



Budgetary Proposals and Financial Statement 2024

Barbados - A New Security and Prosperity

**Delivered
by the
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Prime Minister and Minister of Finance,
Economic Affairs and Investment**

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Introduction

Mr. Speaker,

This afternoon's Budget will be a conversation with Barbadians, about where we came from, where we are now, where we go next and how we get there.

It is a Budget that will secure Our Barbados of Today and Our Barbados for Tomorrow. That security is anchored on our achievements against many odds so far, on the clear improvements we are seeing, and on the bright light of our rising star which is the result of joint effort. It illuminates a future prosperity in which we can all share and a country in which our pride remains fully justified, because it is built on our industry. In this Budget all Barbadians, whether at home or abroad, will see how their efforts can further contribute to the shared national prosperity, how all of us can benefit from our labour to enjoy our share of that prosperity.

The Barbados star will continue to rise through the collective effort of all our people and together we will fully emerge from the period of deep economic and financial abyss with its political origins in the lost decade, from the social and economic tentacles of COVID and from supply chains shackled by the Russia-Ukraine war and its consequences, into a period of increased social stability, and heightened and sustainable economic growth.

Mr Speaker, come let us reason together.

In order to put you in a listening mood, let me say early, as I did last year. **There will be no new taxes, but I am telling you up front that there will be one adjustment in contributions which I will ask the public to bear.**

Let me also make the point that I am well aware that there are some issues which are of further concern to the country. I speak of (1) the allegation of unsustainable national debt; (2) the cost of living; (3) health care, more specifically the QEH; (4) the state of the roads, particularly pothole repair; (5) access to jobs especially for young

people; and (6) managing education reform. These I will address in the body of the Budget.

My second mood setting point is to give the country, first the facts and second, an assurance about the national debt. Because so much has been put abroad to convince the country otherwise, I need to make the point that - **Barbados' debt is not galloping out of control. The debt to GDP ratio is not precarious. This BLP government has not increased the national debt to unmanageable levels. In fact Sir, the national debt is now lower than it was when we came to office in 2018. Yes, Low-er!**

When we came to office, the national debt was 178.9% of our GDP. At the end of February 2024, less than a month ago, it was 114.6%. In 2018 when we came to office, debt cost Barbadians 68 cents in every dollar. We now pay 30 cents out of every dollar toward debt service.

The reduction in our national debt has been despite COVID-19; despite the extreme weather events and natural disasters which hit the country causing unanticipated levels of damage, requiring citizen support and occasioning high expenditures against shrinking government revenues, and in spite of war-caused, supply chain disruptions and price increases. Indeed, were it not for these difficulties, the debt would have been lower.

Let me give you some further context. **In 1994, when the BLP became the Government, the national debt stood at BBD \$2.5 billion. Fourteen years later, in 2008, when we left office, it was BBD \$7.2 billion. This is what the DLP found in 2008. But in 10 years of DLP government, our debt burden mushroomed. Under the Democratic Labour Party Government, Barbados recorded 23 downgrades and became the 3rd highest indebted country in the World, the 3rd highest indebted country in the World!** We all saw the real consequences of this, the state of the roads, the absence of garbage collections and buses, and the worst of all, the memory of the South Coast, arising out of the mismanagement of the sewage system, which was a national disgrace.

When the DLP left office in 2018, the national debt stood at a whopping BBD \$18.1 billion. That is what this Government had to deal with when we took the reins of Government in 2018; we inherited a debt burden of BBD \$18.1 billion. In addition, the BLP government left a \$9.6 billion economy in 2008 and returned to find a \$10 billion economy when we took office in May 2018. Mr Speaker, the economy literally stagnated.

And given all the talk about debt, do you know what Barbados' debt stands at today under this BLP government? Certainly not the high levels that you have been led to believe. **In the last six years, since we came to Government, the debt has moved from \$18.1 billion to \$12.859 billion when we restructured the debt. Today the debt is at \$14.9 billion, and for the removal of doubt, I mean BBD \$14.9 billion.** This means Mr. Speaker, that our debt

is now sustainable and on a stable downward trajectory to the government's target of 60 percent of GDP by **2035**.

This information is pivotal to understanding what is happening in the economy and what our prospects for growth really are. And grow we must if we are to maintain Barbados' current upward trajectory.

My third mood setting point for listeners Sir, is that after years of downgrades, the Barbados economy is now growing. In January, I told you about the consecutive quarters of growth at a high rate and today I tell you that despite the challenges, unemployment is now only 8%, well below the historical average of 10.3% and our economy is expected to grow by 4% this year.

Mr Speaker, I start with these simple facts and mood setting truths, because I do not want the loud, constant but untruthful voices with their own agendas, to confuse the public about what

the Government is doing, or to put fear in Bajans, and potential investors, about the state of the economy and the future.

I raise these issues at this early stage because I fully understand that they are of concern to the public, and that when you are having a conversation with friends and family, these concerns surface. I also raise them since my conversation is with all the friends of Barbados and the family of Barbadians on this rock and in the diaspora, I must therefore talk about the issues of concern.

Mr Speaker, this is where we came from but this Government has managed the country's finances responsibly.

The reality is that Barbados is doing well, but we can and must do even better and that is what today's conversation is about for me.

Where Are We Now

Mr. Speaker, let us turn to where we are now and how we got here.

Mr. Speaker, the economy has exhibited significant resilience over the last two years and the outlook for 2024 and into the medium term is optimistic. The economy successfully weathered challenges posed by the global pandemic and has recovered to be larger than its pre-COVID level, in both nominal and real terms. The expectations are that GDP will expand further, by about 4 percent in 2024 and into the medium term, predicated on continuous investments by both the public and private sectors. These we will look at in more detail.

Today, our debt is lower and our reserves stand at \$3.2 billion as at March 13, 2024, one of the highest levels on record. We have gone from just over four weeks of import cover in May 2018, to over 33 weeks or over 8 months, which provides ample cover to both grow this economy and provide a buffer for a rainy day. We

have further protected the country by including in all our debt instruments a natural disaster clause which, if we were hit really hard by a natural disaster, would free up about 19 percent of GDP, the equivalent of \$2 billion dollars over a two-year period to help us to rebuild the country and assist all who have been affected by it. These clauses, Mr. Speaker, often referred to as “debt pause clauses” are now making their way into the loans being financed by IFIs and MDBs; all through the advocacy efforts of the Bridgetown Initiative.

This Government would like to commend the support for government policy formulated in a collaborative manner through the Social Partnership. Achieving our targets and raising living standards and the quality of life of all Barbadians is not only the government's responsibility, it is of paramount importance to our future. And that is why we ALL committed to the 6 Missions in Mission Transformation Barbados 2030. Government stepped up public investment in strengthening OUR infrastructure. Investment in our human capital is laying the foundations for continued stronger growth. Public investment since 2018 has

totalled \$1.8 billion and 16.2 percent of GDP. Once again, we ensured investment in tertiary education free at the point of delivery for Bajans. Over the last 5 years we have spent \$2.7 billion in education and \$1.8 billion in health. These approaches are critical investments in achieving our long term growth target of 5 percent.

Mr. Speaker, we are now at a stage where confidence has been fully restored in the Barbados economy. The rating agencies have been upgrading us, thereby demonstrating their confidence in our policies and management of this economy. The IMF has supported our homegrown BERT programme and our policies recognizing it was based on solid policies and reforms. The World Bank has demonstrated confidence by not only providing liquidity support during COVID, but reengaging Barbados as an IBRD member. AFREXIMBANK has set up its office in Barbados and CAF (the Latin American Development Bank) is in the process of doing the

same. Even locally, the Banks are saying that they have not seen this amount of pent up demand for projects in the last decade.

Mr. Speaker, the international financial community, local regional and international investors, and members of our Social Partnership, the private sectors and labour unions have all seen confidence returning to Barbados. They can see where we are and they all have confidence in where we can go.

It's time now for us to deliver and move Barbados forward to achieve equitable, inclusive and stronger growth that would leave no one behind and lift everybody up!

BUDGETARY PROPOSALS

So Mr Speaker as I address the Budgetary Proposals it is important that I say at the outset, this is not going to be about fiscal arithmetic. This is not even a scorecard for individual Ministries.

This is more fundamental.

There is a conversation which we must engage in as a people if we want to ensure that our young people will inherit a decent quality of life given all of the threats that they face, threats which are beyond their control.

The Government and people of Barbados working together have overcome national difficulties, environmental and exogenous economic shocks, climbed out of an economic pit dug by the DLP Government and confronted the worst aspects of the climate crisis and the pandemic.

When confronted with these challenges, we stabilised the economy and put it on a clear path of growth. We have had 11 straight quarters of growth and on the verge of the twelfth. And who is the "WE"? It is not just the Government that I have the honour to lead, but all sectors and all workers and households,

the pensioners, the private sector, the religious and interfaith organisations, civil society, including all on the Block.

We always do well when we work together!

We can remain comfortable at our previous rates of growth which were 2 ½ to 3% before the lost decade of 2008 to 2018 of 0%, or we can set our sights at achieving growth of 4 to 5%, which will enhance our chances of building prosperity for as many Bajans as possible, for as many future generations as possible.

To change our trajectory to higher levels of growth will require effort and investment from all sectors, with many individuals and entities playing their part and not simply the Government. We accept that the Government must continue the exercises to remove red tape and to continue to deconstruct and reconstruct as many systems and policies as possible. But we must also have the same efforts being undertaken in the private sector and in all other spheres of activity within the country. Every Bajan must go

to work daily to give of their best knowing that in so doing, they will themselves obtain greater benefits and an improved quality of life. Our personal and national standard must be nothing short of excellence.

Today, I concentrate initially on what it will take for Bajans and Barbados to adapt and become more resilient to the new global and societal realities; what it will take to have sustainable inclusive growth.

In other words, how do we push the economy to higher heights and prosperity, and secondly how a people centred approach will allow for the ultimate objective of sharing the pie fairly among Bajans.

Mr Speaker, there are three key themes on which I want us to focus today:

- **Growing the Barbados Economy** - to create a larger pie

- **Resilient Bajans and a Resilient Barbados** - to sustain or keep the pie
- **A People-Centred Barbados** - to share the economic pie fairly

That is the conversation that I want this Budget presentation and debate to spark nationally. Today, however, we must be clear about where we want to take Barbados, how we will achieve the missions we committed to last year and what is the role for each of us to do so, recognising the obstacles and the objectives of the journey.

Sir, the water is choppy and as the Captain, I have a duty to steer the ship safely even through rough seas. I need to do so, with a clear understanding, as to what is the role and the participation of those on board the ship. We have a compass, but we need, however, all hands on deck. So let us talk.

A. GROWING THE BARBADOS ECONOMY

Mr Speaker, to improve the standard of living of every single Bajan, help them achieve their dreams and aspirations, continue national development, and achieve strategic national objectives, we must grow the economy. Growing the economy is not just about the numbers. It is not about business as usual, it is getting the numbers right and our business investment right in order to ensure all Bajans live well.

Mr. Speaker Sir, we have already started to pursue in the last few years since coming to office, attempts at economic diversification.

What I want to do however, to concentrate on, is how we can remove the obstacles, or increase the pace and scope of action in certain sectors through transformation, or as I would normally say, through deconstruction and reconstruction to allow us to reach that 4 to 5% growth rate that I believe is ours to claim.

You know, Mr. Speaker, if we did nothing else but deconstruct and reconstruct in every area of activity in Barbados to justify why we are doing what we are doing, and how we are doing it, and when we are doing it, and who is doing it and for whom is it being done - that would be a significant increase in efficiency of all aspects of life and greater productivity. If we all committed to do nothing else, other than national housekeeping, we would be so much better off. We need to learn the prepositions - that is all and anyone who takes the time to ask these simple questions, can become an individual driven by efficiency and productivity.

What are we doing?

Why are we doing it?

Who is doing it?

For whom is it being done?

When is it being done?

Where is it being done?

How is it being done?

Why are we still doing it this way?

Mr Speaker, if we ask ourselves these questions every day and we measure the answers appropriately, and then be prepared to make the changes to bring improvements, these actions will form the kinds of good habits that lead to success.

On the first matter of growing the economy to higher heights, there are a few strategies that we must pursue within the public and private sector to remove blockages, and to propel pace and scope of growth.

These actions will revolve around the following areas:-

Our strategies for growth now include:

- 1. Creating Business Barbados**
- 2. Increasing public and private sector partnerships**
- 3. Reviewing Tax Structures and new investment funds**
- 4. Further modernising our tax system**

- 5. Digitisation and reengineering business processes**
- 6. Unlocking the Mortgage Market**
- 7. Increasing access to financing for the private and public sectors**
- 8. Unblocking Renewable Energy Investment**
- 9. Addressing our demographic challenges by population and skills management.**
- 10. Monetizing illiquid and derelict assets in the public and private sectors.**
- 11. Exporting Capital to diversify investments given Barbados' limited size and vulnerability (starting with CSME and wider Caribbean and Central and Latin American basin).**
- 12. Establishing a pharmaceutical industry to aid in the protection of citizens' health as well as for export and the earning of foreign exchange**
- 13. Developing Barbados as an agro-processing hub**
- 14. Incentivising a vibrant film industry**
- 15. Capital Projects**

Mr. Speaker, I will now explain Government's focus on these initiatives intended to fuel growth.

1. CREATING BUSINESS BARBADOS

A New Entity For Business Facilitation

Globally, small and medium size enterprises are centres of innovation and drivers of economic growth. It is Government's intention to act to give impetus to the Barbados Small Business sector and to support entrepreneurs. Furthermore, we are acutely aware that investors and international businesses have options in a world where capital is highly mobile. In conjunction with supporting Barbadian entrepreneurs, in order to remain competitive in our region and globally, Government must ensure that barriers to doing business with ease, are considerably reduced.

It is with this in mind that my Government's work to launch Business Barbados is well underway.

Business Barbados is to be established as a Commercial State Owned Enterprise, directed by a Board of Directors drawn predominantly from the business community and run by a CEO at the helm. It will be positioned strategically in the middle of the local trade and investment architecture by ensuring that all services required from pre to post incorporation of companies, will be vested in and provided by the operations of a single entity.

So, to give context based on what already exists:

Invest Barbados will continue to focus on attracting Businesses of substance to Barbados to set up a domicile here. The focus on attracting businesses to come to Barbados and bring their global headquarters to our jurisdiction will continue but once they have done their work, the companies have to find their way through the current maze that is establishment, incorporation and all the legislative requirements for setting up and doing business in Barbados. That is where the hand over to Business Barbados will

now occur. From incorporation, filing of annual returns and every requirement of Companies legislation, Business Barbados will be the responsible entity.

I should also take this opportunity to announce that Barbados will have a new Companies Act which modernises the way business is conducted in this country. What we have now is woefully inadequate and is in urgent need of an overhaul. We will deliver on that new legislation during this year.

But to get back to giving context for Business Barbados, **Export Barbados** will continue to drive the expansion of our exports and on increasing foreign exchange earnings repatriated to local businesses. But in order to get small businesses scaled up to reach export potential, they need to benefit from supporting services that my Government will provide. From business development services, access to financing in partnership with agencies including Trust Loans and Fund Access, our small businesses are being enabled to grow. Business Barbados will

provide our local businesses with the support to develop to the stage where they can be handed off to Export Barbados.

So put simply, my Government is building a completely circular ecosystem where we support all stages of business growth and development from inbound to local commercial operation and expansion and then outbound to export and there will be a dedicated, fit for purpose agency to support each level.

Business Barbados is the new kid on the block, pivotal to anchoring all business facilitation services in a single place. CAIPO as we know it, now will be absorbed within this entity and assume an expanded role designed to position Barbados globally.

The corporate digital registry launched under CAIPO in 2019, will now be revamped and repurposed to ensure an entirely fit for purpose digital platform that allows the business community to interface with Government seamlessly. There were challenges and we have been addressing them. The construction of this platform

is in progress and the enabling financial resources have already been allocated. We will launch an expanded and upgraded Digital Registry during this financial year.

Also to be established within Business Barbados, is the creation of the Barbados Intellectual Property Agency as a dedicated division. The creative industry has driven the development of strong IP agencies in Jamaica and Engineering and Manufacturing has done the same in Trinidad and Tobago. As Barbados continues to foster innovation and business facilitation, there is a real opportunity for this new dedicated IP agency to work alongside Industry, Export Barbados and the Entrepreneurial Community to support the registration of patents and trademarks in accordance with the various international conventions governing Intellectual Property. We have begun working with WIPO and will bring our stakeholders on board to ensure that the Barbados Intellectual Property Agency is well positioned and structured to pursue commercial opportunities in IP for Barbados.

Not only will this new business-facing entity support the global business sector, but it will ensure that gone are the days when small businesses have to struggle to find their way around the setting up of new businesses. Business Barbados will have kiosks at various locations to support businesses through every stage of the process of their establishment. To ensure that we take the matter of supporting our entrepreneurs even further, for the first time ever, Government will establish a dedicated Legal Support Department within Business Barbados, the purpose of which will be to assist and guide small businesspeople through the process of complying with all the legislative requirements that many of them find complex and confusing.

Mr Speaker, this is completely new and will make a significant difference to those trying to set up or do business. Business Barbados will be a completely world class operation intended to make Barbados the easiest and best place in the Americas to do business.

2. Increasing Public Private Partnerships

Our national strategy will build on offering a more business friendly environment, to create high quality and sustainable jobs in Barbados. To ensure our long-term growth and well-being, we will prioritise national development projects. **To facilitate the establishment of these public private partnerships, I propose with effect from April 1, 2024 to establish a 50% refundable tax credit for investments in projects identified and approved by the Government in the context of our National development strategy, the specific areas of which will be outlined later in this presentation.**

3. Reviewing Tax Structures and New Investment Funds

Mr Speaker, Barbados has entered a new phase of its economic development, with the tax reforms adopted. Our policy aligns us with international standards with a normal rate of 9% and a top up tax at 15% for large multinational companies. This will secure our reputation with our partners. **The job tax credit and the**

research and development tax credit, combined with a 4.5% tax for certain types of intellectual property, allow us to promote a long term, job rich growth.

With the tax reform behind us, it is time to redefine Barbados' offer. **In that context, the Ministry of Finance will modernise our legislation on Funds and Asset management.** The aim of this modernisation and reform package is to create an environment conducive to investments, thereby promoting economic growth and enhancing the country's position as a competitive destination for international players and their investments in the Funds' industry. Mr Speaker, I see five main areas of intervention:

1. *Categories of Investment Funds:* modernisation and expansion of the categories of investment funds and vehicles to address evolving market trends, investor demands, and financial innovation.

2. *Categories of Fund industry operators:* streamlining the regulatory framework for Fund industry operators to encourage efficiency, accountability, and professionalism across the fund industry. We need to reach the right balance between safeguard measures protecting investors and fostering an investment environment that supports sustainable growth and innovation.

3. *Fund Management and licensing process:* to clarify the public's understanding of what should be regarded as a regulated activity under the Barbadian regulatory framework.

4. *Supervision and enforcement:* enhancing regulatory certainty and trust in the authorities by clearly defining their powers and limits.

5. *Taxation:* ensuring tax neutrality for investors and remaining compliant with international norms and practices.

We will integrate best practices and sustainability metrics for assessment of the green level of funds' investments, corporate reporting, and consultancy on sustainable investment strategies.

Barbados' early adoption of the GloBe rules will also act as a further boon to business by encouraging more countries to come on board.

4. Further Modernisation of the Tax System

The Ministry of Finance will further modernise our tax system to bring more tax certainty and ease of doing business. **To this end, modern transfer pricing legislation will shortly be introduced. Our tax treaties will be revised and extended to take advantage of our tax reform and make us more attractive to foreign investors.**

We will amend the Economic Substance Act to reduce reporting obligations, most of which are no longer necessary as we have modernised our tax system and most importantly have addressed all 53 matters we found languishing on assuming office that had Barbados on the FATF grey list. Thanks to the work led by the Honourable Attorney General and the intergovernmental task force over the last 5 years and 10

months, Barbados is no longer on the FATF, EU, OECD lists, which prejudice Barbados as a destination with which to do business in the international market place. This makes us an even more desirable destination with which to do international business.

5. DIGITISATION AND BUSINESS PROCESS RE-ENGINEERING

Mr. Speaker, Government is meeting the challenge and prioritising the widespread adoption of digitisation as the key to unlocking greater efficiency and productivity in all aspects of our economic and social life.

Mr. Speaker, this is fundamental to our long term development and requires an effective partnership such that government, business, labour and our educational institutions fully commit to digitizing the Barbados economy. This means the widespread introduction of digital skills in our training and education institutions. Government has started an investment in skills

development and the acquisition of digital skills is a core aspect of this Budget and will be for the foreseeable future.

Why digitisation? Digital technologies are at the core of our lives today, from the smartphone to the cloud technology. Importantly, it supports stronger, more equitable growth as it brings higher productivity but importantly it stimulates innovation as firms and individuals seek more efficient processes of achieving better outcomes.

Mr Speaker, digital transformation is a national priority and therefore all must embrace it. Barbados must adapt and do so quickly or be left out of the global digital transformation. When we say we must deconstruct and reconstruct all of our systems and processes, it is because the very nature of how we conduct all business in this country must arrive at, and then remain on the absolute cutting edge. Our smallness demands it.

To achieve the objective of a cutting edge digital economy, the government will establish a new national data center to provide the necessary computing infrastructure that will drive technology innovation in Barbados and the region. Such a data centre will power the provision of online Government services to citizens, the Bajan diaspora, businesses, overseas investors and entities, and the digitalisation of all of Government's processes. The work of the Centre will also enable the build-out of an information economy and tech industry in which local and international developers and technology companies build cutting-edge applications that begin by solving national problems but which are scalable to the world and have global application.

What does this data centre mean for Barbadians? What does it make possible? First, it will power the already underway health sector transformation, in which the Ministry of Industry, Innovation, Science and Technology (MIST) is executing, in partnership with the Queen Elizabeth Hospital, a Health Information System featuring an electronic health record for each patient, owned by each citizen, and supporting quick access

within QEH and across other public and private medical providers; more efficient admission discharge and transfer; faster ordering, tracking and reporting of tests and their results; and pharmacy supply management and inventory control. In other words, full digitalisation of the health care processes that will improve wait times, diagnostics and access to medications for example.

The Centre will also power, led by the new government technology agency GovTech Barbados, a modern Citizen Services Online Portal – a single online market to access every service and application across Government – rolled out in phases over the next year. This will accelerate public safety management and services provided by the Immigration Department, the Barbados Police Service, and key social services.

Mr Speaker, to further incentivise the country's digitization efforts, **our Government proposes that with effect from April 1, 2024 to introduce a 100% tax credit for local companies digitising and/or reengineering their business**

processes and upgrading their systems up to June 30, 2025, for use within the same income year on completion.

We strongly encourage the financial institutions to work aggressively with the business support organisations to develop the necessary financing instruments to get this digitisation done.

We believe Mr Speaker that Barbados can be a leader in the technology space in this region and therefore **I now propose that with effect from April 1, 2024 the introduction of a 50% tax credit for centres offering artificial intelligence, coding, robotics and digital training.**

6. UNLOCKING THE MORTGAGE MARKET

One of the major challenges to unlocking real estate investments in Barbados has been the length of time that it takes to complete mortgages and sales of real estate. The banking and credit union sectors have reported to the Ministry of Finance that they have an unprecedented \$2 billion+ dollars of investments in the pipeline,

but for some reason they seem to be hampered by the pace at which transactions are completed.

This cannot be allowed to continue.

This Administration supports the free market system and the right of all people to earn a living and a return on their investments. But we must do what we can to remove the impediments to speedy and effective investments in our country. Our economic growth depends on this.

This cannot be about blaming any particular sector, since blame must be apportioned to all sides. The Banking sector is too rigid and is rightfully criticised for demanding far more than is reasonably required to protect its interests. I received a report recently of an individual, a responsible Barbadian, who has a mortgage with one of the largest banks in this country. The value of the asset is not insignificant and his mortgage is in good standing.

Yet still, the bank is demanding a new valuation, not in respect of the mortgage that they already hold, but in respect of a Home Equity Loan of \$50,000.00. How is that a reasonable request? The commercial banks are insisting on a mortgage over the property, on the assignment of insurance policies and more. How can you walk into a bank and get a car loan for \$75,000.00 in a week but to borrow \$75,000.00 to buy a piece of land, which is more secure and an appreciating asset, takes a minimum of 4-6 months before it can be approved? In a country where the mortgage default rate is in the low single digits? Madness!

How can the legal profession maintain the right to regulate its own fees, charge a minimum fee on each transaction, while at the same time, we are told that the reason for the delay on closing mortgages and sales lies on the shoulders of the lawyers. Realtors make a larger fee than the lawyers without having the same fiduciary responsibility and can themselves be causes of delay.

There is also complaint that the Land Registry can be a cause of delay. We simply have to modernise how transactions are done in this country; from start to finish. I have asked the Minister of Housing and the Attorney General to jointly convene a colloquium among all stakeholders to review all of the systems and processes related to transactions involving real estate and to recommend and oversee the implementation of the recommendations. I look forward to attending this meeting in the very near future.

In the meantime, Government will start this ball rolling. One of the main delays in any land transaction is the investigation of title. This is required because, except for lands in registered areas, title to land is not guaranteed. We have set a target of 10,000 housing solutions and these will largely be done on lands owned by the State. **To bring greater certainty to title and to relieve attorneys of long and complex title searches of State lands, we will shortly be amending the Crown Lands (Vesting and Disposal) Act to provide that all lands transferred from the State shall have indefeasible title. In**

other words, a State guarantee of title. Title is currently only guaranteed where the State sells the land, but not when it is transferred without consideration, such as when it is transferred to projects such as HOPE or to the BTII.

This small measure will go a long way in cutting down on the transaction time where the transaction involves State-owned lands.

I concede too, Mr Speaker, that there are other inputs into transactions which are in the hands of the State - BRA Tax Clearance Certificates; National Insurance Clearance Certificates; Certificates of Good Standing from the Corporate Registry; and others. Where these matters require simply the checking of records, as for the most part they will, we will be putting systems in place for these to be delivered within 3 working days and eventually in real time. I remind this House that there was a time when Police Certificates of Character took 3 to 4 months to be put into the hands of a Bajan. This administration has successfully cut

that down to under 24 hours! Similarly, we can also reduce the times required for government documentation for land transactions. We can and will make this happen.

7. Increasing Access to Financing for Private and Public Sector

Barbados is also benefiting from recent upgrades not only based on debt management, but on an overall stronger economic performance. Economic growth has therefore been robust. However, more is needed from the private business sector and the banking system. Achieving the long term growth target requires that private sector businesses increase investment in existing and new economic activities to move Barbadians forward so that this decade will be one of the progress and renewal which we all desire.

The financial sector needs to become more innovative and strive to support the business community's investment efforts! Managing risk is an important pillar of financial intermediation

which is the core responsibility of banks. Our banks must not simply avoid risk taking and seek profitability from fees and charges. It is their responsibility to seek to develop and promote lending products to build and expand their lending portfolios and support the growth of businesses and households. In that way, the banking sector will liberate capital from sedentary, nonproductive savings, to higher profit margins and a lever for national growth, while providing people and businesses with the financial resources that enable dreams to become a reality. By and large, Mr Speaker, Bajans pay their bills, so the risk to the financial institutions is minimal. It is well within their capacity to do this, so **let's get to work!!**

Similarly, the financing of government operations is an opportunity for financial institutions to expand their balance sheet, generate income and support Barbados' future development. The banking sector is currently characterised by high levels of excess liquidity that can be invested in private

investment and government debt instruments with limited risk. BOSS bonds offer a favourable rate of return and the government is making a measured return to the Treasury Bill market and seeking to redevelop our yield curve over time. Banks, private citizens and institutional investors have a key role in financing Barbados' development through these mediums. We cannot achieve our goals unless all stakeholders execute their vital role and support the development and modernisation of Barbados and by extension, the improvement in the quality of life of citizens.

8. UNLOCKING RENEWABLE ENERGY INVESTMENT

Mr Speaker, as it relates to renewable energy let me be clear. Barbados has set ambitious policy objectives, but we are being constrained by regulatory lag and the resulting delayed investments in critical infrastructure. Barbados cannot afford to take years to settle a rate review hearing. Not when the last rate review was over 13 years ago now. Yet this country needs the

investment in infrastructure to enable the onboarding of Renewable Energy.

Legislatively, we will have a new Electricity Supply Bill before Parliament this year and we will invite international experts to review that draft Bill and make recommendations for updating our Utilities Regulation Act and the Fair Trading Commission Act. This is a time to deconstruct and reconstruct all our regulatory processes and the governing legislation to ensure that Barbados's regulatory environment is fit for purpose as a small island developing state. We badly need efficient electricity regulation that keeps pace with the needs of our country, aligns seamlessly and without undue delay with policy, supports competitive practices and protects consumers.

My Government will also commence in the coming weeks a study on Renewables, Electricity Generation and Consumer Welfare as a barometer to guide our policy in support of Barbadian consumers.

On the issue of licenses for the local utility, our Electric Light and Power Amendment Act sets out a process for the issuance of licenses and that process will be followed diligently starting the coming weeks. Having reached conclusion of the negotiations, we are now at the stage of engaging in public consultation. Those will begin in the first week of April. But, the most pressing and immediate challenge is the issue of getting storage into the system. Barbados has over 205 MW of generation licenses approved and another 333MW in applications. In the pipeline we can see a further upwards of 650MW. It is clear to my Government that Barbados absolutely can meet its target of 100% generation of electricity from renewable sources by 2030....IF, and I mean IF, we get storage into the system beginning this year.

The Barbados Light and Power Company has already announced to the sector that the grid in its current state can only absorb

100MW without adding storage. So immediately you see the problem. **Getting storage into the energy system is now a matter of urgent national energy security.** My Government has already begun to address these issues and is deeply embedded in building a new process to succeed Feed In Tariffs by introducing competitive procurement, as was anticipated by the FTC in June 2023 in its Feed in Tariff Decision. There are three competitive procurement methods of acquiring RE systems, Feed In Tariffs, Auctions and direct negotiations and my Government already has feed in tariffs for generation, a pilot for up to 50MW on storage We are actively following other limbs in the competitive procurement framework.

What we need right now are immediate solutions to getting storage on the grid.

First, we need as a matter of urgency, the Fair Trading Commission's decision on the current Clean Energy Transition Rider by the BLPC to be delivered so there is clarity and

predictability in the market on storage investments by the utility.

It is clear for all to see that this country cannot continue to hold strain. Unless Barbadians say to me, and they have not, that they want to see load shedding, power outages and all the negative outcomes that go along with grid instability, we need to take immediate steps to introduce Barbados first Battery Energy Storage System (BESS) for the utility. The number of power outages in the last 10 years has been too much a part of our landscape. We know too well that if you do not maintain a car, a house, a piece of equipment it will break down. And we know that if we want new equipment or cars or phones, we have to pay for it.

The choices are clear and we have taken far too long to make decisions that can be made in a fraction of the time that it is taking in our jurisdiction. It makes us utterly unattractive for investment and the loser will be the small man or small business who cannot afford a generator and who loses all of their stock

when they least expect to do so! Take care we are not being penny wise, pound foolish! A small shop cannot afford to lose a freezer full of meat!!! Nor a household for that matter!

Mr. Speaker, that we need storage now is not just us as the Government saying it. It is not just the Utility applying for it. All of Barbados heard the Barbados Bankers Association this weekend and today say that is absolutely necessary. By introducing storage into the system, we unlock the over \$500 million in RE investments that have been tied up in the banking system.

By introducing storage, we get more Barbadians connected to the grid. Once this happens, Bajans will begin to earn a return on their investments.

By getting storage into the system, we can ramp up generation capacity and account for the periods when the large volumes of solar PV aren't producing energy - largely during the night hours.

Getting storage into the system creates grid stability and reduces the impact of intermittent sources of power.

Getting storage into the system keeps Barbados on track to meeting our 2030 Electricity Goals and 2035 Net Zero goals. We will also improve our progress towards Mission NO.1 of our Mission Transformation Barbados 2030 goals.

It is on this basis, Mr. Speaker, that I announce that my Government will begin the process of engaging in direct negotiation with international suppliers of storage systems to determine what is available and most affordable. During the coming weeks, we will invite interested parties to pre-qualify for

participation in the provision of battery storage through direct negotiation so that our first licences for storage can be issued. The abundance of solar PV licences now need to be matched by the necessary equivalent in storage licences as a matter of urgency.

We have been advised by the International Financial Corporation of the World Bank that the process of direct negotiation enables the Government to move more quickly to get projects off the ground. However, they acknowledge that without international support, this can be challenging for countries who have not had the benefit of competitive price discovery or for countries like ours where our volumes are too small to attract international attention. My Government under the Ministry of Energy is already well advanced in developing a price cap mechanism for internal use which will guide the competitive price discovery process and .

But I also want to make the point here again that we are in many ways writing the playbook for Small Island Developing States as

we go forward. There are very few countries in the world that have had to face all these issues with the same frameworks in place. There are many others who are watching Barbados as an exemplar and watching to learn from what we are doing. Yet, while we are proud of what we are doing, we know we have to plan our next steps forward.

We are taking our energy planning seriously and addressing the issues before us today. But we know we have to plan for what comes next.

I want to take this opportunity today also to announce the intention of my Government, to build on the strength of the expertise we have currently on technical assistance supporting us, to establish a Future Energy Advisory Task Force, comprised of top RE experts in their respective disciplines to focus exclusively on positioning Barbados in front of the next RE curve. This is a fast paced industry and the sector today is not what it looked like even just 2 years ago. We must not allow ourselves to

be left behind. We must plan our future in renewable energy beyond reaching our 2030 and 2035 goals and position our nation to lead in the next wave as we adapt to the climate crisis.

9. POPULATION AND SKILLS MANAGEMENT

It is widely accepted that a country's long term economic growth is related to a set of fundamentals including population growth and innovation.

Barbados is experiencing an ageing and declining population. This dual deficit poses a challenge to achieving the higher sustainable rate of equitable and inclusive growth that is required for overall development, as spelt out in the BERT 2 programme. The birth rate for Barbados in 2023 was 10.58 births per 1000 people a 0.26 percent decline from 2022; the birth rate for Barbados in 2022 was 10.585 births per 1000 people, a 0.25 percent decline

from 2021; and the birth rate for Barbados in 2021 was 10.612 births per 1000 people, a 0.25 percent decline from 2020.

Mr. Speaker, the facts are clear: our population growth has been slowing for years and now the population is in decline. However, the declining population is not the core of the challenge as there are many ageing populations in the world today, including in fast growing China. Here is the crux of the issue: Is Barbados producing the population that has the skills and knowledge to meet the needs of the Barbados economy as it evolves, so as to depend much more on skilled labor and less on unskilled labor, in order to remain competitive in the international economy? Fundamental change is needed!

Mr Speaker, I must further elucidate the facts on Barbados's population to clearly spell out its importance in all dimensions of our life. The results of the 2021 Population and Housing Census showed an estimated resident population of 269,090, a decline of approximately 3.1% when compared to the 2010 census. The

most alarming aspect of this, Sir, is that 25.6% of the population is over the age of 60. That means that 1 out of every 4 persons in Barbados is over 60 years old. Let me repeat, 1 out of every 4 persons is over the age of 60.

As a matter of fact Mr Speaker, when you look around this Honourable Chamber right now, I count 8 out of 30 members who are over the age of 60. I leave it to the public to guess who the 8 might be. So the age demographic of the Members of Parliament of Barbados today, almost exactly mirrors that of the wider population.

Further sir, there are 160,748 persons over the age of 35 years, which is roughly 60 percent of the population. This clearly means that 40 percent of the population is under 35 years. Therefore it ought to be clear that Barbados must adapt and do so quickly with regard to dealing with the effects of an ageing society. As I stated earlier this demographic profile will have an impact on the economy and as we saw last year with the reform of the pension

scheme we must redouble all of our collective efforts, particularly through skills development that is aligned to the evolving needs of the economy to drive growth even faster in this country and to deal with the social and other impacts of ageing

Naturally Sir, consistent with an ageing society, the incidence of dementia and Alzheimer's is increasing rapidly in Barbados. The majority of households cannot cope easily and care for their elderly loved ones, sometimes leading to abuse, poor treatment and even abandonment.

Recognising that the family is still the main unit of care for older persons, the National Assistance Board working more closely with the Barbados Alzheimer's Association will raise awareness within families and communities and teach the skills necessary to diffuse moments of crisis, including helping caregivers to understand how to treat their elderly relatives with patience and care. This is on the heels of the recently introduced Community Elderly Care Programme.

This is by no means an easy experience Mr Speaker but it is our hope that together as One Bajan Family, we can support each other especially when it comes to taking care of our seniors.

Under the National Assistance Board, we have made provision for the development of 2 respite and day care facilities to further support the elderly. To further the cause Sir, with effect from April 1, 2024, I propose to introduce a 50% tax credit for the provision of elderly care facilities and hospices. This will allow for private interests to assist with building out the capacity in this space.

10. MONETIZING ILLIQUID AND DERELICT ASSETS IN PUBLIC AND PRIVATE SECTOR

Mr. Speaker, a critical pillar of our economic growth strategy, as we navigate towards sustainable and inclusive growth, is the

innovative approach of monetising illiquid and derelict assets across both the public and private sectors. Recognising the untapped potential these assets represent, our government is committed to transforming them into vibrant, productive resources that contribute significantly to our national economy.

To this end, we will initiate a comprehensive program aimed at identifying all such assets within our nation. This will involve a meticulous assessment to determine the most feasible strategies for their conversion or utilisation, whether through redevelopment, sale, or partnership with the private sector. Our objective is clear: to unlock the value of these under-utilised assets, thereby generating revenue, stimulating economic activity, and creating job opportunities for Barbadians.

Mr. Speaker, the recently established Growth Council chaired by the Most Honorable Doderidge Miller, with the soon to be established Legacy Fund, will promote public-private partnerships for developing public assets and as I stated to unlock their value.

To complement these efforts and to support private investment overall the Council working with the private sector has made significant progress in identifying the specific bureaucratic and regulatory inefficiencies - so-called red tape - that impairs the investment process. This will result in specific actions to create a conducive environment for business including small and medium-sized enterprises and promote entrepreneurship.

Mr. Speaker, we understand the importance of community involvement and sustainability in these endeavours. Thus, our approach will prioritise projects that not only provide financial benefits but also enhance the social and environmental fabric of our society.

Mr. Speaker, through this initiative, we are not merely addressing fiscal challenges; we are seizing an opportunity to reshape our economic landscape, driving innovation and prosperity for all Barbadians. Our commitment is to a future where every asset, no

matter its current state, is seen as a cornerstone for development and progress.

11. Exporting Capital to diversify investments given Barbados' limited size and vulnerability (starting with CSME and wider Caribbean and Central and Latin American basin)

Mr. Speaker, in recognising the inherent limitations and vulnerabilities of our economy, notably its size and exposure to external shocks, our government is embarking on a bold and strategic initiative to diversify our investment portfolio beyond our shores. This initiative is aimed at 'Exporting Capital to Diversify Investments', with a particular focus on harnessing opportunities within the Caribbean Single Market and Economy (CSME), as well as the wider Caribbean and Latin American regions.

Our vision is to position Barbados as a pivotal economic player in the region, leveraging our financial resources and expertise to invest in projects that promise not only financial returns but also

foster regional integration and development. By doing so, we aim to reduce our economy's vulnerability to global economic fluctuations and climate-related risks, while at the same time enhancing our influence and fostering stronger ties within the Caribbean and Latin American communities.

This initiative will be guided by a framework that prioritises investments in sectors that align with our national development goals and regional commitments to sustainability, innovation, and inclusive growth. Areas such as renewable energy, technology, mining, sustainable agriculture, and tourism infrastructure represent key sectors where Barbadian capital can play a transformative role.

Mr. Speaker, to ensure the success of this initiative, our government will work closely with regional bodies, financial institutions, and private sector partners. Together, we will identify investment opportunities, facilitate knowledge sharing, and build

the necessary mechanisms for efficient and effective capital deployment.

Mr. Speaker, by 'Exporting Capital to Diversify Investments', we are not just seeking to mitigate the economic risks associated with our small size and geographical vulnerabilities. We are taking proactive steps to become architects of our destiny, actively shaping the economic future of our region, and securing a more prosperous and resilient Barbados for generations to come.

12. Establishing A Pharmaceutical Industry

Mr Speaker, health care is a major new growth area in economies worldwide, and in particular the manufacture and sale of pharmaceuticals in developing countries is growing rapidly. You will recall that during COVID, Barbados was the first country in the region to obtain the vaccine for our citizens and that our first doses were manufactured in India. Barbados will enter this economic space to manufacture pharmaceuticals for our citizens,

for global public health and to create new jobs, investment and earnings. We will work with other countries to forge a Global South South Opt in Alliance to make available the most modern biologics to the people of the developing world. Our likely partners in the establishment of this venture are the government of Rwanda, the European Union, the European Investment Bank, the World Health Organisation (WHO) and the Susan Buffett Foundation.

13. Creating an agro-processing hub

The Caribbean has long been a region in which primary agricultural goods are grown for domestic consumption or export to countries where the value added or transformation to secondary and tertiary products is done. We grow cocoa and export cocoa beans, not chocolates or cocoa powder. We catch fish but do not produce and sell fish fingers. High quality, raw cotton is exported for conversion into fabric and garments. Those manufacturers make the larger profits from our agricultural

sectors. It is the intention of this Government to ensure we move to agro-processing to create jobs and increase foreign exchange earnings. I have seen the plans for a private investment for the Barbados/Guyana/Trinidad Food Terminal at Lears. They are now going through the permitting stage. This will complement the Food Terminal at Newton whose facilities have been approved for export to the USA and who will shortly be HAACP compliant. This has already been a game changer for small entrepreneurs in Barbados.

14. Incentivising the Creative Industries

Last year we announced initiatives to promote the film industry. After extensive consultation locally and internationally, the legislative framework is at its final stages and will be before this Parliament within the next 3 months.

Visual artists do not have many opportunities in a small economy such as this. To promote the opportunities for visual artists locally with the vast amount of construction that is about to take place,

commercially and within the tourism sector, we will introduce a new tax incentive. **With effect from April 1, 2024, a 50% refundable tax credit is introduced for the purchase of local art up to \$1 million for the outfitting of investment projects.**

15. Capital Projects: A Catalyst for Growth and Prosperity

Mr. Speaker, as we chart our course towards sustainable development and economic resilience, it is imperative that we invest strategically in capital projects that not only stimulate growth but also address the critical needs of our nation. These investments are designed to create jobs, spur economic activity, and lay the foundation for a brighter, more prosperous future for all Barbadians.

Unlike the lost decade of 2008 to 2018, such a proactive approach to development ensures that we do not merely spend

but invest with the vision of growth, ensuring that every dollar spent on capital projects works towards enhancing our capacity to manage and reduce our national debt over time. This cycle of investment and growth is fundamental to achieving long-term economic stability and prosperity, serving as the bedrock upon which we can build a sustainable future for Barbados.

While we have highlighted here a few major projects, it is crucial to acknowledge that these represent just a fraction of our comprehensive development strategy. A detailed list of additional projects, encompassing various sectors and initiatives, can be found in **Appendix 5** herein.

Public Sector

- 1. Geriatric Hospital Redevelopment**
- 2. Plant Tissue Culture Laboratory**
- 3. Barbados Youth Advance Corp Dormitories**
- 4. Richard Stoute Amphitheater**

Private Sector

- 1. Indigo Hotel, Bridgetown**
- 2. Royalton Luxury Resort, Holetown**
- 3. Hotel Pendry, Speightstown**
- 4. Hyatt Hotel, Bridgetown**
- 5. The Pierhead Project, Bridgetown**

Mr Speaker Sir, as I went through this list, you will have observed that while the Government does not intend to let go of Barbados' historically tried and true economic drivers and foreign exchange earners derived from the traditional sectors, we equally recognise that in today's highly competitive global marketplace, we must diversify our economic anchors and not rely solely on our traditional enterprises.

In addition Sir, Barbados has per capita the largest number of university graduates and trained young people in the region. We need to use their talents here at home to help to grow the economy and offer our young people new and varied job

opportunities which utilise their training, creativity, talent and skills. We know too that today's youth are enterprising and entrepreneurial, often having a job and a side gig, we must make the opportunities available to them to earn well from their efforts

The Government's thrust at diversification cannot exist on its own or in a vacuum. The time for business conservatism and risk aversion has long passed.

Our businesses have to stop fishing near the shore and cast their nets into deeper waters where the large catches are to be found. Barbados is a small land space with a small population. This will always limit business and constrain our capacity for growth, but it will only be fatal to our national growth effort if we do not take the required action of looking to overseas markets, inside and outside our region. Enabled by technology, the world is now more open than it has ever been at any previous time in the entire history of civilisation. We must, as Shakespeare put it, take "the tide that leads on to fortune Or lose our ventures."

B. RESILIENT BAJANS AND A RESILIENT BARBADOS

Mr Speaker, Barbados and Barbadians must build resilience at every level. And what is resilience? It is not just some new buzzword. Resilience is the key to our survival. Simply put, resilience is about building toughness. About developing the capacity to anticipate, prepare for, weather and withstand shocks whether they are environmental such as Elsa or the freak storm; if they have health and social implications like the the COVID pandemic; or present as economic challenges such as the supply side disruptions and inflationary impacts of the war between Russia and Ukraine. It is about adapting.

Mr. Speaker, today, I am proud to announce that a holistic Climate Investment Plan for Prosperity and Resilience, the Barbados National Resilience Plan has been prepared and is

aligned closely to the Mission Economy and its 2030 Agenda. This comprehensive strategy, which will shortly be presented to Cabinet, not only aims to capitalise on Barbados' unique assets, but also promises to enhance the quality of life for citizens, positioning the country as a pioneering innovative hub for climate-positive solutions. The Investment Plan provides a framework for Government's investment decisions aligned with the targets that need to be met to achieve a stronger and resilient Barbados. The plan commits Government to achieving 15 key resilience targets, focusing on:

Social Resilience – All Bajans are empowered by and engaged in the social, economic and cultural development of Barbados. They have equitable access to job opportunities, dignified housing, reliable utilities, healthy food, clean water and efficient government services;

Economic Resilience – Barbados has a diverse, robust economy which attracts the right capital to drive strong, inclusive growth

and recovers quickly in the event of climate disasters and other global, regional and local shocks; and

Climate Resilience – Barbados is a world leader in the Green and Blue Economy and will make sure that our economy benefits from this leadership. We have launched the Bridgetown Initiative, which has helped redefine the international debate on climate finance. We will continue our international advocacy, cognisant that it yields tangible benefits for Barbados and Barbadians.

Government is committed to the successful delivery of the Investment Plan. One of the targets within the Plan is to ensure that all policies, legislation, budget allocation and government structures are aligned with our resilience targets. The annual budget is an important part of that integrated framework.

We are taking additional policy action towards our resilience targets. In full compliance with international rules, I therefore propose the following measures to complement our tax reform.

With effect from April 1, 2024, an additional 25% non-refundable tax credit to boost the 50% research and development tax credit, for projects related to the Ocean and to the Greening of the economy; and

With effect from April 1, 2024 a 50% refundable tax credit for projects resulting in net zero emissions in Barbados.

Improvements In Our Meteorological Services

Mr. Speaker, our national resilience hinges on our understanding of what is currently happening weather-wise and the accurate forecast of what will happen. The office is cautioning about intense heat this year and likely extreme weather, The MET Office continues to add significant value not only on a national level, but regionally and internationally, even Cuba is using some of our models. The Office is providing observational data with unmanned sea surface drones that ventured 400 km east of Barbados last

hurricane season, and this hurricane season the Director has indicated that these drones will penetrate any storms or hurricanes that pose a threat to this nation and for those nations positioned west of Barbados.

Why is this important? To be resilient we must have a better understanding of the threats we face and the capacity to prepare for them. We obtain this understanding through the local knowledge of our forecasters and the very high resolution numerical weather modelling undertaken by the Barbados Meteorological Service. The Government's total investment in the Met Office this year is in the region of \$4 million.

Barbados - A Small Island And A Large-Ocean State

Mr Speaker, at the centre of the Investment Plan is our vision to transform Barbados from a small island by maximising its potential as a large-ocean state. The Investment Plan takes a 10-year view to 2035, but in the next few years, Barbados will

prioritise the expansion of our deep-water port, strategically located at the nexus of the shortest trade route connecting Africa and Central-and-South America, positioning our country as a logistics and transshipment hub. The plan also lays out investments in initiatives like the XPRIZE Coral Restoration Competition, which underscores Barbados' commitment to restoring coastal infrastructure and ecosystems, fostering wth of emerging industries.

While constructing these new assets, the Government of Barbados acknowledges the importance of strengthening its existing critical infrastructure concurrently. We will future-proof essential systems, notably water and wastewater infrastructure, roads, housing, education and healthcare infrastructure, ensuring they are able to serve our population efficiently and effectively, and that they are climate-resilient.

Coastal Management

Mr Speaker, the Coastal Zone Management Unit will commence a 7-year climate resilience and integrated coastal management programme in collaboration with the Inter-American Development Bank (IDB). As part of the programme, a series of Coastal Infrastructure Projects will be implemented around the coastline to improve beaches at Clinketts, St. Lucy, Mullins to Retreat, and Sand Street, St. Peter and Oistins in Christ Church to name a few locations. The project emphasis is to continue advancing enhanced coastal resilience in locations that have been long prioritised for urgent shoreline stabilisation and enhancement. Additionally, aspects of climate change adaptation, coastal hazard mitigation and institutional strengthening of the Coastal Zone Management will be implemented as part of this programme.

The execution of these projects in tandem with the work of the Marine Spatial Plan over the next few years, will build real resilience and drive sustainable development.

To augment the effects of the government Mr Speaker, and to work collaboratively with the private sector, **I also now propose that with effect from April 1, 2024 that a 50% tax credit be introduced for beach rehabilitation, coral reef restoration and other marine conservation works approved by the Coastal Zone Management Unit.**

Comprehensive Investment Areas

The investment plan outlines 12 investment priority areas, encompassing the entire economy. It aims to generate 10,000 new quality jobs, achieve a 50% reduction in the poverty rate, ensure that 100% of the population has access to primary and secondary healthcare, and attain 100% renewable energy generation.

To execute these priorities, Barbados estimates a total investment requirement of US\$14.5 billion by 2035. Significantly, over half

of this sum, amounting to US\$8.7 billion, is anticipated to be sourced from the private sector, creating domestic investment opportunities both at the institutional and retail levels, and attracting international financiers as well. These funds will be channelled into low-carbon, nature-positive, and circular solutions, offering attractive financial returns and, critically, leading to the creation of new jobs and new sectors.

The remaining estimated US\$6 billion will need to come from public sources, given that this relates to investments in social goods. Over the time period, Government intends to contribute about US\$950 million, comprising US\$100 million from government revenue resulting from "business-as-usual" GDP growth and US\$850 million generated through additional GDP growth spurred by the successful implementation of the Investment Plan. Debt swaps and securing more, cheaper and longer-term public financing from domestic and international lenders – which we are championing through the Bridgetown Initiative to reform the Global Climate and Development Finance Architecture - will be critical for this portion of financing.

I want to take this opportunity to thank the International Finance Corporation, the European Investment Bank, the Caribbean Development Bank and the Development Bank for Latin America and the Caribbean (CAF) and the Rocky Mountain Institute for facilitating, through secondment and other means, human resources and subject matter experts, to support the Government and people of Barbados with the development and implementation of our Climate Investment Plan.

Water Resilience

We all know that Barbados is ranked among the highest water scarce countries of the world

In addition, the advancing rate of climate change is exacerbating our water crisis in several very challenging ways; declining rainfall is expected to continue, estimated at around 20% by 2100.

Adding to this complexity is an aged distribution system with more than 70 years old pipes, leading to frequent service disruptions at an average of 80 bursts monthly, increased non-revenue water due to leaks and discoloured water. In addition to the burst mains, approximately 1,100 to 1,500 burst service lines are reported monthly. Revenue losses from Non-Revenue Water, add to already depressed revenues from arrears and other inefficiencies. The task is daunting but not impossible.

Mr. Speaker, we must guarantee the efficiency of the Authority's operations, including arrears collection. I remind us yet again that water will soon attract a premium across the world. Barbadians still enjoy some of the cheapest water rates in the Caribbean.

In the new financial year, the following initiatives will be introduced to meet many of the challenges.

Given the challenge of supplying discoloured water in parts of the island, the Authority is aggressively pursuing filtration systems both for the Alleynedale and Bowmanston pumping stations. In the case of Bowmanston the construction of redundancy water holding tanks to ensure interim supply whilst the source wells settle. Additionally, the BWA acquired 104 District Metered Areas (DMA) flow meters to improve distribution and expanded coverage (90 percent island wide) of the Supervisory Control And Data Acquisition (SCADA) software which will improve monitoring and remote control of pumping and distributions systems to facilitate real time decision making. The implementation has started of these District Meters.

Reservoir rehabilitation started with the emergency replacement of three welded steel tanks that were on the verge of collapse at Fort George, Lodge Hill and Boscobelle. Five new concrete tanks are 75% complete in construction to add redundancy that will allow for repair. Castle Grant and one of the two tanks at Apes Hill are completed and in operation. Shop Hill , a second tank at Apes

Hill and Rising Sun are the ones in the process of finalisation. There is one planned for St. Andrew that has not yet started.

In addition the Lodge Hill to Stephens upgrade project was finished with the installation of two tanks at St. Stephens Hill and one at Lodge Hill.

The BWA will train and upskill staff and introduce private contractors through delivery driven arrangements to assist the MTW to improve the timeliness of road reinstatements. At present, MTW is only able to reinstate an average of four reinstatements monthly when what is required is in the region of 44.

In the Belle Tenantry, Bellevue Gap and Bailey's Alley relief will finally come to these communities through the application of

projects to provide piped water to them. The BWA is providing for the introduction of conventional gravity sewer systems with connections to the Bridgetown sewer network and onward to the Bridgetown Sewage Treatment Plant for the Belle Tenantry and Bellevue Gap districts. The solution for Bailey's Alley will use septic tanks and waste stabilisation ponds. **These projects will start this year FY 2024/2025 and as far as possible, will seek to work with contractors, tradesmen and labourers from the respective communities.**

Currently, the BWA is improving the technical capacity of its staff. Training of plumbers which allows for upward mobility and progression of staff is underway with the current enrollment of 40 plumbers at SJPI. External training programmes numbering in excess of 36, are also being executed involving various universities, technical colleges, online training programmes. Barbados is also currently exploring a partnership with the Dutch Government through a "Joint Cooperation Water" (JCW) program

to tackle many of these urgent challenges facing the BWA and the Country that would provide for technical support, knowledge sharing and capacity building in areas such as: non-revenue water, water storage and distribution, water for agriculture, groundwater management and dealing with saltwater intrusion.

The Government will spend an estimated BDS \$1.5 million to provide water saving devices to about 1200 vulnerable groups as well as high usage government departments. The programme will also be rolled out to the public via private contractors and customers billed monthly. This investment is estimated to yield appreciable water savings.

The Government will also have to make decisions before the end of next month regarding the 2 desalination plants before their claims become statute barred. Under the last administration, the BWA entered take or pay contracts of 6 million gallons each daily at the exorbitant price of \$4.02 per cubic meter without having the ability to distribute the water they were obligated to take.

We met with them when we came to Office and indicated that we could not in all conscience pay these prices for a product that we would not be receiving in the volumes agreed. We indicated that we accepted that there is one Government and that we acknowledge that we would revert to them once we were in need to augmentation our groundwater. I am told that the negotiations have been going well and I hope we can have a new contractual framework before the Statute of Limitations kicks in.

Household and Community Resilience Programme

Mr Speaker, in 2022 I made reference to the Household Community Resilience Programme and introduced a waiver of import duty and VAT for two-years starting April 1, 2022 on the purchase and installation of generators at residential homes irrespective of the fuel type, to help build resilience across communities in this country. We recognise that much has taken place in the last 2 years with the global supply chain issues.

I therefore now propose that from April 1, 2024 the waiver of import duty and VAT on the purchase and installation of generators and transfer switches at residential homes, irrespective of the fuel type, for a further 2 years.

Last year, Mr Speaker, Barbados experienced 4 months of water restrictions between May and August, further evidence that the climate crisis is real. In order to mitigate the impact for households, **I propose that from April 1, 2024 that there be a waiver of VAT on the sale and installation of water tanks, septic tanks and electrical pumps for residential properties for 2 years.** Sir I had asked that the Barbados Water Authority establish a water tank installation programme which households can access and pay via their water bill over a 2 year period. It MUST now be executed.

I strongly urge citizens to utilise either of these initiatives as they are critical elements in the national effort at greater water

conservation as one of the 15 most water scarce countries of the world.

These measures, along with a more targeted and aggressive mains replacement programme, are expected to significantly reduce non-revenue water, will allow us to make serious progress in our goal of Water for All.

Equally Mr Speaker, there are residential communities in Barbados that suffer every year from perennial flooding. As the Ministry of Transport and Works continues to work on the redesign of drainage infrastructure fit for the climate crisis, we believe these affected persons must get some measure of relief.

We received a submission from the General Insurance Association of Barbados requesting tax exemptions for home insurance premiums. We reviewed the submission and **I now propose that as part of the Household and Community Resilience Programme, from April 1, 2024, I will provide a 20%**

rebate on the assessed land tax for residential properties that suffer from perennial flooding from rainfall and associated damage, provided that they have valid home insurance with flood insurance coverage.

Homeowners would be required to provide documentation verifying payment of home insurance premiums and insurance companies would need to exchange with the BRA, the necessary documentation for compliance purposes. For the avoidance of doubt, there must be at least 1 flood event during the year that triggers a claim in order for homeowners to benefit from the rebate. Mr Speaker, this is a very targeted intervention consistent with our broader public policy objectives.

The cost of this household and community resilience programme is roughly \$1.5 million per year.

National Petroleum Corporation

Mr Speaker, recall that I said earlier that there is one area for which an adjustment is to be made. I turn to that now.

The Board of the National Petroleum Corporation has strongly signalled to the government that given that 90% of our natural gas is now imported, that there be a redesign of the pricing mechanism to ensure cost recovery. Barbadians can appreciate this as it is akin to the fuel clause adjustment on your light bill. I am signalling now that once the work is completed there will be a tariff adjustment in the near future.

FOOD AND NUTRITIONAL SECURITY

Mr Speaker without doubt, the climate crisis continues to impact Barbados in myriad ways, including the agricultural sector. Recall, last year we went through a severe dry season leading to a 4-month water restriction period. Then the country experienced the hottest September leading to over 30,000 chickens dying.

Last October, we experienced violent rains leading to fields being waterlogged very quickly and causing more damage to crops.

In short Mr Speaker, 2023 from an agricultural planning and management perspective was not a particularly good year for farmers given the heightened uncertainty regarding climate conditions. Access to water still remains somewhat of a challenge given the change in rainfall patterns. Nevertheless, crop production in the sector was able to outperform the 2022 level by some 21%. The extreme heat in September 2023 led to an overall reduction in livestock production of 2% for 2023.

To enhance water solutions for the Farmers' Empowerment and Enfranchisement Drive (FEED) programme, the Barbados Agricultural Development and Marketing Corporation will be expanding the irrigation networks including pumphouses and distribution piping at Wakefield, Spencers, Bath and Mount Poyer totalling some \$4.6 million.

Mr Speaker, you would be pleased to know that as part of the “debt-for-climate” swap currently being negotiated with the IDB, Green Climate Fund and the European Investment Bank, water infrastructure for food security at River, in St Philip, is one of the key climate adaptation measures. Again Sir this speaks to policy coherence exercised by the government.

Over the past decade, milk production has suffered badly such that it now requires a four-fold climate-smart agricultural intervention to turn around the industry, increase milk output and exports with the following targets:

(i) To achieve 50% increase in milk output and restart exports by end of 2024, 320 climate-resilient cows need to be imported.

(ii) Increase feeding to optimal levels will in the short term improve productivity per cow (milk yield) and raise milk output. A combination of feed concentrate and highly nutritious forages and hay is needed. Feeding highly nutritious forages also reduces

livestock emissions which are a significant contributor to methane levels globally.

(iii) Implementation of a stock replacement to assure 20% replenishment of climate-resilient heifers.

(iv) Farmers need to Upgrade of farm infrastructure and operations to increase productivity and reduce costs.

After consultation with the sector and the Ministry of Agriculture, I now propose the following assistance to the dairy industry:

1. An increase in the rebate on purchase of cows from 50% up to a maximum of \$4,000, to 80% up to a maximum of \$6,400 per cow, to assist farmers with livestock purchase. Maximum total costs of \$2,048,000.

2. A livestock emissions rebate of 45% on the purchase price of hay for three (3) years. Maximum annual cost \$528,255.

- 3. An increase in the 1999 rebate on establishing pasturelands from \$202 per acre to \$1,000 per acre which would allow the farmers to upgrade and maintain their pastures and reduce their dependence on purchased hay. Estimated maximum annual cost of \$446,000.**
- 4. A rebate of 60% up to a maximum of \$40,000 on forage harvesters and trailers and other harvesting equipment to assist farmers in upgrading their forage operations, reducing their costs. Estimated maximum annual cost of \$200,000 for two (2) years.**
- 5. To offset costs and ensure farmers are able to replenish their stock on a yearly basis, a young heifer replacement incentive of \$1,000 per heifer. Estimated maximum annual cost of \$250,000 for four (4) years.**
- 6. To assist farmers in instituting and repairing this infrastructure, it is proposed that the 2006 rebate on livestock housing be increased from 25% up to a maximum of \$60,000 to 40% up to a maximum of**

\$60,000. Estimated maximum annual cost of \$240,000 for two (2) years.

7. To stimulate dairy farmers to invest in upgrading their operations to innovative and digital technologies, a rebate of 60% up to maximum of \$60,000 will be offered. Estimated maximum annual cost of \$240,000 for three (3) years.

MANAGING PUBLIC FINANCES

Part of Barbados' resilience building relates to the management of our public finances. I indicated earlier that there were no new taxes being introduced.

However sir, the issue of tax expenditures, more commonly known as concessions, continues to pose challenges with respect to securing the revenue base. Over the past four years, since the introduction in September 2019, of ASYCUDA World by the Customs and Excise Department, our ability to track the level of revenue foregone through the granting of concessions has improved significantly and we have seen the following trend develop.

Year	Tax Expenditures/Concession Granted
2020	\$585 million
2021	\$613 million
2022	\$784 million
2023	\$802 million
January 2024	\$61 million

Year	Tax Expenditures/Concession Granted
February 2024	\$64 million

During this exercise Sir, people have literally produced type set memos issued by the Ministry of Finance as far back as 1989, 1991 and 1993 as justification for why they should continue to access concessions. It is as if the economic circumstances have not changed since that time.

The Ministry of Finance has therefore come to the conclusion that we must as a matter of course, regularise the time frame within which concessions are granted and to hold beneficiaries of these concessions to objective standards of outcomes as part of the strengthening, monitoring, and evaluation mechanism which ensures that the underlying policy is relevant to the times in which we live.

In consequence, Mr. Speaker, from January 1, 2025, all beneficiaries of tax concessions, rebates or other exemptions that have been issued prior to the year January 1, 2025, will have to reapply for the grant of those concessions through the Ministry of Finance.

The basis upon which concessions will be given favourable consideration, will be limited to the provisions under the various sectoral legislative provisions and on set conditions, specifically that these businesses are: earning foreign exchange, depositing foreign currency into the banking system to support the country's balance of payments, creating quality local jobs and training opportunities, greening their infrastructure and are, as far as possible, digitising business operations, systems and processes, in the furtherance of public policy initiatives to build resilience. The introduction of new technology or new business ecosystems may all trigger the issuance of concessions.

Businesses with concessions issued between January 1, 2005 and December 31, 2010 will be required to reapply from January 1, 2027, whilst those issued from January 1, 2011 onward will be required to reapply as current concessions expire. As you can see Mr Speaker, we are not being draconian in our approach, we are merely nudging the business sector into conformity with new policy approaches and market realities while ensuring that those who enjoy the benefit of concessions are making their fair contributions to the economy.

Further Sir, any entity with a current concession agreement of more than 20 years that was issued on or before January 1, 2005, those concession agreements remain in place until they naturally expire or if they are not compliant with established rules.

From April 1, 2024 new investments exceeding capital expenditures of \$200 million will be provided with a time frame of 20 years to utilise the concession and will be

capped at an annual aggregate concession level of up to \$1 million, which can be used by the applicant to apply against any impost on goods, or maintenance of equipment and systems required for the operation of the specific project they choose.

From April 1, 2024 new investments with capital expenditures of \$100 million up to \$200 million will be provided with a concessions time frame of 15 years and will be capped at an annual aggregate concession level of up to \$750,000 which can be used by the applicant to apply against any impost on goods, maintenance of equipment and systems required for the operation of the specific project they choose.

From April 1, 2024 new investments with capital expenditures between \$50 million up to \$100 million will be provided with concessions for a time frame of 10 years and will be capped at an annual aggregate concession level

of up to \$500,000 which can be used by the applicant to apply against any impost on goods, maintenance of equipment and systems required for the operation of the specific project they choose.

From April 1, 2024 new investments with minimum capital expenditures of \$25 million up to \$50 million will be provided with a time frame of 5 years and will be capped at an annual aggregate concession level of up to \$250,000 which can be used by the applicant to apply against any impost on goods, maintenance of equipment and systems required for the operation of the specific project they choose.

Mr Speaker, ALL must satisfy the conditions referred to above and will be required to signal to the Barbados Revenue Authority and Customs at the beginning of every financial year, their plans for the utilisation of the agreed concession.

The Ministry of Finance will also establish a Monitoring and Enforcement Unit to work with the other relevant ministries and agencies to ensure that the public purpose for which tax concessions are granted is adhered to. Clear guidelines will be established for each sector such that there is equity and fairness with the administration of the tax expenditures, rebates and concessions process across the board.

The Monitoring and Enforcement Unit working together with the Barbados Revenue Authority and the Customs and Excise Department will be conducting “show me” and other audits as required in order to ensure compliance. In every instance where there is an infraction that is clearly the fault of the beneficiary, they will be given 90 days within which to remedy the defect. If the defect has not been remedied after the prescribed period, then I propose that the following be introduced from January 1, 2025.

For the First Infraction: the beneficiary of the concession will be allowed to claim a waiver of up to 75% of the assigned duties and pay 25% of the prescribed duties for a period of 3 months.

For A Second Infraction: the beneficiary of the concession will be allowed to claim a waiver of up to 50% of the assigned duties and pay 50% of the prescribed duties for a period of 6 months.

For The Third Infraction: the beneficiary of the concession will be allowed to claim a waiver of up to 25% of the assigned duties and pay 75% of the prescribed duties for a period of 9 months.

Infraction Number 4: the beneficiary status will be revoked and be required to pay 100% of the prescribed duties for 12 months before the beneficiary could apply again.

Let me be clear Mr Speaker, these penalties will ONLY be imposed if the entity or individual fails to correct the defect within the initial 90-day period on each occasion.

These measures are not intended to deter investment but to ensure that Barbados remains competitive and that there continues to be a level playing field within sectors and across the board.

If you have not paid the National Insurance Contributions for employees; not paid all your tax obligations, or do not have an up-to-date payment plan; are not actively participating in the various surveys required by the government; or have violated any relevant piece of legislation, without seeking to remedy these breaches within the 90-day period, then you are tempting fate.

The truth is Sir, based on the timelines outlined above, it could take at least 30 months before a concession is revoked. For that

to happen, it would clearly mean the entity had no intention of being compliant given the number of chances provided to fix issues before that stage is reached. A word to the wise is sufficient!

C. A PEOPLE-CENTRED BARBADOS

Mr Speaker, this section of today's presentation turns the spotlight on our people and the policies of this government that will result in people improvement, people upliftment and people empowerment. My Government and I see people, hear people, feel people, care about people, respond to people's concerns and needs and provides solutions to their problems.

You will recall that I said at the outset of today's budgetary presentation Mr Speaker, that this Budget is people centred. The initiatives and measures I have been presenting up to this point, will make a difference in the lives and fortunes of Barbadians. I

want to turn now to the areas of direct people empowerment on which Government's major emphasis will be placed. I want to also focus on the continued economic enfranchisement of our people.

In my opening, I indicated that there were 6 issues about which Barbadians express concern that would form part of this conversation.

- The level of national debt - I already dealt with this at length.
- Inflation and the cost of living - I did give some data on this but will elaborate further.
- Health care, particularly the Queen Elizabeth Hospital - will be addressed hereunder.
- The state of the roads - work in remediation of which is well underway as everyone can see.
- Access to jobs - As I spoke to the new measures and initiatives, I have been showing the connection to job

creation and decent work, highlighting in particular, the opportunities for young people.

- Education Reform - will be addressed, but suffice it is to say that there will be an extension of the national consultation period on the more controversial components of the reform.

Those areas to which I have not yet spoken will be covered as I turn to the focus on people.

The State of the Roads

Mr Speaker, I made a detailed statement on the state of the roads in January. I gave a commitment about expenditure and the start of road works and pothole repair. People can see that the work has actually started. We are running double shifts now that the rains have held up so as to press ahead with as much road work as we can get completed. We are using concrete, asphalt and will be going to new materials and technologies to find the right and most cost effective means of keeping an extensive, high quality

road network in excellent condition. Our work on bridges and general infrastructure is also being accelerated.

Reducing Inflation and the Cost of Living

Apart from direct financial support to the most vulnerable families, giving salary increases to civil servants, direct cash grants or hampers, ensuring a minimum wage across the economy and ensuring workers in the hospitality sector are treated fairly where their employers benefit from government concessions, there is perhaps no greater evidence of the level of caring that the Government has shown for the plight of Barbadians, than in the measures we have taken to fight inflation and ensure the lowest possible prices even in the face of the most hostile global conditions.

Government will continue to support the relief of electricity bills as we have done for the past 18 months and therefore **with effect from April 1, 2024 until September 30, 2024, I propose to extend the VAT reduction on electricity bills**

where residential customers will pay only 10% VAT on the first 250 kilowatt-hours of electricity instead of the usual 17.5% rate.

Government will also continue to negotiate with the food sector to maintain the lowest possible prices in the supermarket. Shoppers need to be discerning as to where they choose to buy their family's foodstuff. Monitoring of the supermarkets shows that not only is inflation lower, but prices on several food items are lower today than they were 2 years ago. Mr Speaker, I am talking about staples such as macaroni, some chicken parts, tuna, tea bags and food items that all individuals and families in Barbados use on a daily basis. And Mr Speaker, the list that I have given is not exhaustive, but I promise you that the Government will continue to share this information with the public for their shopping guidance.

Self Employed Persons

Mr Speaker, when it comes to National Insurance, the NIS has developed a new, easier way for self-employed persons to participate in and be covered by our social security scheme. This is intended to cover all properly classified self-employed persons across Barbados.

Contributing to the scheme is easy. Self-employed persons just have to make their payments, and twice per year the National Insurance and Social Security Service will send out information so that each contributor knows what they are covered for and what they are entitled to. This allows all self-employed persons to know their status and increase their contributions so they can enjoy increased benefits if they so desire.

Our intention is to ensure that all Barbadians are covered by our social security system. When we say all Bajans we mean all – from clerks to coconut vendors, from mechanics to merchandisers, from attorneys to artists.

Minimum Wage

In relation to the Minimum Wage, in 2021 Government, for the first time, implemented a national Minimum Wage as part of our commitment to ensuring all workers can enjoy decent work and take care of themselves and their dependents.

This year, three years after its introduction, the Minimum Wage Board will review the rate which currently stands at \$8.50 per hour and \$9.25 per hour for security officers. Given the rise in inflation, there is no doubt that there will be an adjustment. However, in order to protect those persons at the bottom of the pay scale, we will index the Minimum Wage thereby making provision for an annual increase, with a full review every 5 years. Thank the Honourable member for Saint George North for continuing to press the Government on these matters

Persons Living with Disabilities

Mr Speaker, this government has been very focused on protecting those who are most vulnerable in our society and have made special efforts to conduct the widest possible set of consultation with this community of Bajans. I want to thank the Honourable Member for St James North for continuing to spearhead these efforts on behalf of the government former president of the senate, the Most Honourable Kerry Ann Ifill. Legislation is being drafted to secure the rights for persons living with disabilities and should be before this House before the end of the year.

Mr Speaker, in all things we must be focused, targeted and laser-like. Persons living with disabilities and their families experience severe challenges when compared to those of us considered to be developing typically. As a society we will be judged on how we treat the most vulnerable members of the family of Bajans.

There are currently 833 children and some adults with various special needs attending 21 educational institutions, both public and private. Current regulations governing the access to non-contributory old age pensions currently limit the categories of persons with disabilities to a "blind person" and "deaf mute" over the age of 18.

I propose that with effect from October 1, 2024 to broaden these categories of persons living with disabilities to include the following conditions: cerebral palsy, advanced multiple sclerosis and autism as well as the inclusion of minors with these conditions. For the avoidance of doubt, the special needs grant for minors with these conditions will be 50% of the value of the non-contributory old-age pension, whilst it would be 100% for adults. This measure will cost taxpayers approximately \$4 million per year.

Transportation and mobility for persons living with disabilities still poses a challenge. **The National Disabilities Unit acquired 2 new buses 2 years ago and will purchase 2 more in the**

coming financial year, to further support persons living with disabilities. As resources allow, we will continue to acquire a2 buses annually for the next 3 years to ensure that the Unit can service the community in need of these services.

The cost of wheelchair adapted vehicles are high and may be prohibitive for some to acquire. Let me take this opportunity to remind the country again that since coming to office in 2018, the Ministry of Finance has introduced a policy that allows persons with disabilities and their families to access wheelchair adapted vehicles free of customs duty, excise and VAT irrespective of the fuel type.

This policy also applies to Public Service Vehicles who acquired wheelchair adapted vehicles for the purpose of providing public transportation.

The Barbados Health Care System

Without life we have nothing.

Without wellness we have nothing.

Mr Speaker, there has been much public discussion on the state of healthcare. It is not my intention to duck the concerns and complaints being made by residents about the healthcare system, particularly the Queen Elizabeth Hospital. Make no mistake, Barbados has one of the top healthcare systems and top health institutions in this region and every day, lives are saved. However, it should not be forgotten that we have just come out of the worst public health crisis in over a century and it has clearly had an impact on our healthcare system as a whole.

Here is what we are doing to ensure that the Barbados healthcare systems and all the institutions of which it is comprised, are world class.

In the coming financial year, the focus of the MHW will be on the following: -

There are plans to increase the QEH staffing complement by almost 250 persons over a period of 3 years, starting from this year. These staffing increases will also bring operational efficiencies and will include recruiting 150 registered nurses, 20 nurse specialist/nurse practitioners, along with consultants, registrars, and additional pharmacists, physiotherapists, speech therapists, social workers, paramedics/EMTs and other paramedical staff. Once completed, the cost of this staff increase over the three years is estimated at \$17M per annum.

Some of these new hires will add to those already working in Accident & Emergency allowing the wait time for services to decrease and improving coverage during the 3 shifts in operation. The final Phase of the A&E project is almost complete and remedial work to phase 2 (the new block) will be completed by May. On completion, it will be an expanded facility, where the

number of cubicles for patient care will be doubled. In addition, inter alia, there will be a dedicated procedure room, a minor cases room, a larger trauma room, a cardiac-care unit, an x-ray room and a CT-scan room. In addition, the A&E staff complement will be substantially increased with increased numbers of consultants, senior registrars, registered nurses, nursing assistants, orderlies and departmental aides.

Before the end of the next financial year, the QEH will move from 7 to 9 theatres being fully operational. Meanwhile, plans are being put in place to repair the roof and refurbish the Lions Eye Care Centre. This will facilitate the opening of three additional theatres, which will bring the total to twelve. With these theatres and the concomitant recruitment of additional surgeons, anaesthetists and their aides will allow for more operating time thus reducing the waiting time for eye, gynaecological and joint replacement surgeries.

We will also be staffing the cardiac care unit this year that will also provide for more immediate attention and definitive care for those who are suffering from chest pain and heart attacks. In fact, this care will commence from the time the ambulance arrives at the QEH, right up until the patient enters the Unit.

Mr. Speaker, discussions are on-going, to finalise a loan of \$130m, for the QEH to replace ageing equipment and to acquire important diagnostic and therapeutic equipment which will be available at that institution, for the very first time. Specifically, an MRI machine and a linear accelerator. The aforementioned CAPEX loan will be repaid with the proceeds of the National Insurance health levy and it will help to expand and modernise the diagnostic and therapeutic capacity of that institution.

Primary Care At The Polyclinics

Mr. Speaker, there is a renewed focus on Primary Health Care at our polyclinics, as we continue the fight against NCDs. This will be done, by paying greater attention to prevention, earlier detection/screening and treatment of these diseases, with resultant better patient outcomes. Additionally, the MHW will be implementing screening protocols for colorectal cancer while advancing work on screening protocols for breast cancers in women and prostate cancers in men.

There will also be various degrees of refurbishment or expansion and the construction of two replacement polyclinics over the next 3 years. The focus will be on providing resilient facilities. We are now in discussion with the Saudi Fund for Development regarding the funding of this project.

To oversee and manage the transformation of our polyclinics, we propose to establish a Board of Management for our Polyclinics. The Board will have as its remit, oversight of the planned construction, refurbishment and maintenance of the physical

plants and equipment of the polyclinics. The Board will also be responsible for the pooled procurement of supplies, equipment and materials. **For the avoidance of doubt, all doctors, nurses and core staff will remain under central Government. We are also committed to addressing the challenges faced by locums.**

Special attention will also be paid to the more efficient functioning of the 24hr walk-in-clinic at the Winston Scott Polyclinic. In this regard, additional staff will be recruited, adequate security will be assigned, and it is expected that the refurbishment and beautification of the clinic will be completed in three weeks.

The Ministry will continue Mental Health Reform, while work continues towards upgrading our Mental Health Legislation and upgrading the psychiatric hospital. We will, during the course of this year fully roll out five (5) mental health action plans (Suicide Prevention, Psychological First Aid, Workplace Wellness, an anti-stigma Campaign and Maternal Mental Health).

The integration of mental health care into the community will continue, with the transfer of more clients of the outpatient department of the psychiatric hospital to the mental health clinics at the Polyclinics. The plan is to transition the outpatient department to a day hospital with the capacity to treat acute care situations and address various mental health crises, while reducing the need for admissions where possible.

To further support the continued investment in public health and broader infrastructure in laboratory services, **with effect from April 1, 2024, I propose to introduce a 50% tax credit for construction of laboratories.**

The Underserved Professionals

Mr Speaker, there are 3 groups of professionals that are central to protecting our children's and nation's safety and well being, ensuring health standards, and continuing the tradition of high

literacy and sound education for which Barbados has long been known. Yet, it could be justifiably argued that these 3 categories of professionals have not received the recognition and in some cases, the remuneration commensurate with the nature of their responsibility, national service and contribution to our country's development. **I speak this year of our police officers, nurses and teachers, who in addition to the measures I now announce, will also further benefit from the ongoing regrading exercise.**

The Men and Women of the Barbados Police Service

The men and women of the Barbados Police Service have been working flat out over the last few years to stem the tide of lawlessness in Barbados, and especially in the area of firearm related crimes. Many of them take higher risks and levels of stress for low pay. I again want to thank them on behalf of the entire country for their hard work and dedication and for the successes which they have had so far.

For too long, it has been taken as a given that the Police will always be here to serve us, while we have been slow in ensuring that they are treated fairly and in a way that is commensurate with the sacrifice, sometimes the ultimate sacrifice of their lives, that they make on our behalf. In our Covenant of Hope, we committed as a Political Party and then subsequently as your Government, that the first call on State resources would be for citizen safety and security. We propose to begin the process of making meaningful reforms to the terms and conditions of the Police Service.

The Service needs to regain its value proposition as a satisfying career opportunity. We all remember a time when being a police officer was spoken of with pride. We must begin by making policing attractive again. **I therefore propose that with effect from April 1, 2024**

1. The ranks of Station Sergeant, Sergeant and Detective grade in the Barbados Police Service will be

included on the Schedule of the Public Officers Loan and Travelling Allowance.

2. There will also be the establishment of a Senior Constable post to assist with more opportunities for promotion within the ranks.

3. The establishment of a Criminal Investigation Allowance every month, to reflect the serious nature of the work being done within the Service. This will be negotiated with the Police Association in the immediate future.

In addition, we have reached the point where we need to seriously consider a lower mandatory retirement age for the Police Service, taking into account the arduous and stressful nature of their work. We will begin that discussion with a view to completing the arrangements on a phased basis over the shortest possible period.

We will also ensure that our officers work and train in the best environment possible. **In that regard, the Government has determined that it will purchase and refurbish the Geddes Grant building on Whitepark Road to house the displaced officers who were previously housed all over the place.** This project will usher into existence a new model of project execution for the government. **We will be setting up a Special Purpose Vehicle, which will be responsible for raising the finance to purchase, refurbish and maintain the building and this model will be extended to the acquisition and rehabilitation of the properties for the Government.**

The number of recruits entering the Police Service is being increased to restore the Service to its optimum establishment of 1500 officers, but one of the challenges has been how we keep pace with the rate at which officers are retiring. We shall therefore need to significantly increase the rate at which we recruit officers and this will require the expansion of facilities at the Police Training School. **In this regard, we will be**

constructing two modern dormitories to accommodate an additional 60 individuals. These modern facilities will also allow for greater residential training opportunities, not only for Barbados officers, but also for training officers across the region as we did years ago.

The Nursing Profession

Mr Speaker, nurses are the bedrock of any healthcare system. Without their passion and dedication, the quality of care provided would be significantly reduced. You would recall in last year's budget speech Sir, that the nurses were added as a new category to the Public Officer Loan and Travel Allowances (POLTA) scheme, giving nurse practitioners, specialist nurses, community mental health sisters, nurses/male nurses, sisters/nursing officers access to the scheme for the first time.

This is an improvement to their terms and conditions of service. This is important given the tremendous amount of work nurses must do with patients within communities if we are to

successfully wrestle the scourge of non-communicable diseases to the ground.

Since then, we have been meeting with the Barbados Nurses Association (BNA) and the nursing directorate of the public sector and the QEH. We have listened to you and we have agreed to establish a National Compact between the Government and the BNA, to recruit and retain nurses. This Compact will be a formal agreement outlining the roles, responsibilities, and commitments of both parties in addressing the issues and needs of the nursing profession in Barbados.

We anticipate that this Compact through various incentives - financial, non-financial, professional, educational or personal development, will result in more nurses opting to remain in the health sector at home and to continue providing quality care for our people. **Like those in the teaching profession, members of the nursing profession will also benefit from a sabbatical after 15 years of continuous service.**

The vexing problem of some nurses not receiving uniforms in a timely fashion will also cease. **My Government will give all nurses a uniform allowance.** There are still other matters for us to discuss and I am sure that at the end of our negotiations we will announce additional terms and conditions that will redound to the benefit of Barbados' nursing professionals.

The Teaching Profession

Mr Speaker, as you are aware the Ministry of Education is now deep into the national educational transformation agenda. I'm satisfied that we have to continue the conversation with the country and as a result Sir, the earliest that any major transitions can occur is September 2026, as opposed to 2025.

Having said that, 80% of what we're doing in education is non-controversial and therefore teacher training and retooling, new administrative arrangement for the teaching profession,

curriculum reform, the fixing of schools and the enhancement of plant will all continue apace while we deal with the other critical issue of how we treat the transfer between primary and secondary school.

As it relates to the administration of the teaching profession, **a Teaching Service Commission will be established in this Fiscal Year. It will be supported by a Secretariat, and will be established by the Ministry of the Public Service (MPS).**

This Commission will take charge of matters related to the teaching profession, specifically to improve efficiency and effectiveness in:

- recruitment & appointment;
- disciplinary matters;
- training and professional development;
- awards and recognition;
- licensing;
- other developmental matters including coaching and internship to improve the quality of the teaching profession

In addition Mr Speaker, effective September 1, 2024, 22 Master Teachers will be assigned across secondary schools to support teacher effectiveness and improve instructional quality.

Government will continue to augment support for Special Needs Education, using an inclusive education approach. Increased financial resources have been allocated to ramp up diagnostic testing & screening of 1,000 children per year, expert intervention, capacity building through teacher training, assistive technologies, Individual Education Plans (IEPs) and increased bursaries for Special Needs learners who cannot be accommodated within the mainstream school system.

To further aid in the provision for special needs education, **with effect from April 1, 2024 I propose to introduce a 75% tax credit for the provision of educational and life skills facilities for persons with special needs.**

In addition Mr Speaker, at the other end of the spectrum we recognise there are gifted children amongst us that also need to be catered for. Therefore, **with effect from April 1, 2024, I propose to introduce a 50% tax credit for the provision of educational centres for gifted persons.**

Mr Speaker, we know the difficulties that life can through our way, death in the family, illness and other emergencies. People are often hiding and ducking to deal with these matters and are sometimes at the mercy of their superiors in the public service. **To eliminate the angst and rancor, I propose to introduce from June 1, 2024 five(5) paid personal days per year to deal with emergent personal and family matters.**

Sports Opportunities For Barbadians

Sports: Investing in Talent, Infrastructure, and Community

In our ongoing mission to invigorate Barbados' sports culture and foster national development, we're launching diverse initiatives to

elevate our sports landscape and offer extensive opportunities for athletes and sports enthusiasts. This year, we're focusing on motor sports, cricket, netball, launching a Semi-Professional Football Tournament, and promoting our unique Road Tennis.

We are excited to partner with the Barbados Motoring Federation and Bushy Park for a yearly commitment of \$180,000, turning it into a bustling hub for motoring events. This summer, we're aiming to host a regional rally.

In the medium term we would like to develop Barbados as a location that can host Formula E Racing. I am told that the extension for this track will also accommodate the Quarter Mile races that are now held on our roads. These initiatives are designed to position Barbados as a key player in regional motor sports.

In cricket, we will be establishing our T20 Block Cricket initiative to excite interest in cricket by many who are talented but who have never really focused on cricket or had the opportunity. This initiative is going to be led by former West Indies player Courtney Browne. There are so many

opportunities internationally for cricketers that we must identify as many as we can for opportunities beyond the apex of national and regional representation. We are also investing in technology to bolster the training of our local talent.

The construction of a refurbished Netball Stadium into a multipurpose facility to support Netball, Volleyball and Basketball nationwide will be started given that all of the planning work.

We will discuss with the Barbados Football Association the introduction of a Semi-Professional Football Tournament, featuring 20 teams from across the parishes with a grand prize of \$100,000, will offer thrilling competition and financial support for our soccer players. This tournament will be known as the Prime Minister's Challenge as it draws from the best of the Lime Pelican Semi Professional League and the David Thompson Tournament.

To address our need for athletic training and competition spaces, we will be laying two more Athletic Tracks, one in the north and one in the south of the island. While these do

not replace the National Stadium, they expand opportunities for our athletes. Additionally, the bleachers for grounds across the island are set to arrive soon, and the permit processing for the National Stadium is advancing, with construction expected to commence shortly.

To back these initiatives and enhance our sports infrastructure, **I'm delighted to introduce a 50% tax credit from April 1, 2024. This measure aims to boost investment in sports venues, ensuring world-class facilities for our athletes and affirming Barbados as a premier sports tourism destination.**

With effect from April 1, 2024, I propose to introduce a 50% tax credit for the provision/development of entertainment and sports venues.

Road Tennis - Bajan Innovation and Ingenuity

Mr Speaker, Barbadians are truly a creative people. No doubt about it. We are the birth place of the landship and road tennis. It

gladdens our hearts and makes us proud in recent times, when we see road tennis, that fellas in communities just used to mek lil sport with, now getting global acclaim, interest and players. Japan, China, the UK, the US, other Caribbean and European countries, are all playing road tennis or viewing it on international sports channels.

The truth is that a man by the name of Dale Clarke has been almost singlehandedly, the champion and international promoter of road tennis and is to be congratulated and thanked for his contribution to this development. Mr Speaker, in all fairness, I have to go beyond words, someone who is doing this kind of work to promote an indigenous sport at the international level, deserves the support of the government.

This government will therefore provide facilities and funding to establish coaching certification and licensing standards for coaches, so that people can come to Barbados for training and a global certification that will be

internationally recognised. This will have 3 impacts to standardise the sport and create opportunities for foreign exchange earning by running coach training classes and further establish Barbados as the heart of road tennis and developments relating to it.

Housing For Barbadians

This Government identified 1652.6 acres of government land and a target of 10,000 housing solutions in a 5 year period, in one of the most ambitious housing programmes the country would ever have seen. Our ambition exceeded national capacity and we have had some challenges, but given the NHC's long waiting lists of people wanting to own a piece of the rock and the huge, pent up demand for housing, we have to increase capacity to deliver rather than scale back the programmes.

Let me share with you honestly what we have been confronted with the Home Ownership Providing Energy (HOPE) project. HOPE started during the pandemic with very ambitious objectives,

however, with disruption in the global supply chain it became clear that we needed an industrial process in order to effectively deliver climate resilient homes for low income Barbadians.

After the passage of hurricane Elsa, Cabinet took a decision to engage with the East-West company out of China to help with the rebuilding process. The initial plan was for Chinese Labour to do the work. However as fate would have it, the personnel with the expertise could not obtain transit visas to get to Barbados. We investigated getting labour from the Gulf States but after 11 months of trying we realised we had to use labour from Barbados which was more expensive than the other sources of labour. An independent reputable quantity surveying firm called BCQS conducted an independent assessment which demonstrates that whilst the costs were over the original budget, but were in line with market expectations compared to the resource out of China.

In October last year and again in January this year, I indicated there were challenges and that I will address them later. Mr Speaker, later is now!

We have developed an industrial process at HOPE and with the reforms indicated earlier from the development of the lands, swift execution of mortgage transactions, procurement of materials and the construction of houses, the government has put the necessary systems in place to ensure that we can ramp up. This is why we say Mr Speaker, that the average Bajan can play their part in boosting investment in this economy. The sanitation worker, the policeman, the nurse, the teacher, the maid, the postman, the customs officer. Too much to call Sir. Can't call all. These are the people who will help drive growth and investment in this country.

Nonetheless, Mr Speaker, we are pressing forward.

Despite all the challenges in the last 2 years, 1,119 housing solutions were delivered to homeowners. We would like to see at least 1,000 per year. As stated earlier, the Government is putting in place measures to expedite the property transfer process. We have embarked on a joint venture programme with the private sector for the construction and provision to Barbadians of some 2561 housing solutions from St Lucy to St Philip and every parish in between. Many of these have already started and the Honourable Member for St George South will give chapter and verse on the joint venture projects.

The People of Barbados Are This Government's Priority

Mr Speaker, the truth is that a lot of positive and transformative things are happening in the country. There is however, a core of people, some of whom would not ordinarily be friendly with one another, but all of whom have their own agendas and are brought together only by a common hatred of the Barbados Labour Party and its leader, who see nothing good. The voices of these persons

have been amplified by technology, make it their business, in podcasts and marches to specialise in fake news, false facts and fear mongering. At every step, they have suggested that this government intends and is doing the country actual harm and Bajans have something to be afraid of.

The operatives in this Coalition of Convenience said that the emergency powers legislation that was necessary during COVID, would have been abused to take away people's property and other nefarious acts. According to them the COVID vaccine was not a vaccine at all and would stop women from getting pregnant and was going to wipe out the country's Black population. Perhaps the pregnant women I am seeing since COVID, are just full of air. They said the Child Protection Act was a means of ousting parental control and the IDB survey was a weapon for similar purpose.

After last year's budget, they and their associates were alleging that taxes would be increased and the economy would go into

near collapse. Instead, the economy has grown and no taxes were added. Their most recent pronouncement, is that education reform in their eyes, is intended to produce more dunces than the country produces salt bread.

And don't forget, they insist that the Trident ID is to monitor people's whereabouts, although even every child knows that cell phones have GPS and location finders, so Government did not need an ID card if it was trying to locate people. And instead of saving the NIS after the damage of the Dems, they were insistent that we were mashing up the Scheme. They allege that Barbados is part of some global conspiracy and there is religious suppression and governmental dictatorship.

Their latest thing is that the Cyber Crimes Bill is intended to silence dissenting voices. Yet, they hold their online programmes, speak and march without interference, freely spewing their conspiracy theories, and untruths. It is utterly fascinating that

although every allegation of theirs is proven false, they just keep going.

All who have ears and eyes can listen, look and reason for themselves as to who really has their best interest at heart and who is using a platform for personal promotion while trying to create a scaffold for other citizens.

- Bajans know who cleaned up the south coast.
- Commuters appreciate who got them the new electric buses.
- The public experiences the improved garbage collection.
- Civil servants are well aware who was responsible for no salary increases in 10 years, and who was responsible for 2 salary increases in six years. And - who is giving them a third salary increase, 2 weeks from now.
- The poor and the vulnerable can tell you where they get financial support and training.
- People at the lower end of the scale fully understand how a minimum wage helps.

- All the recent UWI graduates know who gave them back free education for the last 5 years.
- Small business people are getting some NIS benefits for the first time.
- And entrepreneurs are obtaining tangible support.
- The people who no longer pay the first \$300,000 in taxes on their homes are savouring the savings.

Mr Speaker, the list is so long, I can't call all, otherwise you would be here for another few hours. Suffice it is to say that the public will judge some people's foolish talk against this Government's promises made and promises kept and the benefits, and improved quality of life that they are actually experiencing.

Government's Delivery Commitment

Government is committed to the successful delivery of our Climate Investment Plan and our broad policies and capital projects. We recognise these as an investment in the sustainable

future of the nation. One of our targets is to ensure that all policies, legislation, budget allocation and government structures are aligned with our resilience targets.

In parallel, my government is committed to ensuring that each line ministry responsible for driving critical areas within our strategic priorities, has the support and resources that they need both internally with well-staffed teams and, more centrally through top-level structures, such as the new Growth Council, that will develop strategic and operational partnerships and leverage synergies for enhanced delivery and implementation.

Further, a task force will be set-up to track processes and progress and remove bottlenecks across the system. These measures will improve implementation across the economy and public service. I have already appointed Senior Ministers and Directors General across the system to improve management, oversight and accountability and to DELIVER for Barbadians.

This is an ambitious agenda by any stretch of the imagination, even in the best of times. But having regard to where we came from, the decade the Dems took from the country and recent global and geopolitical and environmental events, from COVID, to war, to the climate crisis, Barbados' delivery and implementation must be strengthened.

Barbados Abuzz

Mr Speaker, Barbados is abuzz with activity, confidence and positive economic indicators.

The Government's agenda for transformation that moved this country from Mission Critical to where we are today, is one of the platforms for Barbados' upward climb.

Mr Speaker, let me share with you the major areas of transformation which this Government has undertaken to support citizens and grow the economy and make life better for all.

Social Protection

- Pension Reform
- Child Justice/Child Protection
- Vending Legislation and Infrastructure
- Establishing Welfare/Family Support Division

Governance Reform

- Constitutional Reform Commission
- Parliamentary Reform Commission
 - Thorne Commission on Local Governance
 - Reform of Procurement Laws and system
 - ▪ Reform of PM's Powers in the Appointment of the Head of State and the Appointment of Judges
 - ▪ Introduction of Anti-Corruption & Integrity Legislation

Environmental Reform

- Legislation to introduce civil penalties for properties with overgrown bush
- Recycling
- Reform to Improve Environmental Management - marine conservation, climate protection.

Financing Reform

- Bridgetown Initiative
- Natural Disaster Clauses
- Pandemic Clauses
- Debt for Nature and Debt for climate swap

And we are about to start Business Barbados and Criminal Justice Reform.

These areas of reform and heightened delivery and implementation will benefit people.

Mr Speaker, a plethora of regional and international meetings will be hosted here and they will give a further boon to commercial activity which will benefit entrepreneurs, service providers, and businesses generally. These conferences include:

2024

- Inter-American Court of Human Rights Public Hearings (April 2024)
- IDB's Knowledge Week (May 2024)
- UNCTAD Global Supply Chain Forum (May 2024)
- Reclaiming our Atlantic Destiny: SANKOFA (Liberian) Pilgrimage (May 2024)
- The 11th Competent Authority Conference of the Global Forum on Transparency and Exchange of Information for Tax Purposes (May 2024)
- IMF Caribbean Conference (June 2024)

- RSS ARIN- CARIB Asset Sharing Forum (July 2024)
- Sustainable Energy for All Global Conference (September 2024)
- Protecting the Vision of a Fully Compliant Anti Money Laundering Network in the Caribbean (October 2024)
- IDB Citizens Security Week (October 2024)
- Sixth Regional Conference on Social Development and Sixteenth Social Ministerial Forum for Development in Latin America and the Caribbean (Late Oct and early November 2024)
- Global Government Forum's Caribbean Digital Summit (November 2024)

2025

- 48th Regular Meeting of the Conference of CARICOM Heads of Government (February 2025)
- CARIFESTA 15 (August 2025)
- 56th Annual General Assembly of the Caribbean Broadcasting Union (August 2025)

But that, is not all, Mr Speaker,

The buzz that will see Barbados become the host of an international body-building competition, the finals of the T20 Cricket World Cup, the hosting of the world's first ever Supply Chain Conference which, given current geopolitical and global supply chains issues, is of the utmost importance. And Mr Speaker Sir, *We Gathering 400*, which generated tremendous excitement, until it was interrupted by COVID, will be resumed, bringing many Barbadians home again in 2025, which marks 400 years of the modern settlement of Barbados.

Mr Speaker, we could also use the Bajan test for if there is strong economic activity - The supermarkets - full. The restaurants - full. Places of entertainment - full. Rum shops and cook shops - full. Business places - full. Hair and nail salons - full. Barber shops - full. Shows and fetes - full. Sporting events - full. Airplanes with Bajans travelling - full. Cruises - full. Mr Speaker,

the only events in Barbados that are scanty and poorly attended, are DLP meetings and the Coalition's marches. Everything else in Barbados is FULL.

The buzz in Barbados, represents a new energy, a new optimism, a new dawn, being created by new jobs; by opportunity for all to earn; by recreation, entertainment and sporting activity that is itself a signal of confidence. It signals a bright today and a glowing tomorrow for Barbados and Barbadians.

CONCLUSION

Mr Speaker, I close as I began, by saying that this Budget is about securing our nation, today and for the future.

Every Barbadian dreams of making life better for their children and family, of enjoying increased income and improved standards

of living. I offer this Budget to the country, to Barbadians here, to those in the diaspora, to those living from Salmonds, St Lucy, to St Catherine's in St Philip, from Belleplaine, St Andrew to BayWoods, in St James and every community in between, in places like Haynesville and Bush Hall, the Pine and the Orleans, Wotton and Gall Hill to every community in Barbados, of whatever type, to every worker private and public sector.

This Government which it is my honour to lead, will give you our best. And today, I ask you to give the government and the country your best, so that together we will rise to new levels of social, economic and environmental security and prosperity.

Mr Speaker, that is what today's conversation has been about, not tax increases, not arithmetic formulas, not monetary or fiscal policy, not the technical language of finance. It is about talking to you in Bajan, in everyday language, about empowering and creating sustained wellbeing for every Barbadian, every family and harnessing that sense of confidence and hope into a

willingness to work harder to achieve our goals. It is about the confidence that today is brighter than yesterday was, but with our joint effort, we can and will have the brightest tomorrows.

Mr Speaker, I adopt the language of our social griots - Blue and yellow and black- put it up. Yes Barbados, we love you. We are proud of you.

And together we can chart a new path for our children!

MAY GOD BLESS. MAY THE HAND OF GOD GUIDE. MAY ALMIGHTY GOD PROSPER BARBADOS AND ALL BARBADIANS.

I am obliged to you.

Appendix 1

Summary of Fiscal & Economic Measures 2024

1. With effect from October 1, 2024 categories of persons living with disabilities accessing non-contributory old age pension will be expanded to include the following conditions: cerebral palsy, advanced multiple sclerosis and autism as well as the inclusion of minors with these conditions.
2. The special needs grant for minors with these conditions will be 50% of the value of the non-contributory old-age pension, whilst it would be 100% for adults.
3. With effect from April 1, 2024 until September 30, 2024, I propose to extend the VAT reduction on electricity bills where residential customers will pay only 10% VAT on the first 250 kilowatt-hours of electricity instead of the usual 17.5% rate.
4. With effect from April 1, 2024 the ranks of Station Sergeant, Sergeant and Detectives in the Barbados Police Service will be included on the Schedule of the Public Officers Loan and Travelling Allowance.
5. With effect from June 1, 2024, five (5) personal days will be provided to public servants to deal with emergent personal and family matters.
6. With effect from April 1, 2024, a Criminal Investigation Allowance will be introduced to reflect the serious nature of the work being done within the Service.

7. A Teaching Service Commission, supported by a Secretariat, will be established by the Ministry of the Public Service during fiscal year 2024/2025.
8. Effective September 1, 2024, 22 Master Teachers will be assigned across secondary schools to support teacher effectiveness and improve instructional quality.
9. Community Resilience Programme: with effect from April 1, 2024 the waiver of import duty and VAT on the purchase and installation of generators and transfer switches at residential homes irrespective of the fuel type for a further 2 years.
10. Community Resilience Programme: with effect from April 1, 2024 a waiver of VAT will apply on the sale and installation of water tanks, septic tanks and electrical pumps and pressure tanks for residential properties for 2 years.
11. Community Resilience Programme: with effect from April 1, 2024, a 20% rebate will be provided on the assessed land tax for residential properties that suffer from perennial flooding and associated damage, provided that they have valid home insurance with flood insurance coverage.
12. National Development Strategy: With effect from April 1, 2024, an additional 25% non-refundable tax credit is introduced to boost the 50% research and development tax credit, for projects related to the Ocean and to the Greening of the economy.
13. National Development Strategy: With effect from April 1, 2024, a 50% refundable tax credit is introduced for projects resulting in net zero emissions in Barbados.
14. National Development Strategy: With effect from April 1, 2024, a 50% refundable tax credit is introduced for investments in projects identified and approved by the Government in the context of our National development strategy.

15. National Development Strategy: with effect from April 1, 2024, a 75% tax credit for educational and life skills facilities for persons with special needs.
16. National Development Strategy: With effect from April 1, 2024, a 50% tax credit is introduced for centres for gifted persons.
17. National Development Strategy: With effect from April 1, 2024, a 50% tax credit is introduced for the development elderly care facilities and hospices.
18. National Development Strategy: With effect from April 1, 2024, a 50% tax credit is introduced for centres offering artificial intelligence, coding, robotics and digital training.
19. National Development Strategy: With effect from April 1, 2024, a 50% tax credit is introduced for the purchase of local art up to \$1 million for the outfitting on investment projects.
20. National Development Strategy: With effect from April 1, 2024, a 50% tax credit is introduced for the development of entertainment and sports venues.
21. National Development Strategy: With effect from April 1, 2024, a 50% tax credit is introduced for laboratories.
22. National Development Strategy: With effect from April 1, 2024, a 50% tax credit is introduced for beach rehabilitation, coral reef restoration and other marine conservation works approved by the Coastal Zone Management Unit.
23. National Development Strategy: With effect from April 1, 2024, a 100% tax credit is introduced for local companies reengineering their business processes and digital upgrades to be offset against income tax in the same income year of completion up to June 30, 2025.
24. A new national data center will be established.

25. Tax Expenditure Management: From January 1, 2025, all beneficiaries of tax concessions, rebates or other exemptions that have been issued prior to the year January 1, 2005 will have to reapply through the Ministry of Finance.
26. Tax Expenditure Management: All beneficiaries of concessions granted between 2005 and 2010 will be required to reapply from January 1, 2027 whilst those issued from 2011 onward will be required to reapply as current concessions expire.
27. Tax Expenditure Management: To ensure compliance with the purpose for which concessions were granted, in every case where an infraction is not remedied in 90 days then the following will be introduced from January 1, 2025:
 - 1st Infraction: the beneficiary of the concession will be allowed to claim a waiver of up to 75% of the assigned duties and pay 25% of the prescribed duties for a period of 3 months.
 - 2nd Infraction: the beneficiary of the concession will be allowed to claim a waiver of up to 50% of the assigned duties and pay 50% of the prescribed duties for a period of 6 months.
 - 3rd Infraction: the beneficiary of the concession will be allowed to claim a waiver of up to 25% of the assigned duties and pay 75% of the prescribed duties for a period of 9 months.
 - 4th Infraction: the beneficiary's status will be revoked and be required to pay 100% of the prescribed duties for 12 months before they could apply again.
28. Tax Expenditure Management: From April 1, 2024 new investments exceeding capital expenditures of \$200 million will be provided with a time frame of 20 years and will be capped at an annual aggregate concession level of up to \$1 million.

29. Tax Expenditure Management: From April 1, 2024 new investments with capital expenditures of \$100 million up to \$200 million will be provided with a concessions time frame of 15 years and will be capped at an annual aggregate concession level of up to \$750,000.
30. Tax Expenditure Management: From April 1, 2024 new investments with capital expenditures between \$50 million up to \$100 million will be provided with concessions for a time frame of 10 years and will be capped at an annual aggregate concession level of up to \$500,000.
31. Tax Expenditure Management: From April 1, 2024 new investments with minimum capital expenditures of \$25 million up to \$50 million will be provided with a time frame of 5 years and will be capped at an annual aggregate concession level of up to \$250,000.
32. Tax Expenditure Management: The Ministry of Finance will also establish a Monitoring and Enforcement Unit to work with the other relevant ministries and agencies to ensure that the public purpose for which tax concessions are granted is adhered to.
33. The Ministry of Finance will modernise the funds and asset management legislation.
34. The Ministry of Finance to introduce Transfer Pricing legislation to protect the interest of consumers.
35. The Economic Substance Act will be amended to reduce reporting obligations.
36. The Crown Lands (Vesting and Disposal) Act will be amended to provide that all lands transferred from the State shall have indefeasible title.
37. The Government will begin the process, supported by its international development partners, of engaging in direct negotiation with international suppliers of storage systems to procure storage at the most competitive international pricing.
38. The Government will initiate a comprehensive program aimed at identifying the most feasible strategies for the conversion or utilisation of all illiquid and derelict assets.

39. A Special Purpose Vehicle, Barbados Property Holdings Inc. which will be responsible for raising the finance to purchase, refurbish and maintain properties for the Government.
40. The Government will embark on an initiative to diversify its investment portfolio.
41. Dairy Farm Assistance: An increase in the rebate on purchase of cows from 50% up to a maximum of \$4,000 to 80% up to a maximum of \$6,400 per cow to assist them in this purchase. Maximum total costs of \$2,048,000.
42. Dairy Farm Assistance: A livestock emissions rebate of 45% on the purchase price of hay for three (3) years. Maximum annual cost \$528,255.
43. Dairy Farm Assistance: An increase in the 1999 rebate on establishing pasturelands from \$202 per acre to \$1,000 per acre would allow the farmers to upgrade and maintain their pastures and reduce their dependence on purchased hay. Estimated maximum annual cost of \$446,000.
44. Dairy Farm Assistance: A rebate of 60% up to a maximum of \$40,000 on forage harvesters and trailers and other harvesting equipment to assist farmers in upgrading their forage operations, reducing their costs. Estimated maximum annual cost of \$200,000 for two (2) years.
45. Dairy Farm Assistance: To offset costs and ensure farmers are able to replenish their stock on a yearly basis, a young heifer replacement incentive of \$1,000 per heifer. Estimated maximum annual cost of \$250,000 for four (4) years.
46. Dairy Farm Assistance: To assist farmers in instituting and repairing this infrastructure, it is proposed that the 2006 rebate on livestock housing be increased from 25% up to a maximum of \$60,000 to 40% up to a maximum of \$60,000. Estimated maximum annual cost of \$240,000 for two (2) years.
47. Dairy Farm Assistance: To stimulate dairy farmers to invest in upgrading their operations to innovative and digital technologies, a rebate of 60% up to maximum of \$60,000 is being recommended. Estimated maximum annual cost of \$240,000 for three (3) years.

EMBARGOED until Monday March 18. 2024 @6:00pm

EMBARGOED until Monday March 18. 2024 @6:00pm

Appendix 2

Fiscal Performance

OVERVIEW

Barbados witnessed a remarkable enhancement in its fiscal and economic performance by the close of 2023. The real GDP growth was a robust 4.4 percent, albeit slightly less vigorous compared to the prior year. Additionally, the unemployment rate saw a significant reduction, falling to 8.3 percent from the peak of 13.6 percent in 2020.

In response to the compounded effects of heightened international commodity prices, along with increases in domestic food cost, drought-induced conditions in the Panama Canal, disruptions in global supply chains, led to a slight increase in the moving average domestic inflation from 4.9 percent in 2022 to 5.2 percent at the close of 2023. To mitigate the impact on consumers, the Government has enacted a series of measures. These include setting a cap on the Value Added Tax (VAT) applicable to fuel and reverting freight charges to levels seen before the pandemic. These initiatives aimed to provide a buffer against the rising cost of living.

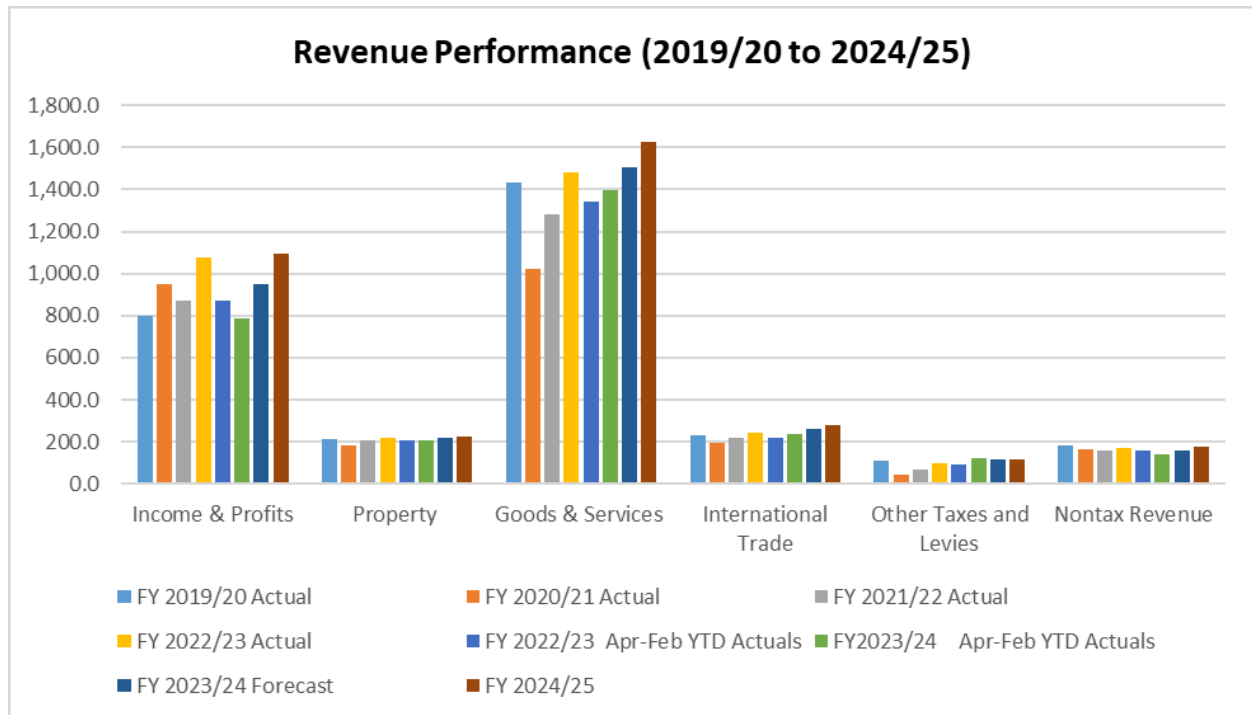
The debt restructuring and entrance into the four-year 2018 and now 2022 Barbados Economic Recovery and Transformation (BERT) Plan, supported by the International Monetary Fund through the Extended Fund facility (EFF) and the Resilience and Sustainability Facility (RSF), was developed to continue on the path towards inclusive and sustainable growth while maintaining fiscal and debt sustainability. The Government also pressed ahead with key fiscal strategies and continued to lay the groundwork for fiscal reform through the formulation of a new three-year Medium Term Fiscal Framework. Modernisation of the public procurement system was also facilitated through the passage of the Public Procurement Act and the Procurement Policy Framework which underscore the Government's commitment to increasing efficiency savings and reducing large fiscal adjustments.

REVENUE

The revival of the tourism sector, which was precipitated by the loosening of pandemic-related restrictions and pent-up demand for travel, coupled with substantial increases in transaction-based taxes and other indirect taxes helped to drive solid

revenues during 2023/24. Total revenue for 2023/24, which is projected at \$3,214.4 million, is expected to be 2.7 percent lower (\$89.7 million) in comparison to the previous fiscal year 2022/23. Between April 2023 and February 2024, revenue was registered at \$2,883.80 million, representing a decline of \$16.7 million compared to the comparable period of fiscal year 2022/23 mainly driven by the discontinuation of the pandemic levy.

Figure: 1



Source: Ministry of Finance

By the end of fiscal year 2023/24, revenue on profits and income is expected to dip by 11.9 percent from the previous year to \$947.3 million. This is principally because of the reduction in taxes from the discontinuation of the pandemic levy on corporations and individuals. In 2024/25 taxes on income and profits are projected to recover to levels comparable to the peaks observed in 2022/23 following the implementation of corporation tax reform measure and adoption of the Global Minimum Tax Rate.

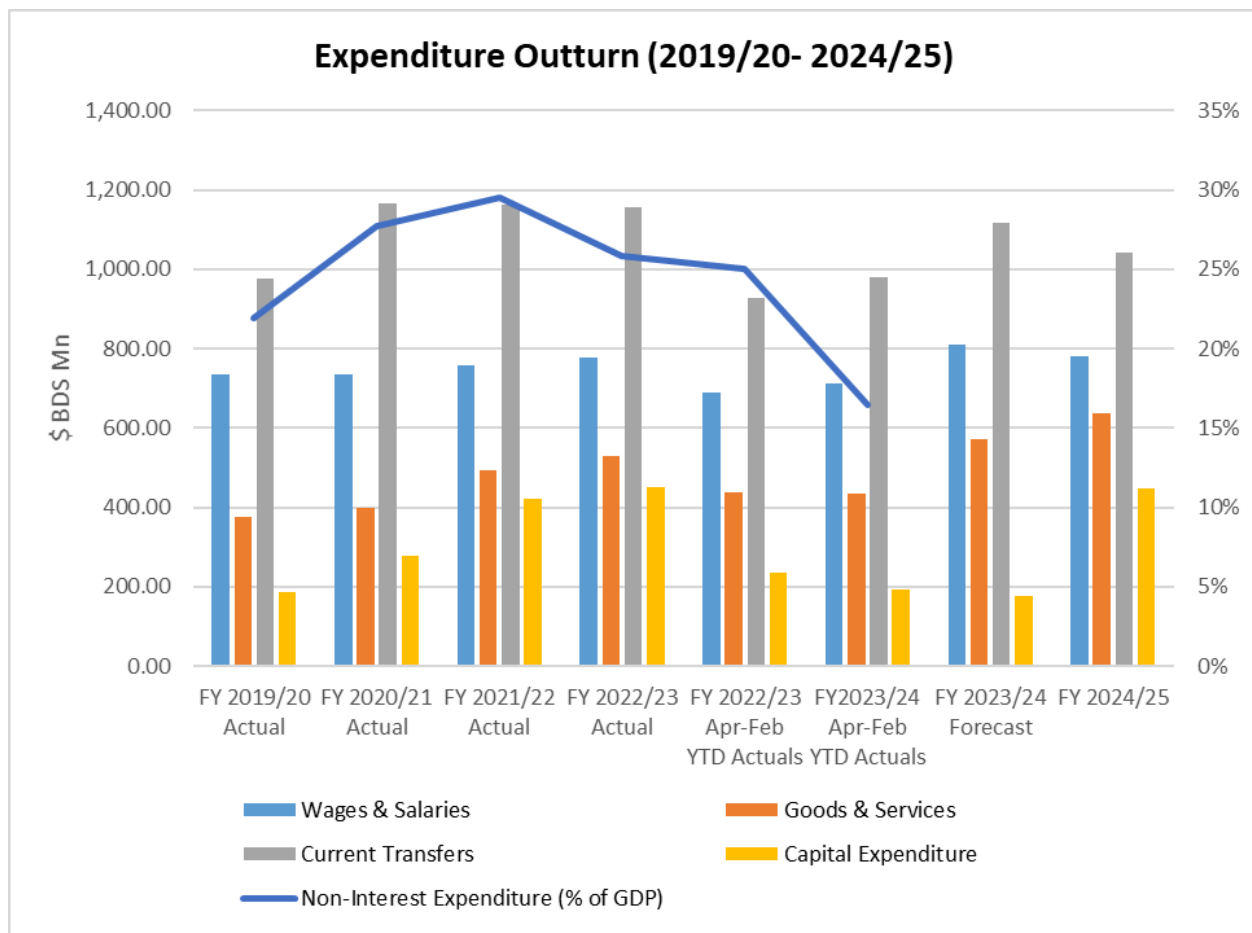
Taxes on goods and services, which are projected at \$1,504.2 million for 2023/24 (or 1.7% higher than 2022/23), helped to push up overall revenue as elevated global

inflation spilled over to domestic prices. Taxes reaped from International Trade are also expected to grow by 8.4% for 2023/24 compared to the previous fiscal year.

EXPENDITURE

The total expenditure incurred from April 2023 to February 2024 was \$3,005.80 million. However, total expenditure for 2023/24 is expected to remain broadly in line with the previous fiscal year 2022/23.

Figure: 2

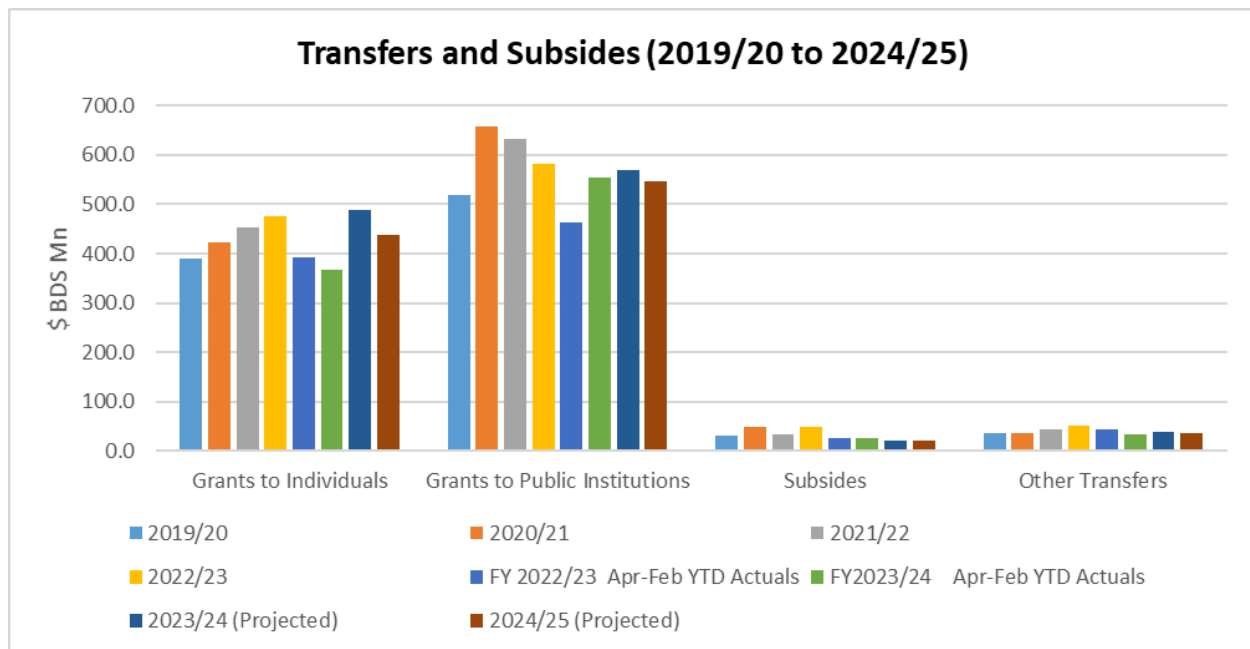


Source: Ministry of Finance

The projected growth in expenditure for 2024/25 is largely attributed to increases in goods and services and capital expenditure which are expected to expand by 11%

percent (\$64 million) and 154 percent (\$271.9 million) to \$636.7 million and \$448.4 million, respectively. Interest expenses are projected to rise in FY 2024/2025 given increases in global interest rates and the step-up interest rate as result of domestic restructured debt. It is anticipated that expenditure on wages and salaries will decline, partially due to the reclassification of National Insurance and Social Security Service from a department to a statutory cooperation. Transfers and subsidies are anticipated to fall due to reduced pandemic-related spending.

Figure: 3



Source: Ministry of Finance

The major activities to be financed during the 2024/2025 financial year are as follows:

1. A current subvention of \$100.9 million is being provided to the Queen Elizabeth Hospital for its operations.
2. \$10.4 million for the Elderly Care Program.
3. \$8.2 million to Invest Barbados to carry out its operations.
4. \$15.0 million has been provided for the CAF Road Rehabilitation Programme.
5. \$10.2 million has been provided for the Smart Energy Fund.
6. A current subvention of \$98.4 million and \$32.7 million has been provided for economic costs and tuition fees respectively to the University of the West Indies.

7. Child Care Board, a current subvention of \$20.6 million has been provided for its operations; and \$3 million has been allocated for the establishment of a secure treatment facility for Children.
8. A current subvention of \$33.5 million has been provided to the Welfare Department.
9. \$9.8 million has been provided for the hosting of the ICC Men's T20 World Cup 2024.
10. An amount of \$1.6 million has been provided for the Change Management Unit in the Ministry of Education;
11. \$4.6 million has been provided for the upgrade to Consent Bay boatyard and repairs to the west jetty and haul up facilities at the Bridgetown Fisheries complex.
12. \$3.0 million has been provided for the Barbados Fire Service mechanical workshop.
13. \$3.6 million has been provided for refurbishment of the West Wing of Parliament;
14. \$6.0 million has been provided for the female dormitories at the Police Training School;
15. \$6.9 million has been provided for the Hope, Agriculture Training Institute and the UWI Centre for Food Security and Entrepreneurship (China Aid Project);

Appendix 3

Debt and Financing

Barbados became the first country to reach an agreement to access the IMF's new Resilience and Sustainability Trust (RST), which aims to provide affordable long-term financing, 20-year maturity with a 10.5-year's grace period, to help build resilience against climate change. In June 2023, Barbados received the first disbursement under this arrangement.

The arrangement under the RST will provide approximately USD189.0 million to assist in funding climate change adaptation and mitigation efforts, as well as, support the goal of transitioning to a fully renewable-based economy by 2030. The RST, combined with a broad set of reform measures, are expected to go a long way in unlocking financing from other international financial institutions and the private sector.

Further, the Government continues to receive strong support from international lending institutions to assist in bolstering its climate resilience efforts. Barbados has entered into negotiations to execute a Debt for Climate Swap transaction which can provide a new avenue to allow climate-vulnerable states to accelerate critical investment in adaptation in a manner that does not jeopardize public debt dynamics.

In September 2023, the Government successfully restarted its Domestic Capital Market Operations through the issuance of regularly scheduled Treasury Bills. This also featured the introduction of a non-competitive window for individual bidders in the Treasury Bill Auctions. This optional mechanism allows individuals to submit a bid for the amount and tenor of Treasury Bills that they wish to purchase, without specifying a tender rate. Individuals who opt to utilize the non-competitive window may be allocated

the amount tendered at a rate that is the average of the successful competitive bidders.

The introduction of a Reverse Auction was another measure intended to help stimulate the secondary market and activity in Government securities. In the first instance Series D bonds were targeted for repurchase. For bondholders, the buyback intend to provide a market for those who were desirous of selling their securities to increase liquidity or to invest in alternative assets. For the Government, the buyback seeks to aid with the reduction of debt, the creation of a yield curve for new medium-to-long term securities, and support the gradual extension of maturities under the Government's debt management program.

The Government remains committed to reducing the debt to 60 percent of GDP by FY 2035/36.

Appendix 4

International Developments

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025 on account of greater-than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024/25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

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Appendix 5

CAPITAL COSTS FOR PROJECTS

1. HOPE Programme: Ongoing investment
2. Children's Home: Bullens, St. James: 10M BDS\$
3. Scotland District Roads Rehabilitation: \$200M

Tourism Developments (Hotels):

4. Sam Lord's Castle Redevelopment (Wyndham) - Long Bay, St. Philip: 460M BDS\$
5. Indigo Hotel - Hastings, Christ Church: 120M BDS\$
6. Hyatt Ziva - Carlisle Bay, St. Michael: 300M BDS\$
7. Royalton (Old Discovery Bay Hotel) - Holetown, St. James: 320M BDS\$
8. The Old Eye Hospital renovation - Bay Street, St. Michael: Information unavailable
9. Pendry (formerly Nikki Beach Restaurant) - Sixmen's, St. Peter: 300M BDS\$
10. Maple Manor - Hastings, Christ Church: 80M BDS\$
11. Blue Monkey (Formerly Escape Hotel) - Sandy Lane, St. James: Information unavailable
12. The Pierhead & Cavan's Lane - St. Michael: 100M BDS\$
13. Mobil site cleanup - Needham's Point, St. Michael: Information unavailable

Education Facilities:

- 14. Ursuline Convent Campus - Collymore Rock, St. Michael: Information unavailable
- 15. Chelston - St. Michael: Information unavailable
- 16. National Schools Refurbishment: Information unavailable

Medical Facilities:

- 17. Welches hospital - St. Michael: 95M BDS\$
- 18. New Geriatric Hospital - Waterford, St. Michael: 101M BDS\$
- 19. Medical-Related Retail and Office complex - Emerald Park, St. Philip: Information unavailable
- 20. QEH Expansion: Information unavailable
- 21. Designs/Construction of Polyclinic: Information unavailable

Urban Development:

- 22. Queen's Park redevelopment - Bridgetown, St. Michael: 10M BDS\$
- 23. St. James Civic Centre (Hotel component) - Holetown, St. James: 172M BDS\$
- 24. Town Center (Road widening) - Lancaster, St. James: Information unavailable
- 25. Sunvista housing and Town Center - Lancaster, St. James: 170M BDS
- 26. Oistins Bay Gardens refurbishment - Oistins, Christ Church: 5.2M BDS\$

27. Youth Advance Corp HQ: Information unavailable

Sports Facilities:

28. National Stadium redevelopment - Waterford, St. Michael: 40M BDS\$

29. Athletics Track at Garfield Sobers Gymnasium: 8M BDS\$

30. Kensington Oval refurbishment - Fontabelle, St. Michael: 50M BDS\$

31. National Stadium and Regional Grounds: Information unavailable

Port of Entry Facilities:

32. Port Expansion and Land Reclamation - Bridgetown, St. Michael: 141M BDS\$

Light Industry/Agro-processing:

33. Food processing plant – Balls: Information unavailable

34. Animal feed processing plant - The Ridge, Christ Church: Information unavailable

35. Food Terminal - Lears, St. Michael: Information unavailable

Digital Infrastructure:

36. Digital Hub: Information unavailable

37. Digitisation of Archives: 15M BDS\$

Green Energy:

38. Green Energy Park - Vauclose, St. Thomas: Information unavailable

Warehouses:

39. Lears Business Park warehouse - St. Michael:5M BDS\$

40. Premium Imports Inc. warehouse - Lears, St. Michael: Information unavailable

41. Ministry of Agriculture and Nutritional Security food facility - Lears Plantation, St. Michael: Information unavailable

42. BJ's Value Mart Inc. warehouse - Lots 23 and 24, Lears Business Park: Information unavailable

43. Saltech Inc. warehouse - Lot 20, Lears, St. Michael: Information unavailable

44. Western Holdings Inc. warehouse - Lot 6, 7, 8 and 9 Valley View Avenue, Lower Estate, St. George: Information unavailable

45. COCOLOCO Productions Inc. warehouse - Lot 5A, Lears Business Park, Lears, St. Michael: Information unavailable

46. HIPAC Ltd. warehouse - Goddards Complex, Fontabelle, St. Michael: Information unavailable

47. Moorjani Caribbean (BDOS) Ltd. warehouse - Lot 3 Gibbons Industrial Estate, Christ Church:10M BDS\$

48. Mr. Chow Chun Jun's warehouse: Information unavailable

49. Talancy International Inc. warehouse - Pine Commercial, St. Michael: Information unavailable

Waste Management:

50. Bridgetown Sewerage Treatment Plant Upgrade - Emmerton, St. Michael: Information unavailable

51. South Coast Sewerage Upgrade - Graeme Hall, Christ Church: Information unavailable

Retail Development:

52. Mall at Welches - Welches, St. Thomas: 70M BDS\$

Memorials:

53. Monument at Newton: 71.2M BDS\$

Infrastructure Projects:

54. BWA Capital Works: Information unavailable

55. NPC Expansion Programme: Information unavailable

56. Roads/Bridges: Awaiting Information

Government Buildings:

57. MET OFFICE: Information unavailable

58. FIRE STATION HQ: Information unavailable

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