



NEVIS ISLAND ADMINISTRATION

2025 BUDGET ADDRESS



**"MOVING FORWARD:
PEOPLE FOCUSED;
SUPPORTING
ENTREPRENEURSHIP;
BOLSTERING JOB
CREATION"**

**THE HONOURABLE
MARK A. G. BRANTLEY**

PREMIER AND MINISTER OF FINANCE

Tuesday 3rd December, 2024

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Madam President, I beg leave to move the second reading of the Bill shortly entitled the Appropriation Ordinance (2024) 2025.

1.0 INTRODUCTION

I am honoured as Premier and Minister of Finance to rise and present this budget under the theme:

“Moving Forward: People Focused, Supporting Entrepreneurship and Bolstering Job Creation”.

1. This people centered approach embodies the mantra of this CCM led Government - “People Matter Most” - putting our people first and putting their interests foremost on our governance agenda. Aspects of this people focused agenda are already being manifested in the recent activities of this government during the latter half of this fiscal year 2024 and will serve as the catalyst for moving forward into 2025 as we unveil other aspects of our people focused agenda.

2. In September we celebrated our 41st Anniversary of Independence under a theme that reflected the deep-rooted spirits of unity, dignity and strength of character of our people. It exemplified our patriotic pride, our innate individual fortitude and our collective strength as a nation. It was 41 years ago that our people took a courageous step into the unknown, charting a course of self-reliance and self-determination, raising our new national flag and the playing of our national anthem to signal a new chapter in our colorful and illustrious history.

3. This celebration followed closely on the heels of the largest gathering of our people of the diaspora on Nevis – our Home Coming Celebration coinciding with our 50th Anniversary of Culturama. It was indeed a proud moment for all who called Nevis home. This momentous gathering included those who lived here at some point before migrating and those born to our citizens and residents who had migrated from Nevis. We were delighted with the hundreds of our people in the Diaspora who answered the call to come home and celebrate our cultural milestone and to witness firsthand the progress and development of our country and for this we are eternally grateful.

4. Further, just over a month ago we celebrated the 40th Anniversary of our existence as a reputable financial services jurisdiction. Nevis is punching well above its weight when we compare our achievements with those of other Financial Services Centers. Forty years and counting, this is quite a noble achievement. Our continued success in this sector is due to a variety of factors but more importantly it rests with our ability to be adaptive and responsive while recognizing that we are operating in an arena where the playing fields will never be level and the goal posts are forever shifting.

5. These three back-to-back, people focused celebrations ought not to be taken for granted or taken lightly. These celebrations allowed Nevis to showcase to our people the progress that we have made in our island home. These celebrations were truly a time that reminded us of the challenges we have faced but also the successes and accomplishments we have achieved culturally, socially and economically.

6. It is no secret that Nevis is a diversified cultural paradise. Our people focused agenda must embrace everyone who calls Nevis their home regardless of their gender, their race, their age, their place of origin or their beliefs. Everyone who lives here should have a sense of belonging and a sense of purpose which ultimately will inspire a sense of pride and patriotism. It is only by so doing that we will be able to perfect our ambition of constructing a better Nevis for all.

7. My Government will continue to demonstrate by its actions a welcoming atmosphere to our non-nationals residing here. We welcome you and invite you to continue to help us grow and develop Nevis. We must play our part in preserving our nation's core values of inclusion and diversity.

8. Therefore, Madam President, it is incumbent on us as a government to ensure that as we move forward into the new fiscal year 2025, our people are not left behind. We must continue to implement policies and programs that are people driven and predominantly focused on harnessing the entrepreneurial skills of our people and creating the economic environment that will bolster job creation.

9. Despite the challenges of the Covid 19 pandemic and the lingering effects thereof, your CCM led Government has never lost sight of its responsibility to strengthen the key pillars that will propel our economy. We have been prudent in the managing of our finances as is evident in the marked improvement in revenue growth in key sectors when compared to past years. We also witnessed increases in the rate of employment and an increase in the number of new business registrations over the years. Through our commitment to the growth and development of the small business sector, we were able to engage several prospective business minded individuals through various training workshops and seek funding with a view to directing their focus towards creative and innovative business development.

10. Like other small and developing economies we continue to encounter numerous economic and social challenges – be it severe weather conditions such as hurricanes, long and unpredictable periods of drought causing water shortages, health crises, crime and a world that appears in constant turmoil and conflict. We must continue to find creative ways to tackle the challenges that we face.

11. Despite these challenges, Nevis has continued to build, progress, develop and advance. Our resilience and perseverance in times of adversity is evidence of our national character and strengthens our resolve and our collective future in a way that will inspire successive generations. We are persuaded that the answer to overcoming these challenges lies in our ability to be innovative as we seek to create new business opportunities in a diversified and broader based economy.

12. We are a determined people and our citizens continue to excel academically graduating in large numbers from our High Schools, our Sixth Form Colleges and universities across the region and the world. Our citizens are holding major management positions in institutions across the world. We need to draw on their experience to build our economy. In this regard, my Government will shortly enact a standing Economic Council for the island of Nevis drawing on the expertise at home and in the Diaspora. This Economic Council will seek to attract the best minds and provide guidance to the government on matters of the economy, growth, sustainable development and job creation. It is our intention Madam President, for the Economic Council to function as a think tank

to guide Economic Policy for Nevis and so create the necessary policy framework for development.

13. Our people need jobs, and the government alone cannot be the source of employment for all. We are of the view that the Private Sector must be a key growth partner for future job creation. Therefore, we will continue our ongoing discussions and dialogue with our key stakeholder partners in the Tourism and Construction industries along with representatives of the Financial Services and Banking Sector and the Chamber of Industry and Commerce (Nevis Branch). We believe that it is important to have joint public/private sector partnerships if we are to drive policy which advances our island and achieve the level of growth in economic activity as anticipated and ultimately leading to increased employment opportunities. We will continue to implement policies geared towards this objective through our various incentivised investment programs at the Nevis Investment Promotion Agency and our small business programs which seek to create new micro and small entrepreneurs.

2.0 INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

14. Madam President, a review of the state of the global economy and expectations for the medium term shows that although global inflation seems to now be under control, the prices of some goods and especially services still remain persistently high across many regions. Rising sovereign debt levels, the wars in Ukraine and parts of the Middle East, illegal migration, climate change, social unrest, geopolitical conflicts and the threat of the implementation of protectionist policies disrupting supply chains are all challenges that are also constraining growth potentials.

15. The International Monetary Fund (IMF) in its World Economic Outlook (WEO) report for January 2024 indicated that global growth was projected at 3.1 percent for 2024 and 3.2 percent for 2025. It was anticipated that the fiscal year 2024 would witness the continuation of the growth trend whereby global growth levels continue to be below the historical average. In the October 2024 follow up report of the '**World Economic Outlook October 2024: Policy Pivot, Rising Threats**', the prediction for global economic growth was on par at 3.2 percent for the years 2024 and 2025. This indicates that growth projections for these periods have remained unchanged from the April 2024 projections. This is in stark contrast to the 6.0 percent growth rate experienced in

2021. Though growth has been slow – it has been steady and with disinflation, this has helped to prevent a hard landing for the global economy.

16. It must be noted that neither advanced economies, emerging markets nor developing countries have achieved their targeted growth expectations. The primary reason is that there still exist weaknesses across all economies which are being further amplified by the challenges identified above. Advanced economies which grew by 1.7 percent in 2023 are expected to grow by 1.8 percent for 2024 and 2025. The United States of America which grew by 2.9 percent in 2023 is projected to see growth of 2.8 and 2.2 percent for 2024 and 2025 respectively. Emerging Markets and Developing Economies which grew by 4.4 percent in 2023 are projected to grow by 4.2 percent in 2024 and 2025. Latin America and the Caribbean, which grew by 2.2 percent in 2023, are projected to grow by 2.1 and 2.5 percent respectively.

17. The IMF has forecasted that global growth for the next five years, that is, to 2029 will be 3.1 percent, which is below pre-pandemic levels. Currently, there are high levels of uncertainty surrounding the outlook for the global economy. The prediction is that global growth is expected to remain broadly flat, decelerating from 3.3 percent in 2023 to 3.1 percent by the year 2029.

18. Madam President, the Eastern Caribbean Central Bank (ECCB) has forecasted that the economy of St. Kitts and Nevis will grow by 5.53 and 3.42 percent in 2024 and 2025 respectively. The Federation's economy, as indicated by the ECCB, only grew by 2.30 percent in 2023. In comparison, the Eastern Caribbean Currency Union (ECCU) is projected to grow by 5.21 and 3.59 percent in 2024 and 2025 respectively. Quite noticeably is that the economy of St. Kitts and Nevis is projected to grow by a greater margin than the aggregate growth rate for the ECCU in 2024.

19. The ECCB continues to provide strategic advice on economic policy, public finance management, debt sustainability and governance to help its member countries strengthen their respective economies. I wish to use this opportunity to extend our gratitude to the ECCB for its invaluable assistance and the training opportunities granted to our staff within the Ministry of Finance over the years.

3.0 DOMESTIC ECONOMIC PERFORMANCE

3.1 Fiscal Performance 2023/2024

20. Madam President, this Administration began the fiscal year 2024 with an expenditure budget of \$282.71 million. This budget outlined the Administration's expenditure plans and proposals for the near to medium term. That Budget also projected an increase in recurrent revenue of 5.71 percent over what was budgeted in 2023 and 5.09 percent above what was collected for the fiscal year 2023.

21. Madam President, in regard to our actual comparative performance for this fiscal year, recurrent revenue generated for the period up to October 31, 2024, amounted to \$127.58 million. This represents an increase of \$8.69 million or 7.31 percent over the results up to October 2023, where the recurrent revenue generated at that time was only \$118.88 million. This recurrent revenue coupled with the amount of \$60.0 million, which includes funds received as development aid and our share of the revenue from the CBI Program, resulted in an overall total revenue of \$187.59 million. This represents an overall increase in total revenue of \$7.95 million or 4.42 percent when compared to total revenue collected for the fiscal year ended October 31, 2023, which amounted to \$179.64 million.

22. Madam President, the tax revenue collected as of October 31, 2024, amounted to \$96.96 million, which represents an increase of \$4.46 million or 4.82 percent when compared to the amount of \$92.50 million collected as of October 2023. Overall, tax revenue accounted for 76.0 percent of recurrent revenue with the remaining 24.0 percent being classified as non-tax revenue.

23. The Value Added Tax (VAT) receipt collection continues its remarkable turnaround when compared to previous years. VAT receipts collected as at October 31, 2024, accounted for 35.90 percent of tax revenue and 27.28 percent of total recurrent revenue. Other key contributors to our revenue collection includes International Financial Services: 10.19 percent, Stamp Duties: 9.03 percent, Import Duties: 8.23 percent, Social Services Levy: 7.44 percent, Customs Service Charges: 6.31 percent, Water rates: 5.13 percent, and Corporate Income tax: 4.21 percent.

24. Madam President, the total expenditure for the period up to October 31, 2024, amounted to \$203.22 million. This is a decrease of \$18.63 million or 8.46 percent when compared to the outlay of \$221.85 million spent for the corresponding period in 2023. The recurrent expenditure

as at October 31, 2024, amounted to \$159.59 million. This is an increase of \$6.86 million or 4.49 percent when compared to the outlay of \$152.73 million for the same period in 2023.

25. The main components of recurrent expenditure for the period under review were personal emoluments which accounted for 46.86 percent and goods and services which accounted for 21.65 percent. Debt service payments consisting of both principal and interest repayments amounted to \$28.93 million or 18.13 percent of recurrent expenditure. The recurrent budgetary allocation for the period ending October 31, 2024 was projected at \$165.15 million. It shows that the Administration has been prudently managing its expenditure and was able to effectively function within the outlined expenditure parameters for the period.

26. Madam President, capital expenditure for the period January to October 2024 was significantly lower than that for the comparative period of the fiscal year 2023. The outlay for the period under review amounted to \$43.63 million. This represents a decrease of \$25.49 million or 36.88 percent when compared to the outlay of \$69.12 million for the same period in 2023. Overall, capital spending for the period under review accounts for only 21.47 percent of the total expenditure.

27. Madam President, I wish to make it clear that the ballooning of our capital expenditure for the fiscal year 2023 was not of our own doing but arose from the fact that this Administration had to deal with a matter that was left over from the previous NRP-led Administration. As we may recall, the then NRP-led Administration in 2007 took the decision to acquire the abandoned Rest Haven Inn Property. During their remaining time in office, they made no attempt to arrive at fair compensatory value and never compensated the owners for their property. I wish to make it clear to this Honorable House that we have found no evidence as to why this property was acquired by the then NRP-led NIA. We have found no plans, no discussions, no notes as to why this decision was taken or what the plans were for this property.

28. My government has been in continuous discussions with the owners seeking to arrive at amicable compensation terms. Along the way there was litigation between the previous owners and a creditor which the NIA got sucked into and had to be resolved. All this time interest at the rate of 6% per annum was accruing. My Administration has even tried to return the property as we have found no sensible reason why this abandoned property was taken placing such huge financial burden on the taxpayers of Nevis.

29. During the fiscal year 2023 after much deliberation, we finally arrived at a compensation arrangement and therefore had to record the property on our books as part of our capital expenditure. The quantum of the expenditure ballooned our capital expenditure beyond the normal range of spending, creating a much larger deficit than we had projected in comparison to previous years. As you review the Audit Report tabled this morning, you will note that this was flagged by the Auditors where they reported that the accounts for the fiscal year 2023 recorded a deficit of \$35.81 million representing the largest deficit in the past 10 years. This is particularly unfortunate as our prudent management generated a surplus in 2022. This ill-advised and reckless Rest Haven acquisition was the primary cause of this huge fiscal deficit.

30. Madam President, notwithstanding the above, I am happy to report that as of October 31, 2024, our primary balance has grown into a significant surplus position, moving from a deficit of \$14.59 million at the end of October 2023 to a robust surplus of \$13.30 million as of October 31, 2024. We had originally budgeted for a primary balance deficit of \$8.49 million for this period. The excellent financial performance for the year thus far, despite the challenges encountered, has pushed the Administration into a stronger position than initially anticipated. Our overall balance moved from a deficit of \$29.48 million at the end of October 2023 to a negligible deficit of \$3.11 million as of October 31, 2024.

31. This significant narrowing of the overall deficit over the last 12 months indicates that the economy is indeed gaining strength. The fiscal gap has narrowed over the last 12 months with the deficit moving from \$21.12 million as at October 2023 to \$19.49 million at the end of October 2024. The fiscal deficit has been contained within the budgeted limit of \$27.91 million.

32. Madam President, our fiscal position as of October 31, 2024, has most certainly improved and our revenue performance for the fiscal year 2024 thus far has been very favorable. Continuing to chart this course, we believe that we can achieve our revenue targets while remaining within our outlined expenditure parameters.

3.2 Performance of the Value Added Tax (VAT)

33. Madam President, our total VAT revenue as of October 31, 2024, stood at \$34.81 million which indicates an increase of \$2.45 million or 7.57 percent when compared to the \$32.36 million

collected for the period October 31, 2023. For the fiscal year 2023 the total VAT receipt was \$38.37 million. It is expected that VAT collections for 2024 will not only surpass that of 2023 but exceed the 2024 budgeted target of \$42.0 million.

34. Madam President, VAT continues to be a significant source of revenue for the Administration. The level of VAT collections can also be used as a measure of the economic wellbeing of the island. As of October 31, 2024, VAT receipts account for 27.28 percent of total recurrent revenue. A breakout of the total VAT receipts thus far shows that \$20.70 million representing 59.48 percent was generated from the consumption of domestic goods and services and \$14.11 million representing 40.52 percent was generated through international trade at our Customs Department.

35. The VAT collected at the Inland Revenue Department of \$20.70 million was an increase of \$1.74 million or 9.19 percent when compared to the \$18.96 million generated for the corresponding period in 2023. VAT receipts collected at the Customs Department of \$14.11 million were also an increase of \$0.71 million or 5.25 percent in comparison to the \$13.40 million collected for the same period in 2023. This positive outcome shows that our economy continues to experience incremental growth.

36. The VAT collections outlined above, even though they are promising, are not a full reflection of the state of economic activity on Nevis. I must remind the House that a significant portion of VAT generated from activities on Nevis is paid in Basseterre as allowed in single filing system under the VAT Legislation. The legislation provides for entities registered in St. Kitts but operating a branch on Nevis to pool and file all their VAT on St. Kitts. We estimate that the revenue loss to the Administration through this allowance is substantial. We continue to engage in serious discussions at the Federal level with a view to having the VAT legislation amended to allow for VAT generated from activities on Nevis to be paid in Nevis while VAT generated on activities on St. Kitts be paid in St. Kitts. This will allow us to have a much better appreciation of the state of economic activity in Nevis as measured by the VAT generated from local activities.

3.3 Public Debt and Debt Restructuring

37. Madam President, as it relates to the state of the Public Debt, the Central Government's outstanding debt as of October 31, 2024 was recorded at \$476.73 million, reflecting a decrease of 1.4 percent from the \$483.58 million recorded on December 31, 2023. During the period under review, domestic debt amounted to \$451.13 million, accounting for 94.6 percent of the total Central Government Debt, while foreign debt amounted to \$25.6 million, accounting for 5.4 percent of the overall debt. Further, the total Public Sector Debt, including the debts of Statutory Corporations, as at October 31, 2024 amounted to \$545.41 million, reflecting a slight decrease of 0.1 percent from the \$546.34 million reported on December 31, 2023.

38. Madam President, mention was made earlier of the conclusion of matters relating to the acquisition of the Rest Haven Inn Property by the then NRP led Administration. The compensatory package comprised a cash payment and the issue of NIA 91-days Treasury bills for the remaining balance. These Treasury Bills are to be redeemed monthly depending on the cash flow of the Administration. Having to issue Treasury Bills in this quantum naturally ballooned out our stock of Treasury Bills and our stock of Domestic Debt as at December 31, 2023. As you review the Audit Report tabled this morning, you will note that this was also flagged by the Auditors where they reported that the public debt has increased by 23.34 million and our stock of Treasury Bills increased by some \$28.32 million. This transaction was the primary cause of this huge increase in our stock of Treasury Bills and Domestic Debt for the fiscal year 2023.

39. During this fiscal year, your government has refrained from undertaking any new debt obligations. We have instead persisted in managing our affairs within the debt limits previously approved and increased the efficiency of our revenue collection by significantly reducing the arrears of revenue to government departments, thus providing the financing to meet our obligations for the year. The resulting effect is a decrease in the debt of the Central Government.

40. However, the Nevis Electricity Company (NEVLEC) was forced to enter a new debt arrangement with the Bank of Nevis Ltd. in the amount of \$10.0 million to enable it to meet its outstanding obligations to its creditors for fuel supplied. This contributed to the increase in the overall total Public Debt.

41. Madam President, debt reduction remains a fundamental pillar of our strategy for ensuring long-term fiscal resilience and financial sustainability. While borrowing plays a pivotal role in fostering development, especially for substantial capital undertakings, it is imperative that such borrowing be undertaken judiciously. We must always carefully assess and manage our debts to avoid placing disproportionate burdens on the fiscal health of the administration. It is incumbent upon us to address these debt dynamics with both foresight and responsibility while ensuring that our financial obligations do not hinder the future potential of our economy. Madam President, rest assured that your government remains steadfast in its commitment to upholding financial discipline in the management of our public debt.

4.0 Supporting Entrepreneurship and Bolstering Job Creation

4.1 Job Creation and Employment

42. Madam President, let us now turn our attention to the state of the economy and an examination of the key economic indicators. Earlier in my presentation I indicated that our revenue collection for the period increased by 7.31 percent when compared to the corresponding period in 2023. Continuing this trend, we expect that by the end of this fiscal year our overall revenue collection should surpass that of the entire fiscal period 2023.

43. Madam President, the primary indicator of growth in an economy lies in its ability to create “good paying and high-quality jobs”. Our revenue collection from the Housing and Social Development Levy, which is a direct charge on employment income, is an appropriate yardstick to measure growth in the number of persons employed and the level of personal income as well. During the period January to October 2024 the total amount collected as Housing and Social Development Levy amounted to \$9.5 million as compared to \$11.0 million collected for the entire fiscal year 2023.

44. Madam President, “job, jobs, jobs” has always been our mantra and job creation will forever be pivotal in my Administration’s development strategy. As indicated in all my previous

budget addresses to this Honorable House, the average number of jobs and the number of people employed on Nevis continues to trend upwards in the post-pandemic era.

45. The employment trends observed over the past four years and especially for the period January to October 2024 indicate that there continues to be steady growth in jobs across all sectors of the economy. The Hotel and Restaurant, Financial Intermediaries, Wholesale and Retail trades along with Public Administration and Defense continue to be the main areas of employment within our economy.

46. For the month of October 2024 there were a total of 654 employers who filed contributions with the St. Christopher and Nevis Social Security Board as compared to the 571 employers for the corresponding period in 2023. For that said month, contributions were filed for 6555 employees, which exceeds the average monthly employment of 5,784 persons. It should also be noted that the month of April 2024 provided 6345 employment opportunities or jobs, the highest number of employment opportunities during the period under review and exceeded the average of 6259 job opportunities for the entire period 2023.

47. Madam President, the said report also indicates that the level of wages earned within the economy is also increasing. The average total wage reported at Oct 31, 2024 was \$21.99 million as compared to \$20.75 million for the said period in 2023. This represents an average increase of 5.98 percent in the total wages earned within the economy up to October 31, 2024. Madam President, we are fully aware that there are several employed and self-employed persons for whom no contributions are regularly reported. This underscores the fact that the employment situation on Nevis is much better than indicated in the reported data.

48. We are also fully aware that some of our employment is seasonal and therefore during the tourist season October to May we expect a larger number of employment opportunities. This will then be reduced during the off-season months of June to September and increasing again in October which coincides with the start of the new season. Therefore, taking all these factors into consideration, the average monthly employment over the period January to October 2024 stood at 5008 persons. The average number of employers filing contributions during the same period was 476 and the average number of job opportunities for the said period averaged 5404. Naturally we

expect these numbers to increase drastically during the months of October to December surpassing the employment level for 2023 as we ramp up employment across all sectors for the start of a robust 2024/2025 tourist season.

49. We continue to see the trend of more job opportunities than persons being available for employment. This surplus of jobs continues to be filled by persons, holding multiple jobs. This practice of having multiple employers is common in the hotel and restaurant sector and with the private security services as well.

50. This trend of increasing employment is a direct result of the incentive policies adopted by my Government over the years. We have continuously incentivized the growth and development of the business sector through our programs for concessions on building materials for the physical expansion of businesses, our concessions on furniture and equipment for small and medium size startup businesses and through our small business lending program operated by the Small Business Development Unit. As it relates to that lending program, to date we have approved \$3.1 million in funding to a total of eighty-one (81) applicants across a variety of sectors namely: Retail Trade, Agriculture, Food and Beverage, Transportation, General Services and Industry. We are also happy to report to the Honourable House that under that programme all loans have been reduced from 4 to 3% interest making it even easier to access seed financing. I urge those who have benefitted from this programme to remain current with their loans payments so that other people can also benefit.

51. Madam President our policies are obviously bearing fruit. The employment data across all sectors is encouraging and it is expected that these numbers will continue to trend upwards in the medium term. We pledge to continue our efforts to ensure that our economy remains resilient and robust by enacting policies that will improve our Climate Resilient Infrastructure, expedite Economic Diversification, improve Risk Adaptation and Mitigation, promote Financial Sustainability, foster a reduction in our Vulnerability levels and enhance our Social Safety Programs, ultimately increasing job security across all sectors.

4.2 Public/Private Sector Partnerships for Development

52. Madam President, we continue to position Nevis as a place that is, “open for business and looking for real partners to help us achieve our investment goals”. We were delighted to establish a partnership with Radius Holdings LLC, a USA-based company, which saw the reopening of the Call Centre at Brown Hill. I am happy to report that employment at that site is now at 92 persons and the company has now expanded its services, moving from merely providing Quality and Compliance Front Office Services to the addition of Debt Collecting Services for its world-wide clients, thus expanding the array of services offered from that site. It is anticipated that employment will increase gradually with the final objective of having the facility operating at full capacity accommodating at least 180 persons over the medium term.

53. We were equally delighted to establish a partnership with a new call center facility operating as Telamed Partners with offices in Charlestown. From their initial start of 8 employees, they now employ some 36 persons and keep growing. Given our English speaking, technology proficient, highly literate work force and close geographic proximity to the United States mainland, we see real potential for job creation in this area and invite other businesses to partner with us and enter this near shore contact center space.

54. We welcome the recent news that the sale of the former Nisbet Plantation Inn is finally complete. The new owners have represented that they have completed their concept design for the project and are now able to advance their architectural plans in conjunction with their preferred hotel operator, Hilton-Waldorf Astoria for the development of a luxury hotel with branded villas. Consistent with my Government’s approach to foreign investment into Nevis, we pledge our full support to this project. However, we also trust that there will be some serious progress towards making this project a reality over the medium term.

55. We continue to facilitate and have extended concessions to the developers of the Northern Point Development project now styled “The Nevisian”. This project which was initially proposed to be in the St. James Parish is now slated for construction at Paradise Estate, St. Thomas Parish. I am advised that the Concept Drawing and the Environmental Impact Assessment Study have been submitted to the Department of Physical Planning for review. Further, there have been

continuous discussions between the local representatives of the Developer and the Department of Physical Planning with a view to moving the project forward while ensuring the protection of the Wetlands at the proposed project site. My Government equally pledges its full support to this project. We also trust that there will be some serious progress towards making this project a reality over the medium term.

56. Madam President, on the matter of the upgrading of the facilities at the Vance W. Amory International Airport, plans are still on track. The consulting and design firm Perez Engineering Limited is working assiduously to complete the design phase of the project. Thus far, three (3) public consultations have been held to sensitize the citizens of Nevis about this project. The Social and Environmental Impact Assessment Report has been completed and made available to the general Public at the Charlestown library.

57. One of the requirements to effectively carry out this project is the purchase of the adjoining land to facilitate the expansion. My Government has received a credit facility of EC\$20 million from the St. Kitts Nevis Anguilla National Bank to meet the cost of the lands. That facility has been guaranteed by the Federal Government and I record my gratitude to Prime Minister Drew and his Cabinet and also to the National Parliament for a Resolution passed unanimously on the 28th November, 2024 supporting this guarantee. We intend to commence payouts to affected landowners shortly and we thank them for their patience.

58. The commitment from the private investor to fund the extension of the runway, construction of adequate hanger space and upgrading of our existing refueling facilities has not waned. The access to the land has been the reason for delay so we hope now to conclude matters quickly. My Government is also in discussions with the Government of Taiwan with a view to having them provide the additional funding and technical support necessary to expand the existing Terminal Building, reconstruct the Control Tower and upgrade our Fire and Rescue Services located at the airport compound. Be assured that your government is working tirelessly to have substantive progress on this project in 2025. I wish to record my gratitude to the Honorable Alexis Jeffers who has worked tirelessly to get us this far and has done an admirable job keeping this project on track.

59. Madam President, to further propel our “Nevis open for investment strategy”, the Nevis Investment Promotion Agency (NIPA) partnered with the Office of the Prime Minister to host Gateway **Investment Summit in St. Kitts** during the period September 14 – 18, 2024. This summit highlighted the interest of economic citizens and investors worldwide, be it United Arab Emirates/Dubai, Nigeria, USA/Washington and UK. It provided opportunities for NIPA to showcase the investment opportunities available on the island, bring awareness to potential investment projects and promote economic development initiatives. Similarly, NIPA partnered with the Diaspora Unit in the Office of the Prime Minister to host the **Diaspora Conference** in St. Kitts during the period July 10 – 14, 2024. This conference created the opportunity for us to build awareness of the types of investment opportunities available in Nevis and to bridge a relationship with our Diaspora.

60. Our Diaspora must be incentivized to play a greater role in our economic development and job creation efforts. To this end my Government intends to launch a new Returning Nationals and Diaspora Investment Program which is now being finalized. This program is intended to incentivize persons in the Diaspora to return home and create employment opportunities in their homeland.

61. 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) attended the **STEP Latam Conference** held in Argentina in October 2024. Our presence at this conference allowed us to build awareness of Nevis as a reputable financial services jurisdiction to the Latin American Market while building relationships and exploring other business ventures. Currently, Nevis is a well-talked about jurisdiction within the Latam Market with promising hopes of having several companies redomicile their operations to Nevis.

62. Madam President, our attendance at the annual STEP conference has proven to be a sensible marketing tool. Therefore, my Government intends to partner with the STEP to host the STEP Caribbean Conference scheduled to be held in the Federation of St. Kitts and Nevis during the period May 14 – 16, 2025. This conference is intended to attract more than 150 delegates from around the Caribbean, the USA, Canada, Latin America and the UK. As a partner and co-sponsor

of this event it offers significant exposure for Nevis as a leading Financial Services Center. It will serve as both an investment and a tourism-related event as the presence of team Nevis at the exhibitor booths will allow us the opportunity to extend our reach and have one-on-one discussions with the conference participants to build further awareness of Nevis.

63. I also was privileged to be invited to speak at the annual Asset Protection Conference convened in Miami in early November 2024. That conference catered to just over 40 ultra-high net worth individuals and was by invitation only. It provided an excellent platform to speak about the products and services being offered in Nevis.

64. Madam President permit me to publicly thank Permanent Secretary Mr. Colin Dore, Principal Assistant Secretary Mrs. Joan Browne and the entire team at the Ministry of Finance, Customs and Inland Revenue Department for their excellent service to the people of Nevis.

4.3 Tourism Sector

65. Madam President, I now turn your attention to the all-important area of tourism, our main economic pillar. Tourism fused with culture was the highlight of activities during the summer period as thousands of visitors and Nevisians in the diaspora descended upon our shores. Our homecoming celebration coupled with our 50th Anniversary of Culturama brought a major boost for activities in the tourism sector during the traditionally slow season.

66. The month of June – July 2024 saw significant visitor arrivals into Nevis with many families descending on the island to host family reunions while enjoying the C50 celebrations. The benefits of these events during this period were manifested in an increased level of economic activity spread across a variety of tourism sub-sectors - be it the restaurants, taxi and tour operators, car rental companies, hotels, guest houses and even private home stay properties that were developed to facilitate the massive inflow of persons. We can truly say that our hotels and accommodation facilities witnessed 100 percent occupancy during this period.

67. In a similar manner our allied tourism services such as car rental services also saw a 100 percent buyout of services while our restaurants struggled to cope with the increased demand

placed on them daily to facilitate dining out. Overall, it was truly a memorable experience for our people coupled with an increased level of economic activity that benefitted all business minded Nevisians.

68. Madam President, the upcoming 2024/2025 cruise season seems promising. We are anticipating at least 50 cruise ship calls with a carrying capacity of at least 20,000 persons which is an increase of 10.6 percent when compared to the cruise calls for the 2023/2024 season. This influx of persons coupled with our stay over visitors is expected to provide significant economic activity for our restauranters, hoteliers, taxi and tour operators and our allied tourism services operators.

69. The Tourism Sector is truly witnessing a rebound in activity post pandemic. Tourism direct tax receipts as collect via the Tourism Development Levy increased by 8.6% to date when compared to the said period in 2023. The months of June, July and August this year recorded double digit increases over the previous year, with the month of July 2024 recording a 19 percent increase when compared to July 2023. These strong performances are especially noteworthy given that this period is typically the slowest time of year. Again, it was positively impacted by the activities of our homecoming celebration as outlined above.

70. To further facilitate the increase in activities in this sector, my Administration continues to invest substantial sums in securing airlift into the Vance W Amory International Airport, Nevis. We continue to partner with CAPE AIR on the St Thomas to Nevis route which has been witnessing high passenger yields. This partnership with Cape Air has also blossomed into a St Croix to Nevis route granting scores of Nevisians in St. Croix an easier access of movement in and out of Nevis.

71. In July we engaged WINAIR to resume direct flights between Nevis and St Maarten. This flight is now fully operational granting Nevisians and visitors alike easier access for movement in and out of Nevis. We continue to appeal to the Nevisian public to make use of these services directly connecting Nevis to the rest of the world. It takes your support to make these routes economically viable. At every step your caring government has tried to make the fares very

competitive by providing the necessary flight subsidy, thus keeping the fares within an affordable and reasonable range.

72. The Ministry of Tourism has been instrumental in helping the island of Nevis achieve several accolades which were won over the past year. I wish to congratulate Ms. Keyana Warner of the Charlestown Secondary School who won the Caribbean Tourism Organization Youth Congress held in the Cayman Islands in September 2024. She joins the prestigious list of Nevisians namely Neila Jones and Rol-J Williams all of whom won similar regional titles over the past years.

73. The Condé Nast Traveler U.S. Readers' Choice Awards 2024 has marked Nevis as one of the Caribbean's Top Islands. Nevis grabbed sixth position. The island of Nevis has further received recognition for three of its renowned hotels under the list of Top Caribbean Resorts. Paradise Beach was ranked #17, Four Seasons Resort ranked #24 and Montpelier was ranked #29.

74. Madam President, we continue to be innovative with our marketing strategy to move the tourism industry forward. The Nevis Tourism Authority has engaged the services of the marketing firm Tambourine which will facilitate our thrust towards digital marketing. Tambourine is currently engaged in a re-branding exercise which includes new destination photography, website and correlated materials.

75. In addition, Mrs. Candi Carter of African American heritage, a multiple Emmy Award-winning producer, based in the United States, has been named as a Diversity Ambassador to Nevis. Her role is to use her network and influence to increase travel to Nevis by building awareness amongst a wide diversity of people.

76. It is anticipated that, as Nevis' Diversity Ambassador, Mrs. Carter will leverage her network as a prominent personality in the entertainment sector to seek out and share opportunities for the staff at the NTA to interact with influential people of diversity. We have been seeking to get a greater foothold into the African American market to encourage persons to holiday here. When we consider the demographics, this is a multi-billion-dollar travel segment on which we expect to capitalize.

77. In relation to our island's natural attractions, the Ministry of Tourism has invested heavily in enhancing the environment at the Bath Hot Springs at a cost of \$800,000.00. This includes the construction of parking lots, landscaped gardens, bathrooms, changing rooms, a visitor welcome centre, gazebos, refurbished pools and an on-site snackette. These upgrades are intended to provide a more enjoyable and welcoming experience for our visitors to the site. This rehabilitated Bath Springs Project was officially declared open on November 3, 2024. During the upcoming fiscal year, it is our intention to restore the original Bath House to its original functional use as a therapeutic venue. The restoration project at Bath Hotel itself is expected to be completed in 2025, thanks to a generous grant of US\$ 295,000 from the US Embassy.

78. Madam President, through our continued partnership with the Republic of China, Taiwan, we have been able to complete the upgrades to the Pinneys Beach area. This revamped area boasts dozens of parking spaces, a new well drained road network, LCD display signs, bathroom facilities, landscaped green areas and a boardwalk connecting the beach to the MGR Park. We can all agree that the new ambiance at the Pinneys Beach area complements that of the MGR Park and provides a welcoming atmosphere in which business can thrive. This upgraded Pinneys Beach area was officially declared open on November 1, 2024.

79. Madam President at the centre of our tourism development thrust must be the promotion of sustainable tourism practices, such as waste reduction, energy efficiency, and environmental conservation. This thrust must be strongly undergirded by a people-centered approach predicated on the core principles of empowerment through job creation and promoting entrepreneurship opportunities for all.

80. I record my thanks to Permanent Secretary Mr. John Hanley and the team at the Ministry of Tourism; CEO of the Nevis Tourism Authority Devon Liburd, his entire team and the Board at the NTA and all the stakeholders in this critical industry.

4.4 Construction Sector

81. Madam President, the construction sector continues to play a vital support role in our economic development. Our economy weighed heavily on this pillar during the covid era while

we were awaiting the rebound of activities in the Tourism Sector. In fact, it was the first sector to resume full employment even while the other sectors remained closed during the midst of the pandemic. This pillar has not waned even after the pandemic and continues to grow.

82. Data provided by the Department of Physical planning showed that for the period January to October 2024 a total of 226 applications were received by the Department ranging from new home construction, renovation of existing properties, construction of apartment buildings, construction of commercial properties and the erecting of perimeter fencing.

83. Of this number, a total of 144 permits have been approved and construction work has started on at least 112 of these approvals. This is in comparison to the fiscal year 2023 where 221 building permits were granted for the said period with construction work being started for 119 buildings. Construction activities for the year 2023 were driven largely by the extension of our Covid Relief Construction Stimulus package which ended on December 31, 2023. Further, as at October 31, 2024 there were a total of 168 active construction sites throughout Nevis under periodic monitoring by the officers of the Department of Physical Planning. This is on par with the 177 active construction sites for the said period in 2023.

84. This continued growth is due largely to the various incentive programs offered by my Government to spur activities in this sector. These programs include the first-time homeowners' initiative which is an ongoing program designed to incentivize first time home construction. 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. Additionally, our incentive program for commercial development and villa/condo development will continue in the new fiscal year.

85. As a new initiative we intend to extend the first time homeowners programme to include those building additional homes and to those renovating or expanding existing homes. The same incentives will also be extended to those investing in commercial construction. This government is committed to growing Nevis together.

86. Madam President, construction is a major financial undertaking. There is therefore the need to protect the interest of property owners by regulating the activities of the operators in this sector. To this end my Government enacted the Nevis Contractors Registration and Regulation Ordinance 2021. This ordinance is designed to register and regulate persons offering their services to the public as contractors.

87. The Ordinance makes provision for persons to be registered and licensed at different class levels based on their skillset. The primary objective is to ensure that persons who hold themselves out as contractors at the various levels are licensed to do so and possess the necessary experience and skills to function at that level. To put it differently, if one desires to be licensed as a General Contractor, he must prove that he/she has been working in the construction sector for the requisite period as determined by the Ordinance and has gained the experience to operate as a contractor.

88. The Ordinance will be administered by the Construction Commissioner whose role is to vet applications for license and to grant approval for license in the various classes. The Commissioner has a responsibility to satisfy himself that the applicant possesses the experience and skillset required for that class of license. We expect to see this legislation in full operation in 2025.

4.5 Repositioning the Agricultural Sector

89. Madam President, the Ministry of Agriculture has identified a set of targeted objectives for the upcoming fiscal year. These objectives seek to support entrepreneurship in the Agricultural Sector with a view to bolster job creation. Notably:

- Operationalize the broiler processing facility
- Developing consistency in local vegetable production
- Increase in the quantity of roots and tubers available for consumption
- Increase in the supply of locally grown bananas and plantains
- Attract more blue economy business through major improvement in our fishing techniques
- Reduce the number of feral animals.

- Advance agro processing as a value-added opportunity for agriculture.

90. These objectives form part of the greater strategy to achieve Food Security and Sovereignty by drastically reducing our food import bill over the medium to long term.

91. Agriculture on Nevis is not merely an industry on this island; it is a way of life, a source of sustenance, and a symbol of resilience that has shaped the island's history and continues to define its future. It has always been the policy of this Administration to recognise our farmers as businesspersons operating a viable and important niche market, rather than just persons merely engaging in casual farming practices. Agricultural production can be a vehicle for social intervention where our single mothers and **our at-risk youths** can engage in agricultural production to provide for their needs.

92. Madam President, innovation in Agriculture must be our watch word as we seek to use modern technology to reduce production inputs while maximising production yields. We continue to push green or shade house technology as they continue to prove their efficiency and longevity in boosting production yields. I am happy to report to date that we have a total of sixteen (16) shade houses in operation with a total cultivation space of 58,160 square feet producing at least 75 percent of our stock of leafy vegetables. These shade houses specialize largely in the production of lettuce, celery, kale and to a lesser extent sweet peppers and cucumbers and tomatoes.

93. Even with this advancement in technology we are supplying only a fraction of the demand for food items on island. The data from our Department of Agriculture indicates that for the period January to October 2024 a total of 34.17 acres were under cultivation by both local farmers and the government. This yielded approximately 333,451 pounds of food crops such as sweet potatoes, onions, pumpkin, cantaloupe and cabbage. This is a reduction of 10 percent when compared to the cultivation yield of 370,619 pounds for the said period in 2023. This reduction is due in part to the extreme hot weather conditions which we have experienced during the earlier part of this year which negatively affected yields for those undertaking outdoor farming. These outputs are only meeting a small fraction of our local consumption demand as we continue to see the importation of a large quantum of food crops on a weekly basis. The reality is that the opportunity exists for our farmers to do so much more locally to meet our demand for food items.

94. Madam President, the Blue Economy presents significant economic opportunities. Our island has great potential for leveraging its marine resources for economic and environmental benefits. The growth in demand for activities specific to this sector such as aquaculture, maritime transport, renewable energy and coastal tourism can create viable and rapidly growing entrepreneurial opportunities. We must continue to work with our fishers to do more in terms of increasing the quantity of fish and other marine products available for local consumption. My Government pledges to continue to provide the necessary support to our fisherfolk to achieve these objectives.

95. In the area of meat production, it is imperative that our livestock farmers adopt modern techniques to boost their production yields. We continue to encourage the use of intensive and semi-intensive farming techniques to meet the increasing demand for meat and meat by-products. We are aware that African Swine disease is now within the region currently affecting Haiti and the Dominican Republic. This disease is confined to pigs and it is not a direct threat to human health but its deadly nature in swine could result in pork product shortages, disruptions to trade and other negative economic impacts. I am advised that there is no treatment or vaccine so the best way to protect is prevention. We encourage farmers to be vigilant and proactive so that any signs or symptoms can be identified and dealt with at an early stage.

96. The data as provided from our main meat processing facility at the Abattoir indicates that for the period January to October 2024 a total of 143,802 pounds of meat and meat by-products were processed at this facility. This was an increase of 17.5 percent when compared to the 122,407 pounds processed in 2023. Pork was the leading meat type processed with 58,000 pounds processed in 2024 as compared to the 44,244 pounds processed in 2023 - an increase of 21.9 percent. The processing of mutton also increased by 22.9 percent moving from 39,953 pounds in 2023 to 49,083 pounds in 2024. Despite this increase in meat products, we are still only meeting a small fraction of our meat consumption needs when we consider the large quantum of meat and meat products that are imported into Nevis on a weekly basis.

97. The development of a viable Broiler Industry is still a priority for my Government. This idea has been borne out of the fact that annually we continue to import large quantities of chickens and chicken by-products. We have had some setbacks in relation to the construction of the

processing facility even though the equipment for outfitting the processing operation is already on island waiting to be installed. We expect however to start the construction of the broiler production facility in the new year and have made provisions in our capital budget for funding to achieve this objective. We wish to thank the InterAmerican Institute for the Cooperation on Agriculture for their continued support and guidance in providing training and expert consultation in this area.

98. We continue to be grateful for the support we have received from allied agencies such as IICA, CARDI, FAO, UWI and Republic of China Taiwan. We will continue to deepen these current relationships.

99. I am eternally grateful Madam President for the exceptional leadership of Deputy Premier and Minister of Agriculture Hon Eric Evelyn, Permanent Secretary Mr. Huey Sargeant, the Director of Agriculture Mr. Randy Elliott and the entire team for their continued labour to help us achieve food security.

4.6 Redefining the Financial Services Sector

100. Madam President, the month of November 2024 marked an important milestone for our Financial Services Sector. It was forty years ago that we ventured out on this journey to establish a viable Financial Services sector on Nevis. Forty years after, we can reflect and proudly conclude that we have truly achieved much.

101. As we reflect on the path traversed over the past 40 years, we cannot truly celebrate this important milestone without acknowledging the significant contribution of our Trust and Corporate Service Providers. We must salute the early players who pioneered this sector along with their hardworking and dedicated staff, some of whom have almost forty years of employment in various institutions within this sector. Quite fittingly, the period of celebration started with a church service and culminated with a Gala Event on November 21, 2024, where we sought to award and recognize the significant contributions of various individuals and entities to the growth and development of the sector over the past forty (40) years. It is their continued actions and fighting spirits that served as an encouragement for successive governments to continue to advance the sector even in the face of enormous challenges. The occasion was truly a memorable event.

102. It is no secret that our jurisdiction, like many of our competitors, had its share of challenges. We skillfully maneuvered many rugged roads and overcame many obstacles that were placed in our path, both locally and internationally.

103. One may ask what the secret to our success has been. To that we say, our continued success rests on our ability to be adaptive and responsive while recognizing that we are operating in an arena where the playing fields will never be level, and the goal posts are forever shifting. We must accept that our destiny is not entirely defined by us but impacted by major players globally where the rules imposed on us are never the same as those adopted in their own jurisdictions.

104. During the period June 24 – 24, 2024 the department successfully hosted the 16th Annual AML/CFT/CPF Conference 2024 at the Four Seasons Resort Nevis. The physical attendance at this year's conference averaged 184 persons up from the 160 persons hosted last year. Additionally, we continue to see an increase in interest for attendance from regional and international jurisdictions namely Antigua, Dominica, BVI, Panama, Canada, St. Vincent and the Grenadines and Uruguay. I list those countries to indicate that this conference is no longer a local event for Service Providers in St. Kitts and Nevis but has blossomed out into a truly international conference. This conference has become a beacon that sets us apart from our competitors. Our successful hosting of this event year after year is a demonstration of our seriousness in growing this sector and making it a dominant pillar of the Nevis economy.

105. Our primary goal is to increase the sector by 50 percent annually over the medium term. To achieve this, we must allocate resources and invest in our human resources development, invest in technology to enable us to take a more proactive role in identifying and monitoring risks, continue to enact legislative changes to keep us competitive, continue to usher in a culture of compliance, improve our efficiency through a revamping of our onboarding procedures while at the same time ensuring that we maintain our status as a largely compliant jurisdiction. We must add more value-added services to our sector, inspire the growth of small firms into larger units and incentivize the redomiciling of large value-added entities to our jurisdiction.

106. Madam President, to underscore the economic importance of this sector, the direct government revenues generated by this sector for the period January to October 2024 stood at \$13.0 million, an improvement of 16 percent when we compare to the amount of \$11.2 million generated for the said period in 2023. The final outcome for 2024 also looks very favorable especially when we compare our current performance thus far to the amount of \$15.6 million collected for the entire fiscal year 2023.

107. Moreover, as of October 31, 2024 the total active entities currently on register at the Financial Services Registry stood at 16,915. This is an increase of 23 percent when compared to the total of 13,786 entities on register at October 31, 2023. Further, a total of 2,557 new entities were incorporated during the period January to October 2024 comprising IBCs - 1,916, LLCs-523, Trusts – 95 and Multiform Foundations- 23 entities.

108. We continue to witness the branching out of large entities from our competitor jurisdictions, especially Panama, to Nevis. A total of 5 new entities has either been licensed or have filed applications for license as a Trust and Service Corporate Provider. This forms part of our strategy to grow the sector and add more value-added services. During this fiscal year my Government intends to continue to incentivize the registration of additional entities from competitor jurisdictions.

109. We also continue to see considerable interest in the international banking sector and witnessed this year the start up of operations of Sovereign International Bank and Sun Bank International. We expect that these will add value to our financial services sector and see additional high paying jobs being created on Nevis.

4.7 Infrastructural Development

4.7.1 Physical Infrastructure

110. Mr. President, our Public Sector improvement program continued during this past fiscal year. Our policy has always been to fully complete works on ongoing projects before commencing any new project and to implement new projects through a phased approach.

111. During the early part of this fiscal year our primary focus was the completion of the Butlers Village Road project and the construction of the roundabout at the entrance to Butlers Village. This project is now totally completed. Additionally, the ministry completed rehabilitation works on the Road adjacent to the Basketball Court in Brown Hill linking the Brown Hill Main Road to the Cherry Garden Road.

112. Madam President, for the upcoming fiscal year 2025, the Department of Public Works is proposing to undertake major road rehabilitation works on the Church Ground Main Road connecting to the road network at upper Hamilton. Work is also projected to start on the Rawlins Main Road and the road network at Chapel Alley joining Taylors Pasture in Gingerland. It is anticipated that road works will be done on the main road in upper Jessups and the road at lower Jessups leading to the Mangoes Restaurant to improve the drainage situation in that area. The Ministry has allocated the amount of \$9.0 Million in this budget to undertake road rehabilitation work.

113. Our infrastructure program for this fiscal year also focused heavily on those projects which were deemed essential in enhancing the physical aesthetics of Nevis in readiness for the celebration of Culturama 50 and facilitating our Homecoming program. Substantial work was done on rehabilitating the Nevis Performing Arts Centre (NEPAC), the reconstruction of the Culturama Village and the rehabilitation of the Cultural Complex and the surrounding areas. The upgraded Culturama Village now has four mini-VIP meeting rooms. These can be made available for use during this upcoming festive season for group meetings. The meeting rooms can accommodate about 20 persons per room. The Administration allocated the amount of \$3.0 million towards the completion of these works.

4.7.2 Management of our Water Resources

114. Madam President, in the area of water resource management, climate change continues to have a damaging effect on the global environment and the water supply on the Island is not immune to its impact. We have seen a change in rainfall patterns and a serious reduction in our overall

rainfall quantities. Our water aquifers are struggling as the rate of recharge continues to be significantly reduced.

115. To alleviate this problem my Government engaged the services of Water and Oil Well Service Company Limited of Trinidad and Tobago to explore and drill total of nine (9) wells over the next 2 - 3 years at an estimated cost of US\$3.3 million. Under this arrangement the Administration was required to make a mobilization payment of 20 percent of the estimated contracted sum, approximately US\$665,717.20, to enable the contractor/driller to meet the cost of procuring the initial set of drilling materials and ship the drill rig and other equipment to Nevis to commence the drilling process.

116. As per the contractual arrangement, the Administration will be billed for each well as completed, tested for water quality and commissioned into service. This mobilization cost was funded through financing previously approved by the St. Christopher and Nevis Social Security Board in 2017 to fund the water drilling program on Nevis which was to be initially undertaken by Bead Nevis LLC.

117. Madam President, I am happy to report that drilling has commenced with immediate success and water was discovered at the two (2) well sites located at Maddens Estate. The third and fourth wells are to be drilled at Braziers Estate and Dasent's Estate in Gingerland during the upcoming year. At that time, we would be almost halfway through the project having drilled four (4) of the projected nine (9) wells. It is anticipated that at the completion of the drilling process a total of 1.5 million gallons of water will be added to the supply on Nevis.

118. In anticipation of this increase in our water supply there is a need to upgrade our storage capacity and replace damaged reservoirs. I wish to report that the Administration intends to engage the service of Florida Aquastore & Utility Construction, Inc., a US-Based company, to manufacture and install a 300,000-gallon corrosion resistant Aquastore glass-fused-to-steel water storage tank at a cost of approximately US\$800,000.00 to replace the leaking reservoir at Morning Star. This company earlier manufactured and installed the reservoir at Pond Hill under a financing arrangement where the Administration was able to make payments in quarterly installments over

a twenty-four (24) months period. It is expected that this new reservoir will be funded under a similar financing arrangement and work will commence during the first quarter of 2025 thus alleviating the water issues for residents in the Morning Star and surrounding areas.

119. The government of the United Arab Emirates (UAE) – through the UAE-Caribbean Renewable Energy Fund (the Fund) – has allocated USD 50 million in grants for renewable energy projects in 16 Caribbean Small Island Developing States (SIDS). I am happy to report that St Kitts and Nevis has been chosen as one of the states in the Caribbean to receive this grant from the UAE-Caribbean Renewable Energy Fund (UAE CREF). It is anticipated that a desalination plant will be built in each island with the primary goal of addressing future water scarcity due to population increase, climate change and extreme weather events. I am happy to report that work has commenced in full on the plant site in Nevis located at Maddens. Further, all the necessary equipment for installation and commissioning of a solar powered desalination plant is already on the island. Under this arrangement the government of the UAE will undertake the construction of the plant, procure and provide the necessary equipment, commission the plant into use and provide operational training for the staff of the Nevis Water Department.

120. Once fully operational it is expected that the plant will process about 50,000 gallons of water per day adding to our existing water supply. The allocated capital expenditure for the two (2) plants in both St. Kitts and Nevis is approximately US\$1.15 million.

121. Madam President, providing a continuous and reliable supply of water is a costly venture. Our ability to continually do so hinges greatly on the revenue collections at the Nevis Water Department. While the department has pursued the route of disconnection as an enforcement measure to deal with those customers who continue to be in arrears for water consumed, I wish to urge all to see it as their responsible and sacred duty to pay monthly and regularly for water consumed whether or not you receive an actual bill from the department. The threat of disconnection should never be the driving force for you to pay for this valuable commodity. To repeat the words of a famous motto “we rather collect than disconnect”.

122. At this time Madam President let me celebrate the incredible contributions of Minister Spencer Brand, Permanent Secretary Mr. Denzil Stanley and the entire team at this critically

important Ministry, for delivering various projects on time and on budget across the island of Nevis.

4.8 Crime

123. Madam President, on the matter of safety and Security, despite our tremendous economic progress, we are still forced to lament incidents of crime. Our struggle against crime and violence must be fought through a multi-sectoral, multi-disciplinary and integrated approach. This is the only way that we can prevail in our struggle against this menace. The solution to crime and violence goes beyond the government and our security forces. It requires the involvement of all state institutions including the family, the church, the school, political parties, the media, non-governmental organizations – all of society.

124. The constant rolling out of our CCTV program through the installation of additional cameras at key road intersections continues to be an effective mechanism for curbing criminal activity. During this fiscal year the CCTV Unit installed additional cameras at upper Government Road, the intersection of the bypass road to Hamilton Road and the entrance to Prospect Road. These are state-of-the-art cameras with advanced identification capabilities.

125. I wish to laud the efforts of the members of the Royal St, Christopher and Nevis Police Force and the small contingent of the St. Kitts -Nevis Defense Force stationed in Nevis for their continued vigilance within the various communities. Your proactive approach to combatting criminal activity, whether it be through conducting regular vehicle checks and searches or your community policing efforts, are clear demonstrations of your seriousness. Our private security firms must be commended as well for the role they have been playing as part of our national security apparatus.

126. The data as provided by the High Command of the Royal St Christopher and Nevis Police Force in relation to Nevis shows that there has been a general reduction in major aspects of criminal activities on Nevis. My Government continues to pledge its support for our security forces and has made provisions in this budget for some resources to complement the allocation in the Federal Budget to provide for the security forces stationed on Nevis.

127. I am encouraged Madam President that our country remains generally safe. The security of our citizens and residents, though at times challenging, remains sound. Our people are generally peaceful, upstanding, law-abiding and good-natured citizens. I encourage all our people to remain steadfast on the path of non-violence and civility and resist and rebuke criminal activities in all forms.

4.9 Pursuit of Renewable Energy

128. Madam President, the demand for electricity in Nevis has been steadily increasing, driven by several factors including population growth, economic development, and the expansion of activities in the tourism sector. We anticipate a significant growth in demand, increasing by approximately 3-5% annually over the next decade, influenced by ongoing tourism development and infrastructure projects. The integration of renewable energy sources, particularly geothermal and solar, is expected to mitigate some demand pressures in the short term by providing cleaner, more sustainable energy options.

129. The energy landscape of Nevis is rapidly changing. There is now a greater push aimed at fostering a sustainable and resilient energy sector. This thrust is primarily driven by my government's commitment to transitioning towards renewable energy sources with a vision to provide reliable, clean, and affordable energy services to all citizens. This will enable us to reduce our fossil fuel dependency while promoting renewable energy technologies. The major component of this strategy is our continued pursuit of Geothermal Power Development to provide baseload power for Nevis coupled with diversifying our energy sources, to include other renewables such as solar and wind power, to ensure a stable and secure energy supply to meet the growing demands of the population and economy.

130. Madam President, our overarching goal for achieving sustainability in the energy sector is pivoted on our **“100% Renewable Energy 2030” mantra** which embodies our aim to ensure that all electricity generation on Nevis by the year 2030 should come from renewable sources, significantly reducing greenhouse gas emissions. To achieve this, we must improve our Resilience

to Climate Change by developing energy systems that are robust and adaptable to the impacts of climate change thus ensuring long-term sustainability. Our aim is to position Nevis as a leader in sustainable energy development within the Caribbean region.

131. We are aware that individuals and business entities are also taking the initiative to diversify into the area of renewables by installing rooftop solar PV panels to supplement their energy needs, while remaining connected to our grid system. While we welcome this push for diversity, there is a need to develop a grid code which regulates how these entities will enter and exit the NEVLEC grid system. I must advise that NEVLEC will immediately institute a fixed monthly standing charge for consumers who are installing their own alternative power but remain connected to the grid. You would recognize that your continued connection to the grid is serving as backup power for your entity in the event of failure of your system.

132. This requires NEVLEC to always keep spare capacity on hand to facilitate your immediate return to the grid. The ability to facilitate your immediate return to the grid without negatively affecting existing consumers will come at a cost to NEVLEC which therefore must be shared with you. Put differently, there will be a cost for you to stay connected to the grid for backup power. Further details of this will be included in the proposed Grid Code.

133. This Grid Code will outline the technical and operational standards for the generation, transmission, and distribution of electricity. It will provide guidelines for integrating renewable energy sources into the grid, ensure adherence to safety standards that protect both the infrastructure and the public and serve to reduce the risk of accidents while ensuring compliance with international best practices.

134. Madam President, NEVLEC is also advancing its effort to implement Battery Energy Storage Systems (BESS) in support of the integration of renewables into our energy supply. This system seeks to store excess energy generated from the renewable sources, such as solar and wind power to provide immediate emergency backup power in the event of outages or disruptions, enhancing the resilience of the electricity supply. This stored energy will also provide essential support for grid stability by balancing supply and demand, particularly during the peak usage period. It is expected that this battery storage system will be located at the renewable energy project

site allowing for efficient energy storage of excess energy generated during low load periods for further use during peak demand periods. A battery storage installation is also planned for the Prospect Power Plant site to provide backup and spinning reserve support for the existing generating sets.

135. Madam President, as it relates to our own Geothermal project, which represents the cornerstone of Nevis' and the Federation's commitment to renewable energy, my government has already secured significant financing from the Caribbean Development Bank (CDB) towards the drilling of geothermal production and reinjection wells. I am happy to report that despite many setbacks the project is now progressing well. The tender for drilling contractors has been sent out and a number of interregional and international contractors have been shortlisted to bid for the project. The return of the Bid documents is projected for February 2025. It should be noted that this is the second round of bidding following a first round which resulted in the receipts of three bids, none of which met our requirements. At the completion of that unsuccessful exercise there was consultation with top firms in the industry. Following that exercise, there was a revision of the bidding document to address issues raised during the consultation.

136. The next steps Madam President will include site visits by prospective bidders, scheduling pre-bid meeting with shortlisted firms in January to address any further queries or concerns of prospective bidders, return of bid documents in February 2025, evaluation of bids and approval of selected firm, immediately followed by the execution of the contract with the successful bidders and finally, the commencement of the drilling process. The final timelines in relation to the above list of activities will depend on the number and quality of bids received.

137. The design of the geothermal power plant will also depend on the outcome of the drilling program. However, we will be requesting expressions of interest from suitable firms during the first quarter of the new fiscal year to begin to sensitize them about this project. Financing towards the construction of the power plant and overall grid upgrades is already being sourced from the CDB/IDB/GCF with whom I met recently here in Nevis. It is expected that the plant will be developed based on a private public partnership.

138. In addition to our geothermal energy initiative, NEVLEC is actively pursuing several other renewable energy projects to address our short-term capacity needs. These include the development of a large solar PV project to be located at Maddens to assist in meeting short term demand and reduce the likelihood of power outages. The Management of NEVLEC is also in discussions with the owners of the existing windfarm to improve its output and modernize its existing equipment. Moreover, plans are well advanced, and funding has already been secured to finance the installation of rooftop solar PV on government facilities, including government buildings with high energy consumption and at our water pumping stations.

139. These renewable energy initiatives are crucial for Nevis's transition to a sustainable energy future, aligning with the government's goals of reducing fossil fuel dependency, achieving energy independence through the pursuit of our "**100% Renewable Energy 2030**" goal.

140. I take a moment here Madam President to thank Permanent Secretary Wakely Daniel and the entire team at the Premier's Ministry together with the Board and management at NEVLEC for providing critical leadership on this transformation of our energy sector.

5.0 Moving Forward: People Focused Approach

5.1 Transforming the Education Sector

141. Madam President, my Administration holds firm to the view that "Education of any kind is indeed the passport to the future and that tomorrow belongs to those who prepare for it today". We are fully aware that our students learn at varying levels and have varying levels of interest. It therefore behooves us as a government to provide the type of educational balance in our curriculum to accommodate those who are academically motivated while at the same time facilitating those who are technically inclined. It is with this in mind that the Ministry of Education have sort to expand the curriculum and place an equal emphasis on Technical Vocational Education to complement traditional academic learning. This will provide a wider variety of learning opportunities and career development paths for our students.

142. Technical and Vocational Education and Training (TVET) is now fully integrated into our school curriculum. The physical structure at the Gingerland Secondary school is now fully

completed to facilitate the delivery of these competencies. The classrooms have been further outfitted with equipment to give students the opportunity to complete competencies towards the Level 1 Caribbean Vocational Qualification (CVQ) in Carpentry and Cosmetology. Additionally, the Gingerland Secondary School is part of the Commonwealth Local Government Forum's programme which provides technical support and resources through the Parent Teacher Association.

143. Moreover, in preparation for the full roll out of the program at the national level, a total of nineteen (19) teachers in Nevis were recently trained as assessors in preparation for administering CXC CVQs in our secondary schools. This is in addition to teachers who have been trained at the university level as TVET instructors. Now that we have the approved resources to access and certify our technical persons it is anticipated that the program at the national level will be rolled out shortly. This certification will be necessary so as to give our citizens a competitive advantage in the labor market.

144. Madam President, we continue to be thrilled at the extent to which our people have been taking advantage of opportunities to further uplift themselves academically and better prepare themselves to take advantage of opportunities in the job market. I have personally used every available forum to encourage our school leavers to avail themselves of the free scholarship opportunities being offered annually at the regional and international level. We continue to make provisions in our annual budget for funding to assist those citizens pursuing studies in areas that fit the island's priority needs with the view that these persons, upon completion of training, will return to Nevis to make a meaningful contribution to the further development of our island. We also have changed longstanding policies and now provide financial support to those persons who chose to pursue studies online.

145. Madam President, the uptake of opportunities at the UWI Open campus is worth mentioning, I am happy to report that seven (7) students recently graduated from that program with Bachelor of Science Degrees in Early Childhood Education, Sports, Tourism and Hospitality Management. Additionally, a total of ninety-two (92) students are currently enrolled in the program in designations such as Education, Finance & Accounting, Human Resources Management, Marketing, Social Work, Psychology and Business Management.

146. Madam President, the foundation of any educated society is rooted at the primary and secondary levels of education. We must therefore laud the outstanding performance of our students for the 2023/2024 academic year. At the CXC level mention must be made of Mr. Rajaun Fyfield of the Gingerland Secondary School who achieved passes in 10 subject areas with 7 distinctions and Ms. Rucha Sharma of the Charlestown Secondary School who attained passes in 9 subject areas gaining 9 distinctions. At the CAPE level we must acknowledge the performance of Mr. Ayush Patel who attained passes in 10 CAPE units with 9 distinctions.

147. Our students did exceedingly well and are worthy of our praise and support. We must salute the work of the hardworking teachers and the parents of these students for their steadfast support in contributing to the students' success.

148. Modern methods to aid in the delivery of Education are forever evolving and the Ministry of Education must continually be innovative in the delivery of education in a modern era. Towards this end there has been a renewed effort to enhance the digital literacy skills of our staff and students with a focus on collaboration and communication.

149. We have made some strides in creating a Digital Literacy Guide, focusing on the primary school level, to adequately prepare our students for a future with digital technology. This Digital Literacy Guide comprises modules detailing the Fundamentals of Digital Technology, Digital Citizenship in a Global World, Digital Communication and Collaboration, Digital Analysis and Design along with Creative Digital Solutions. Worthy note is that the module in Creative Digital Solutions includes aspects of coding, programming and Artificial Intelligence. The Ministry shall shortly roll out its laptop program to ensure greater accessibility to technology by all students and teachers in Nevisian schools.

150. Madam President, I am proud to also announce that with the financial assistance of the Windsong Foundation we shall shortly roll out our music in schools program aimed at teaching students the fundamentals of playing various musical instruments. We know that music and the arts are fundamental to the overall development of our people and we intend to pursue this venture aggressively in the New Year. I publicly thank the Windsong Foundation for its generous

partnership with the NIA in providing school buses, computer equipment, steel pans, musical instruments and for purchasing a substantial quantity of school furniture for our public schools which is due to arrive on island shortly.

151. Another area of note Madam President is the piloting of a program for the teaching of Spanish in the primary schools. This program has commenced and is being piloted at the St. Thomas Primary School in grade 5 with the intention to expand the program to other grades. The aim is to prepare students to be global citizens who can effectively communicate. In addition, our population diversity, which includes a large number of residents from our Spanish speaking neighboring countries, is also driving the program. Our students and the wider population must be equipped with the necessary skills to effectively communicate within their communities. This program in conversational Spanish joins the existing groundbreaking Mandarin program currently offered in our schools.

152. I am pleased to report that the Ministry of Education and Sports, specifically the Department of Sports, signed a Memorandum of Understanding (MOU) with the St. Kitts-Nevis Football Association to undertake the “FIFA Football for Schools Program”. This MOU will allow for financial contributions received from FIFA to be earmarked for providing equipment, coaching clinics, football festivals and competitions for students, capacity building and access to the Football for Schools app for coaches and teachers. We wish to thank the St. Kitts-Nevis Football Association FIFA for their contribution towards the development of this program.

153. I also thank Minister Troy Liburd and Permanent Secretary Ms. Zahnella Claxton and their entire teams for leading this critical Ministry with distinction. I must also thank the former Permanent Secretary in the Ministry of Education Mr. Kevin Barrett who has transitioned and now lead the charge in our human resource development.

5.2 Repositioning our Health Care Sector

154. Madam President, investment in health care is not just an expenditure; it is an investment in people our vital human capital, an investment in their productivity and societal well-being. It is quite true that a healthy population forms the bedrock of a prosperous and sustainable nation.

Therefore, we must always seek to strengthen our healthcare systems, ensuring that healthcare is accessible, affordable and resilient. We must continue to 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.

155. As a government we are continuously investing in an array of modernized health and diagnostic services for our people. While we are being asked to do more, we are also imploring our people to contribute more to the provision of these services. During the month of July 2024, my Government implemented a revised fee structure for services offered at the Alexandra Hospital and our other health facilities. This revision was primarily to realign 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 provision is 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.

156. Madam President, our health care system continues to be challenged by the global shortage of skilled health care professionals, including doctors, nurses, and other essential staff. We are, however, working assiduously to develop our own cadre of health care professionals and to have a health care system where our local professionals are the dominant contributors. On the local level, there are eleven (11) students currently enrolled in the nursing program offered at the Clarence Fitzroy Bryant College. At the regional level we have one (1) nurse pursuing specialized training at UTEC, Jamaica. It is our hope that upon successful completion they will be available for employment within our healthcare institutions. In the interim we continue to rely on our good relations with the Government of Cuba, the Philippines and OECS neighbours for assistance in recruiting suitable professions to build out our human resource capacity.

157. Madam President, we are aware that the completion of the new hospital wing at Alexandra has been delayed. My government has been in constant discussions with the Government of Taiwan for assistance on this project. For fiscal year 2025, we have allocated some \$12.0 million to restart and move this critical project to completion. While we apologize for the delay, I assure our people that the overall improvements in health care delivery to Nevis have never been better and we are 100% committed to completing the hospital expansion commencing in 2025.

158. 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. Indeed, Madam President it was a proud moment for us when on November 6th, 2024 Dr Hubbe and his team led by Dr Roberto Pineda II and Dr Alina Crespo performed the first corneal transplant in the history of the Federation right here at Alexandra Hospital.

159. Madam President I am also proud to report that the First Responder Crisis Intervention Program funded in part by the Four Seasons Homeowners Foundation is now fully operational. Earlier this year a total of thirteen (13) persons were certified by the Association of Public-Safety Communications Officials (APCO) Institute as Public Safety Telecommunicators. The training introduced and prepared participants for the profession of Emergency Dispatching. It seeks to promote rapid and accurate collection, exchange and dissemination of information relating to emergencies to responders using a Computer Aided Dispatch (CAD) system and radios. This unit operates from the CCTV building, giving us the benefit of shared resources both in terms of personnel and equipment. This is another historical first for the Federation and I salute Minister Jahnel Nisbett and Permanent Secretary Mrs. Shelisa Clarke who have led this initiative for the Government.

160. Madam President, we must also make special mention of Dr Dwaine Thwaites and Urology & Associates for their annual Free Prostate Screening. This year saw a record number of 601 males availing themselves of the opportunity to undergo screening. Of this number, a total of seventy-eight (78) males accessed this service for the first time. We also thank Nurse Jessica Scarborough and the local team of volunteers who make this annual screening possible. We are grateful to these individuals and institutions for their sterling contributions to the development of our healthcare sector. We continue to beseech our population to take advantage of all opportunities to be screened and to know their status as early detection saves lives.

161. Madam President, in the area of Solid Waste Disposal, I am happy to report that the second (2nd) phase of the St. Kitts and Nevis Solid Waste Management and Recycling Project in partnership with Taiwan ICDF was launched on July 31st, 2024. This project will be implemented on Nevis by the Nevis Solid Waste Management Authority (NSWMA) and the Taiwan Technical Mission and forms part of a national project that is being spearheaded by the Department of Environment in St. Kitts. It is funded by Taiwan ICDF to the amount of US\$2.32 million and is scheduled to run from August 1st, 2024 to December 31st, 2027. The goals of this phase of the project are to establish a back-end recycling channel, increase the economic value of recycled materials to establish a high-value system, assist the Government of St. Kitts and Nevis to strengthen strategic planning and to enhance public awareness of recycling.

162. The first phase of the project was implemented in July 2021 and focused on recycling plastic bottles and aluminum cans. The response to this new environmentally friendly initiative was positive resulting in another historical first for Nevis with 19,250 pounds of baled plastic material shipped from Nevis to the Dominican Republic.

163. This second phase of the project will have a much broader scope. To facilitate this increase in the recycling process, the Authority intends to expand its recycling facility and upgrade the compression equipment at the site to increase recycling efficiency. A new bailer, a truck and additional warehousing facility will be added during this phase of the project to facilitate these activities. It is hoped that the people of Nevis will continue to play their part in helping to achieve a cleaner environment and attain the Sustainable Development Goals 2030 Agenda.

164. I cannot move on from this without publicly thanking my Cabinet colleague Minister Jahnel Nisbett for her passion for this project and the Board and staff at the Authority. I single out the General Manager Andrew Hendrickson for special mention as he has been a true champion for this project over the years and has worked extremely hard to get us to this point.

6.0 SOLUTION FOR OUR HOUSING NEEDS

165. Madam President, provision of adequate and affordable housing is a basic requirement of any caring government. To this end the Nevis Housing and Land Development Corporation continues to proceed with its program of providing affordable housing for all citizens and residents of Nevis bolstering our robust construction sector.

166. During this fiscal period 2024, the Nevis Housing and Land Development Corporation projected to construct a total of thirty-three (33) homes at an estimated cost of \$8.9 million. To date a total of fourteen (14) homes have been fully completed and nineteen (19) are under construction. These homes were at Maddens Cedar View Housing Development (Phase 3), Craddock Road, Chimney Crescent and New River. Overall, the total number of homes constructed by the NHLDC for the period **2013 – 2024** stands at three hundred and twenty-nine (329) homes at total cost of **\$71.8 million**.

167. Looking forward to the fiscal year 2025, the immediate goal of the Corporation is to promote, build and distribute forty-six (46) affordable homes to applicants with all amenities. These will be a mixture of four (4), three (3) two (2) and one (1) bedroom homes built on approximately 5000 to 8000 thousand square feet of land. These will be built within the existing developments at Rices Village (Bay View Gardens) – 2 homes, Maddens (Cedar View) – 6 homes, Craddock Road (Mountain Crest Residences) – 5 homes, Hamilton (Sugar Mill Residences) – 3 homes, Chimney Crescent – 5 homes and Zion Housing Development – 25 homes.

168. Madam President, it is no secret that the price of building materials continues to rise daily. Over the years, we as a caring government have been trying to keep the price for the construction of these homes within a reasonable limit by subsidizing the cost of construction. However, it is now having a damaging effect on the cash flow of the NHLDC as the cost to construct these homes has far exceeded the selling price per home by at least 25-30 percent. Put differently Madam President, the NHLDC has been subsidizing the cost of construction of each home by at least 25 - 30 percent. This level of subsidy is becoming untenable, and the NHLDC is just not able to continue subsidizing at this level.

169. Therefore, Madam President, in the new fiscal year the Housing Corporation will conduct a review exercise in regard to the sale price of land and homes with a view to have the selling price fall more in line with the cost of construction. It is not anticipated that the increase in the price per home will be drastic, but some level of price adjustment will be necessary to reduce the level of subsidy and help to align the selling price per home with its cost of construction.

170. It is now obvious Madam President that we are currently at a stage where the demand for housing is far exceeding the availability of government owned lands to construct homes. To alleviate this problem my Government recently completed the purchase of 36.16 acres of private lands at Garners Estate at a cost of \$3.6 million to facilitate the construction of additional homes to meet this demand. It is the intention of my Government to immediately subdivide this plot of land into residential lots and make them available for sale to potential homeowners. Provisions will be made for persons to seek direct funding from commercial lending institutions to purchase the land and thereafter make their own provision for the construction of their home utilizing private contractors. The funding for this purchase was done under a short-term financing arrangement with the anticipation that the debt will be retired in a very short period.

7.0 FISCAL PROJECTIONS 2025

7.1 Fiscal Measures

171. Madam President, this fiscal year we intend to be resolute and steadfast with our revenue collections. Over the past 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 made several concessions and implemented other concessionary measures to aid in the recovery process.

172. 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. Our economy is now experiencing a rebound in economic activity in many of 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.

173. Therefore, Madam President, my Government intends to institute some new revenue measures and tighten our existing recovery measures that were 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. These measures include:

- The revision of the fee structures for services offered by our Financial Services Department. We have already held discussions with our Service Providers who have been fully notified of our intention to revise the various fees with effect from April 1, 2025. We have given adequate notice so that they can effectively advise their clients.
- Marginally increasing the rate for Property Tax charged on Residential Properties, with a market value of EC\$ 2 million and over, from 0.156 percent to 0.2 percent of their market value effective June 01, 2025. This increase will standardize the rate charged on high end properties, putting it on par with that charged for properties on St. Kitts and thus providing commonality in the rates charged for high value properties across the Federation.
- An increase in the Tourism and Development Levy from 2 percent to 3 percent. We have already held discussions with our Hoteliers on this. This increase will take effect from June 1, 2025 as we start preparations for the 2025/2026 hotel season and will provide sufficient time for our hoteliers to adjust their pricing structure to accommodate this increase.
- The continuation of the measure to link the renewal of various licenses issued by the Inland Revenue Department to the payment of taxes owing 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 License we urge you to ensure that you make payment for all your other taxes that are in arrears or enter into an installment payment plan with Inland Revenue Department.
- The continuation of the measure to link our duty-free concessions policy for our corporate entities to the status of their tax obligations. Therefore, corporate entities which are in arrears must first regularize their tax status with the Inland Revenue Department before applying to the Ministry of Finance for concessions on equipment or vehicles for business purposes.
- Continuing 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 concessions must present a copy of their Tax Clearance Certificate to the relevant government Department.

- The continuation of the measure to link the annual renewal of the Business License for corporate entities 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.

174. 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 honor these arrangements once implemented.

175. Madam President, we remain resolute as we continue to make a concerted effort to persuade our people to be responsible citizens and to honor their tax obligations. Again, let me reiterate that 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.

176. Madam President, we will however continue to extend our existing fiscal incentive programs such as the first-time homeowner's program and other programs which are 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.

177. We will also seek to encourage our people in the Diaspora to return to Nevis live, retire and to set up business entities to boost job creation. The full details of this new Diaspora Return Program will be laid out shortly. 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 Nevis.

178. Madam President, in addition to the measures outlined above we will:

- Continuing our 2024 measure 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.
- 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 favorably 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. This measure which was introduced in 2024 will continue to be implemented into the medium term.

179. Even as we implement these fiscal measures regarding 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.

180. Madam President, our public servants will be pleased to know that we will in 2025 reinstate the payment of increments to our hardworking civil servants with effect from **April 1, 2025**. However, increments will **not** be automatic but will be based on an officer's satisfactory performance review provided by their supervisors.

181. We will also:

- Continue our initiative, which began in 2024, to 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. The 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 our 2024 expenditure management initiative to suspend overseas travel for the medium term 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.

- In preparing this budget we have substantially reduced the number of funded vacant positions within our budget as a means of narrowing the budget deficit and curbing the growth of the Public Service. Only positions which are critical to the effective functioning of the public service are fully funded or positions to which officers are on leave and are expected to return to their post in the new year. In addition, we will minimize the employment of any new officers to the Public Service and will seek to look inwards to fill vacant positions.

182. Madam President, a signal achievement of this CCM led Government was the implementation of our pension scheme for non-established workers. We expect all workers who attain the age of 62 to transition into retirement. NE workers can now feel comfortable that they are no longer going home with their two long hands. This government has made it possible for them to retire with greater dignity being assured that they will have an income during the winter of their years. Commitment made! Commitment kept!!

183. We also expect in the new fiscal year to introduce another telecommunications provider to the island in partnership with the Nevis Island Administration. It is our hope to say more on this shortly and to ensure that local Nevisians are ultimately able to purchase shares in this Joint Venture entity.

184. Your government will also explore every available opportunity to expand its financial services sector and to generate new income streams from this critically important sector.

185. Madam President we have to tackle abuses of government property which cost the taxpayers large sums of money. I am sure that members of the public see government vehicles on our roads at all hours of the day and night. They are at the supermarkets at the churches and at the bars around the island. The wear and tear and fuel all come at a significant cost to the people of Nevis. In addition, whenever accidents happen the taxpayers are again called upon to bear the cost. We have found that some officers who have these vehicles as their personal vehicles are also collecting travel allowance monthly. This abuse has to stop. In the new year we shall install tracking devices on all NIA vehicles so that their whereabouts can be monitored at all times. I remind officers that government vehicles are for government duties not for personal pleasure.

7.2 Projected Revenues and Expenditure

186. Madam President, as we turn to our fiscal projections, the budget for the upcoming fiscal year 2025 is set at \$273.17 million, a minor reduction of 3 percent when compared to the budget of \$282.7 million which was set for the fiscal year 2024. We have allocated the amount of \$203.8 million to recurrent spending representing 75.0 percent of the total budgeted expenditure.

187. Madam President, having considered the expected uptick in economic activity for the upcoming fiscal year, my Administration has set its revenue budget and anticipates that it can collect the amount of \$164.7 million in Recurrent Revenue which represents a projected modest increase of 6.0 percent when compared to the projected revenue of \$154.8 million budgeted for the fiscal year 2024.

188. 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 \$230.7 million for the upcoming 2025 fiscal period. When compared to the projected Recurrent Expenditure of \$203.8 million, it provides a surplus on the recurrent budget of \$26.9 million.

189. Madam President, the amount of \$69.4 million has been allocated for the funding of our capital expenditure program. This represents a 6.0 percent decrease when compared to the amount of \$74.2 million that was allocated for the fiscal year 2024. This is largely due to my Administration's policy to streamline its capital expenditure program and to focus on projects for which funding can be readily identified or already approved. 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.

190. Therefore, Madam President, a summary of resources projected to finance our 2025 expenditure program is outlined as follows:

- Current Revenue - \$ 164.7 million
- Projected minimum Revenues from CBI Passport Processing Fees – \$66.0 million

- Concessionary Loans - \$11.7 million
- Grant Funding - \$3.0 million

191. Madam President, while we have made these projections, I wish to reiterate that annual budgets are merely projections for revenue and expenditure. The extent to which we roll out expenditure programs will naturally depend on our ability to access funding, especially for executing the items as outlined in our capital expenditure budget.

192. I wish to assure the public that 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 2026 any projects which were not executed due to lack of approved financing.

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

- The Office of the Premier is allocated funding in the amount of \$11.8 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 \$99.20 million representing 36.0 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 Pension Scheme.
- The Ministry of Communications and Works et al is allocated funding in the amount of \$42.0 million representing 15.0 percent of the total budget. The funds included in this amount are allocated for our infrastructure development program.
- The Ministry of Agriculture et al is allocated funding in the amount of \$17.3 million representing 6.0 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 our annual Culturama Celebrations.
- The Ministry of Health, Gender Affairs and Social Empowerment is allocated funding in the amount of \$48.7 million representing 18.0 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 purchasing of supplies and equipment, delivery of our social protection agenda and funding construction work under the Alexandra Hospital Expansion Program.

- The Ministry of Tourism is allocated funding in the amount of \$6.5 million representing 2.0 percent of the total budget. Included in this amount are funds allocated for developing and maintaining our historical sites and other tourist attractions.
- The Ministry of Education, Library Services, Information Technology, Youth and Sports is allocated funding in the amount of \$41.3 million representing 15.0 percent of the total budget. Included in this amount is funding our TVET Program, funding our program for our Youths along with upgrading and general maintenance and improvement of our sporting and educational facilities.

8.0 CONCLUSION

194. In concluding Madam President, my Administration began the fiscal year 2024 bombarded by global economic uncertainty. These challenges included record high inflation levels, concerns about the sustainability of our CBI program, rising public debt and large scale ongoing geopolitical conflicts.

195. Despite these potential downside risks to the island's economic growth, our approach was to direct our efforts towards building upon the gains we have achieved over the years. Our various initiatives to spur growth and employment were designed to ensure the continued improvement in the standard of living of our people.

196. Madam President, as outlined earlier, the tourism sector has seen robust growth in 2024 – we can tangibly see this by the increase in revenue from the 2% Tourism Development Levy. As of October 31, we have already generated around \$3.1 million from the levy compared to the \$3.2 million collected for the entire fiscal year 2023. We shall redouble efforts in this sector in 2025.

197. We have seen marked increases in tax revenue generated from domestic sources, notably the VAT receipts. We continue to see substantial expansion in the private sector with growth in the number of new businesses being established mainly in the form of MSMEs. This has brought about a positive economic outlook for the island which has translated into job creation and business

expansion. Even though factors like inflation continue to impact our island and are largely outside of our control, the data on the economy's performance leads to the overwhelming consensus that we have made substantial progress despite the challenges.

198. Madam President, in pursuit of this people-centered approach, we must continue our efforts to improve the lives of our people while advancing our economy. We are committed to crafting and ensuring that there is a balance between near term and medium-term policies designed to support growth, rebuild our budgetary capacity to deal with future shocks, raise revenue for new spending priorities and curb the rise of public sector debt. We must ensure that our public debt levels remain sustainable. We will continue to build up our fiscal buffers. This will not only help in supporting our drive to strengthen our levels of resilience but also help us to finance the mitigation of the effects of climate change and create fiscal space for necessary and targeted public sector investments.

199. We are acutely aware that government spending on the island of Nevis has always played a significant role in the level of economic activity on the island. However, traditional economics encourages that government spending should be aligned with the traditional business cycle whereby during times of economic expansion government spending should be scaled back and financial buffers should be increased during these periods. There is also merit regarding deficit spending, especially when the economy is growing, and the desired outcomes are being achieved. As such my Administration has adopted and will continue to use a conservative approach to government expenditure – investing in targeted economic sectors, strengthening social safety-net programs and reducing discretionary expenditure.

200. Over the medium term we will continue to focus our efforts on growing the economy through direct foreign investments, job creation across all sectors, seeking opportunities to develop both the orange and blue economies and investing in social capital to ensure that all residents and citizens are included in our thrust towards socio-economic transformation.

201. Madam President, yes, we have done well, and we continue to see an increase in employment opportunities year after year, but there is still a lot of work to be done. My Government holds a firm view that we can only continue to prosper if the government, the Private Sector and our allied economic partners continue to work together, build together and achieve

together so we can create a Nevis where the doors of opportunity are opened to all. We must be committed to growing Nevis together.

202. To our people I continue to express my profound gratitude for the faith and confidence you continue to place in my Government. You have been with us and we remain committed to you. May the upcoming Christmas season be joyous and may your New Year be filled with confidence and hope for a brighter and more prosperous future for you and your families and indeed for all our wonderful island of Nevis.

Madam President I so move.

9.0 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)

The government of the United Arab Emirates (UAE)

The UAE-Caribbean Renewable Energy Fund

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)

CATEGORIES	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual Oct 2024
Total Revenue & Grants	173.84	180.32	214.26	223.83	187.59
Current Revenue	118.67	126.27	136.52	147.33	127.58
Tax Revenue	89.85	88.10	106.09	112.47	96.96
Taxes on Income & Profit	18.74	16.33	19.15	25.60	17.83
Of which: Corporate Income Tax	7.42	6.10	6.00	11.23	5.37
Social Services Levy	9.52	8.61	10.45	11.85	9.49
Taxes on Domestic Goods & Services	30.13	27.76	38.57	39.63	37.25
Of which: Stamp Duties	11.41	11.98	13.84	13.08	11.53
VAT	12.94	10.18	19.00	21.26	20.70
Taxes on Int'l Trade & Transactions	37.83	38.74	44.11	43.10	37.91
Of which: Import Duties	8.90	9.48	11.81	12.13	10.49
Customs Service Charge	8.26	6.89	8.27	8.60	8.05
VAT	13.55	14.75	17.91	17.10	14.11
Non-Tax Revenue	28.82	38.18	30.43	34.85	30.62
Of which: Financial Services	11.60	20.36	13.24	15.59	13.0
Supply Office	5.54	5.11	5.20	6.03	4.48
Water Services	4.50	6.44	5.33	5.79	6.54
Total Expenditure	181.13	185.87	219.63	251.44	190.69
Current Expenditure	134.45	146.15	168.94	173.07	147.06
Personal Emoluments	77.06	83.74	92.77	92.18	74.79
Goods & Services	28.34	35.54	38.72	42.24	34.55
Interest Payments	13.71	10.78	16.58	17.75	16.40
Domestic	12.51	9.77	15.52	16.32	15.26
External	1.20	1.00	1.06	1.43	1.14
Transfers & Subsidies	15.34	16.09	20.87	20.90	21.32
Current Account Balance	-15.78	-19.87	-32.42	-25.75	-19.49
Total Grants	55.17	54.05	77.74	76.50	60.01
Capital Expenditure	46.68	39.72	50.69	78.37	43.63
Overall Balance	-7.29	-5.55	-5.37	-27.61	-3.11
Primary Balance	6.42	5.23	11.20	-9.85	13.30
Principal Repayments	8.03	8.47	8.40	15.45	12.53
Domestic	4.52	4.65	4.78	10.95	9.09
External	3.51	3.82	3.62	4.50	3.44

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

	2019	2020	2021	2022	2023	Oct 2024
Total VAT Collection	33.69	26.49	24.94	36.90	38.37	34.81
VAT as a % of Current Revenue	<i>24.32%</i>	<i>22.30%</i>	<i>19.75%</i>	<i>27.03%</i>	<i>26.04%</i>	<i>27.28%</i>
VAT on International Trade	17.31	13.55	14.75	17.91	17.10	14.11
As a % of total VAT	<i>51.38%</i>	<i>51.20%</i>	<i>59.16%</i>	<i>48.52%</i>	<i>44.58%</i>	<i>40.52%</i>
VAT on Domestic Goods & Services	16.38	12.94	10.18	19.00	21.26	20.70
As a % of total VAT	<i>48.62%</i>	<i>48.80%</i>	<i>40.84%</i>	<i>51.48%</i>	<i>55.42%</i>	<i>59.48%</i>

**ANNEX III: COMPARATIVE SUMMARY OF AVERAGE MONTHLY JOBS
BY SECTORS (2018 – 2023)**

Industry	2018	2019	2020	2021	2022	2023
Agriculture, Hunting & Forestry	104	134	102	136	126	147
Fishing	1	1	2	1	0	1
Mining & Quarrying	2	2	2	5	6	6
Manufacturing	91	102	49	66	107	113
Electricity, Gas & Water Supply	98	108	87	114	121	123
Construction	515	547	356	480	474	453
Wholesale & Retail Trade	703	707	426	634	673	687
Hotels & Restaurants	1,339	1,401	661	1,041	1,234	1,227
Transport, Storage & Communications	394	278	204	235	251	316
Financial Intermediation	200	231	252	297	313	322
Real Estate, Renting & Business Activities	271	304	282	329	359	405
Public Administration & Defense	1,824	1,855	1,910	1,919	1,966	1,961
Education	122	133	122	91	123	120
Health & Social Work	29	40	43	41	47	56
Other Community, Social & Personal Services	92	103	34	108	124	125
Private Household with Employed Persons	132	135	114	141	133	137
Extra-Territorial Organization & Bodies	-	-	-	-	-	-
Total	5,917	6,081	4,646	5,638	6,057	6,199

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

	2020	2021	2022	2023	Oct 2024
NIA External Creditors					
CDB	27.30	24.34	21.49	18.72	15.94
KFAED	4.68	4.24	3.70	3.20	2.81
MICB	3.09	2.62	2.31	2.00	1.85
Taiwan ICDF	1.94	2.43	5.00	5.00	5.00
Total Outstanding External Debt	37.01	33.63	32.50	28.92	25.60
NIA Domestic Creditor					
SKNA National Bank	146.05	152.08	152.68	147.03	145.18
Bank Of Nevis	87.55	93.20	108.52	124.09	121.66
SSB	40.75	42.19	41.21	33.37	33.27
Treasury Bills Issue (OTC) 91 days	104.83	108.94	111.61	139.94	140.38
Treasury Bills Issue 365 days	8.30	5.28	5.28	5.28	5.28
FCIB	7.45	5.76	4.13	2.45	2.86
FINCO	0.38	0.18	-	-	-
SIDF	2.50	2.50	2.50	2.50	2.50
Total Outstanding Domestic Debt	397.81	410.13	425.93	454.66	451.13
Total NIA Debt	434.82	443.76	458.27	483.58	476.73
Government Guaranteed Debt	53.93	51.95	65.64	62.87	68.68
Total Public Sector Debt	488.75	495.71	524.07	546.45	545.41

ANNEX V: SUMMARY OF CURRENT AND CAPITAL EXPENDITURE 2025

(in EC\$ Dollars)

	Description	Current Expenditure	% of Current Expenditure	Capital Expenditure	% of Capital Expenditure	Total Expenditure
01	Deputy Governor General	697,500	0.3%	0	-	697,500
02	Legislature	954,900	0.5%	0	-	954,900
03	Audit	545,900	0.3%	0	-	545,900
04	Legal Services	1,236,600	0.6%	0	-	1,236,600
05	Premiers Ministry	7,698,200	3.8%	4,200,000	6.1%	11,898,200
06	Ministry of Finance	92,722,900	45.5%	6,500,000	9.4%	99,222,900
07	Ministry of Communications	15,533,900	7.6%	26,500,000	38.2%	42,033,900
08	Ministry of Agriculture	9,374,600	4.6%	7,850,000	11.3%	17,224,600
09	Ministry of Health	31,432,800	15.4%	17,800,000	24.9%	49,232,800
10	Ministry Tourism	5,525,500	2.7%	1,050,000	1.5%	6,575,500
11	Ministry of Education	35,289,500	17.3%	5,950,000	8.6%	41,239,500
12	Human Resources	2,810,000	1.4%	0	-	2,810,000
	Total	203,822,300	100%	69,850,000	100%	273,672,300