know it will require time and strategic resource allocation to ensure that the desired outcomes are not only achieved but maintained and expanded upon.

166. It is a well-established fact that good governance and a stable economic environment are essential for job creation and growth. We have sought to re-establish these principles during our brief period as a newly reconstituted CCM led Administration.

167. The issue of globalization and the opening of the 'one world market' for trade has transformed the way we will do business in the future. This has signaled the urgency for a fundamental change in our development paradigm, to that of a new economy which is driven primarily by knowledge, innovation and entrepreneurship. In this new era, government must now seek to be an enabler by promoting and developing an institutional framework and incentives that promote economic growth and business opportunities. The goal of this government will now be to create policies that will facilitate the transformation of our economy through new and innovative methods.

168. Finally, Madam President as we approach the one-year anniversary of my Government in office, I wish to express thanks to the citizens and residents of Nevis for the faith and confidence they have placed in my Government to manage the affairs of this our beloved Nevis. As a government we always avail ourselves for constructive evaluation from our citizens and residents and there are mechanisms in place for our citizens to evaluate our performance and make an informed decision on the type of leadership that my CCM led Administration has provided. I have no doubt that my CCM led Administration will always gain high commendation for our sterling performance in leading and managing the affairs of this island and for advancing the interest of all our people. For us people will always matter most.

169. To our people I continue to express my profound gratitude for the faith and confidence you have placed in my Government. May the upcoming Christmas season be joyous, and it is my expectation that you will face the New Year filled with confidence and hope for a brighter and more prosperous future for you and your families and indeed for all of our wonderful island of Nevis.

Madam President I so move.



## 11.0 ACKNOWLEDGMENTS

Madam President, on behalf of my Government and the 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)  
Pan-American Health Organization (PAHO)  
Republic of China on Taiwan (ROC)  
The Commonwealth Secretariat,  
United States Embassy Barbados  
University of the West Indies (UWI)

Madame 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)**

<b>CATEGORIES</b>	<b>Actual 2019</b>	<b>Actual 2020</b>	<b>Actual 2021</b>	<b>Actual 2022</b>	<b>Actual Oct 2023</b>
<b>Total Revenue &amp; Grants</b>	<b>179.55</b>	<b>173.84</b>	<b>180.32</b>	<b>214.26</b>	<b>180.84</b>
<b>Current Revenue</b>	<b>138.51</b>	<b>118.67</b>	<b>126.27</b>	<b>136.52</b>	<b>118.88</b>
<b>Tax Revenue</b>	<b>105.37</b>	<b>89.85</b>	<b>88.10</b>	<b>106.09</b>	<b>92.50</b>
<b>Taxes on Income &amp; Profit</b>	<b>20.47</b>	<b>18.74</b>	<b>16.33</b>	<b>19.15</b>	<b>22.22</b>
Of which: Corporate Income Tax	7.30	7.42	6.10	6.00	10.06
Social Services Levy	10.44	9.52	8.61	10.45	10.13
<b>Taxes on Domestic Goods &amp; Services</b>	<b>34.22</b>	<b>30.13</b>	<b>27.76</b>	<b>38.57</b>	<b>33.42</b>
Of which: Stamp Duties	11.83	11.41	11.98	13.84	9.86
VAT	16.38	12.94	10.18	19.00	18.96
<b>Taxes on Int'l Trade &amp; Transactions</b>	<b>46.76</b>	<b>37.83</b>	<b>38.74</b>	<b>44.11</b>	<b>33.36</b>
Of which: Import Duties	11.95	8.90	9.48	11.81	9.26
Customs Service Charge	9.92	8.26	6.89	8.27	6.51
VAT	17.31	13.55	14.75	17.91	13.40
<b>Non-Tax Revenue</b>	<b>33.14</b>	<b>28.82</b>	<b>38.18</b>	<b>30.43</b>	<b>26.38</b>
Of which: Financial Services	12.75	11.60	20.36	13.24	11.15
Supply Office	6.29	5.54	5.11	5.20	4.91
Water Services	6.49	4.50	6.44	5.33	4.46
<b>Total Expenditure</b>	<b>207.59</b>	<b>181.13</b>	<b>185.87</b>	<b>219.63</b>	<b>184.74</b>
<b>Current Expenditure</b>	<b>150.27</b>	<b>134.45</b>	<b>146.15</b>	<b>168.94</b>	<b>140.52</b>
<b>Personal Emoluments</b>	<b>81.11</b>	<b>77.06</b>	<b>83.74</b>	<b>92.77</b>	<b>73.47</b>
<b>Goods &amp; Services</b>	<b>36.38</b>	<b>28.34</b>	<b>35.54</b>	<b>38.72</b>	<b>35.13</b>
<b>Interest Payments</b>	<b>15.57</b>	<b>13.71</b>	<b>10.78</b>	<b>16.58</b>	<b>14.89</b>
Domestic	14.36	12.51	9.77	15.52	13.51
External	1.21	1.20	1.00	1.06	1.38
<b>Transfers &amp; Subsidies</b>	<b>17.22</b>	<b>15.34</b>	<b>16.09</b>	<b>20.87</b>	<b>17.03</b>
<b>Current Account Balance</b>	<b>-11.76</b>	<b>-15.78</b>	<b>-19.87</b>	<b>-32.42</b>	<b>-21.64</b>
<b>Total Grants</b>	<b>41.03</b>	<b>55.17</b>	<b>54.05</b>	<b>77.74</b>	<b>61.96</b>
<b>Capital Expenditure</b>	<b>57.32</b>	<b>46.68</b>	<b>39.72</b>	<b>50.69</b>	<b>44.22</b>
<b>Overall Balance</b>	<b>-28.05</b>	<b>-7.29</b>	<b>-5.55</b>	<b>-5.37</b>	<b>-3.90</b>
<b>Primary Balance</b>	<b>-12.48</b>	<b>6.42</b>	<b>5.23</b>	<b>11.20</b>	<b>10.99</b>
<b>Principal Repayments</b>	<b>9.60</b>	<b>8.03</b>	<b>8.47</b>	<b>8.40</b>	<b>12.72</b>
Domestic	6.27	4.52	4.65	4.78	8.38
External	3.33	3.51	3.82	3.62	4.34

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Oct 2023</b>
<b>Total VAT Collection</b>	<b>33.03</b>	<b>33.69</b>	<b>26.49</b>	<b>24.94</b>	<b>36.90</b>	<b>32.36</b>
VAT as a % of Current Revenue	23.86%	24.32%	22.30%	19.75%	27.03%	27.22%
VAT on International Trade	16.11	17.31	13.55	14.75	17.91	13.40
As a % of total VAT	48.76%	51.38%	51.20%	59.16%	48.52%	41.41%
VAT on Domestic Goods & Services	16.93	16.38	12.94	10.18	19.00	18.96
As a % of total VAT	51.24%	48.62%	48.80%	40.84%	51.48%	58.59%

**ANNEX III: COMPARATIVE SUMMARY OF AVERAGE MONTHLY JOBS  
BY SECTORS (2017 – July 2023)**

<b>Industry</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>July 2023</b>
Agriculture, Hunting & Forestry	105	104	134	102	136	126	132
Fishing	4	1	1	2	1	0	1
Mining & Quarrying	2	2	2	2	5	6	6
Manufacturing	89	91	102	49	66	107	103
Electricity, Gas & Water Supply	92	98	108	87	114	121	120
Construction	536	515	547	356	480	474	436
Wholesale & Retail Trade	653	703	707	426	634	673	653
Hotels & Restaurants	1,364	1,339	1,401	661	1,041	1234	1,210
Transport, Storage & Communications	382	394	278	204	235	251	233
Financial Intermediation	203	200	231	252	297	313	308
Real Estate, Renting & Business Activities	275	271	304	282	329	359	390
Public Administration & Defense	1,821	1,824	1,855	1,910	1,919	1966	1,962
Education	125	122	133	122	91	123	114
Health & Social Work	33	29	40	43	41	47	50
Other Community, Social & Personal Services	132	92	103	34	108	124	118
Private Household with Employed Persons	147	132	135	114	141	133	129
Extra-Territorial Organization & Bodies	-	-	-	-	-	-	-
<b>Total</b>	<b>5,963</b>	<b>5,917</b>	<b>6,081</b>	<b>4,646</b>	<b>5,638</b>	<b>6,057</b>	<b>5,965</b>

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

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Oct 2023</b>
<b>NIA External Creditors</b>					
CDB	30.57	27.30	24.34	21.49	18.72
KFAED	5.17	4.68	4.24	3.70	3.45
MICB	3.24	3.09	2.62	2.31	2.16
Taiwan ICDF	-	1.94	2.43	5.00	5.00
<b>Total Outstanding External Debt</b>	<b>38.98</b>	<b>37.01</b>	<b>33.63</b>	<b>32.50</b>	<b>29.33</b>
<b>NIA Domestic Creditor</b>					
SKNA National Bank	143.23	146.05	152.08	152.68	147.58
Bank Of Nevis	77.70	87.55	93.20	108.52	119.00
SSB	33.81	40.75	42.19	41.21	33.62
Treasury Bills Issue (OTC) 91 days	101.64	104.83	108.94	111.61	140.09
Treasury Bills Issue 365 days	8.30	8.30	5.28	5.28	5.28
FCIB	6.16	7.45	5.76	4.13	2.67
FINCO	0.59	0.38	0.18	-	-
SIDF	2.50	2.50	2.50	2.50	2.50
<b>Total Outstanding Domestic Debt</b>	<b>373.93</b>	<b>397.81</b>	<b>410.13</b>	<b>425.93</b>	<b>450.74</b>
<b>Total NIA Debt</b>	<b>412.91</b>	<b>434.82</b>	<b>443.76</b>	<b>458.27</b>	<b>480.07</b>
<b>Government Guaranteed Debt</b>	<b>48.55</b>	<b>53.93</b>	<b>51.95</b>	<b>65.65</b>	<b>64.62</b>
<b>Total Public Sector Debt</b>	<b>461.46</b>	<b>488.75</b>	<b>495.71</b>	<b>523.92</b>	<b>544.69</b>

**ANNEX V: SUMMARY OF CURRENT AND CAPITAL EXPENDITURE 2024 (in EC\$ Dollars)**

	Description	Current Expenditure	% of Current Expenditure	Capital Expenditure	% of Capital Expenditure	Total Expenditure
01	Deputy Governor General	664,000	0.32	0	0	664,000
02	Legislature	952,900	0.46	0	0	952,900
03	Audit	547,400	0.26	0	0	547,400
04	Legal Services	1,304,900	0.62	0	0	1,304,900
05	Premiers Ministry	8,125,800	3.90	3,950,000	5.32	12,075,800
06	Ministry of Finance	92,910,200	44.57	6,950,000	9.36	99,860,200
07	Ministry of Communications	16,596,900	7.96	24,475,000	32.97	41,071,900
08	Ministry of Agriculture	9,679,000	4.64	9,750,000	13.13	19,429,000
09	Ministry of Health	33,942,300	16.28	14,310,000	19.28	48,252,300
10	Ministry Tourism	5,280,500	2.53	5,800,000	7.81	11,080,500
11	Ministry of Education	36,873,000	17.69	9,000,000	12.13	45,873,000
12	Human Resources	1,595,000	0.77	0	0	1,595,000
	<b>Total</b>	<b>208,471,900</b>	<b>100</b>	<b>74,235,000</b>	<b>100</b>	<b>282,706,900</b>



**Nevis Island Administration**