

DECEMBER 13TH, 2023



GOVERNMENT OF
ST. CHRISTOPHER
(ST. KITTS) AND NEVIS

BUDGET ADDRESS 2024

MARCHING FORWARD ON THE
JOURNEY TO A SUSTAINABLE
ISLAND STATE



PRESENTED BY:
THE HONOURABLE DR. TERRANCE M. DREW
PRIME MINISTER AND MINISTER OF FINANCE

2024

ST. CHRISTOPHER AND NEVIS

2024

BUDGET ADDRESS

Table of Contents

INTRODUCTION	3
MARCHING FORWARD WITH AN AGENDA FOR SUSTAINABLE ECONOMIC DEVELOPMENT	6
International and Regional Economic Developments	6
Inflation.....	8
Labour Market.....	9
Fiscal Landscape	10
ECONOMIC EXPANSION AND DIVERSIFICATION	11
Agriculture.....	11
Construction.....	14
Housing and Human Settlements	16
Tourism	17
Industrial and Enterprise Development.....	20
Creative Economy	22
Citizenship By Investment Programme	22
MARCHING FORWARD TO SUSTAINABLE HUMAN DEVELOPMENT AND SOCIAL PROTECTION	24
Social Development	24
Education and Skills Development.....	25
Health Care	27
CROSS-CUTTING ISSUES FOR ACHIEVING THE SUSTAINABLE ISLAND STATE AGENDA	31
Law and Order and Citizen Security	31
Energy	35
Water	36
MEDIUM-TERM ECONOMIC MANAGEMENT STRATEGY	42
Medium-Term Fiscal and Debt Outlook and Growth Targets	42
Fiscal Measures and Other Strategic Interventions.....	45
Conclusion.....	52
ANNEX I: St. Kitts and Nevis 2022-2023 Laws	55

1. Madam Speaker, I beg leave to move the second reading of the Bill shortly entitled the Appropriation Act (2024), 2023.

INTRODUCTION

2. Madam Speaker, the celebration of our Nation's 40th Anniversary of Independence was an inspirational journey for many of our citizens and served to intensify my own conviction and resolve that our Sustainable Island State Agenda is the best development model to ensure continued transformation of our country. The milestones that we have achieved over the last forty years are well known to our people. With this knowledge, I want today to invite all citizens near and far to join our St. Kitts-Nevis Labour Party Administration in advancing the transformation of our country for the next 40 years.
3. During 2023, an important element of the work of our Government centred around developing the strategic direction for our Sustainable Island State Agenda. This will enable us to pivot smoothly to advancing implementation. We are therefore presenting this Budget under the theme "**Marching Forward on the Journey to a Sustainable Island State**". We believe that over the medium term, we can achieve great success in partnership with all citizens at home and in the diaspora, residents, social and economic partners, and development partners.
4. Madam Speaker, when my Administration took office last year, we clearly indicated our intention to operate a people-focused Government. In this regard, I am very pleased that we have initiated a more inclusive process for developing the Federal Government's Budget. We are of the firm view that consulting with our people is an imperative to operating a people-focused Government. This year, under the auspices of the Ministry of Finance, the Government hosted three Budget consultations with our citizens and residents. No one was left out, as all three events were livestreamed with the opportunity for virtual participants to ask questions or make recommendations. This was a rich experience as the Government was able to share pertinent information with the public. These events provided us the opportunity to share the outline of the Sustainable Island State (SIS) Agenda and the analysis that underpins the National Development Planning Framework.

5. Equally important, we initiated that all important dialogue to help our people conceptualize the development pillars and translate the ideas into action in their lives and communities. All three sessions provided an effective avenue for the Government to listen to the voices of our people. On behalf of the Ministry of Finance, we extend thanks to those persons who took the time to participate in these important engagements. I want to assure those who shared concerns from their communities or made recommendations, that, we hear you and will work to find solutions to the issues raised and to incorporate the suggestions in the implementation of the Government's programmes and projects over the coming months. We intend to make this consultative approach a standard feature of the budget preparation process. We trust that more of our people will be encouraged to participate in all efforts of the Government to increase partnership in developing important policies for the betterment of our country.
6. Madam Speaker, recognizing that such a monumental shift could not be solely orchestrated by the Government, we invested a year in extensive consultations, engaging with local experts, youths in rational dialogues, communities, and even seeking input from regional experts. Today, having benefitted from the wisdom gleaned during this collaborative process, we stand poised to commence this transformative journey, holding a shared vision of sustainability for every resident and citizen, both domestically and in the diaspora.
7. The imperative to transform arises from the unique challenges faced by our small island developing state, home to a population of 53,000. Our dependence on food imports, vulnerability to hurricanes, reliance on oil, and the impact of global conflicts on our supplies underscore the urgency of charting a sustainable course. As the smallest, independent nation in the Western hemisphere, our vulnerabilities to climate-related disasters define our existence, yet our size is also our strength. The coming year will be guided by a diligent team of local experts, working in tandem with research scholars from the University of the West Indies and regional development partners, to establish a resilient and sustainable framework. The forthcoming debate will delve into the seven pillars of our transformation, emphasizing that sustainability is not an abstract concept but a tangible assurance for the everyday lives and future of every Kittitian and Nevisian. Our commitment to this Sustainable Island State Agenda remains unwavering, driven

by the conviction that every citizen and resident should not only survive but thrive in the sustainable future we are endeavouring to build.

8. Madam Speaker, I am profoundly encouraged by the performance of our St. Kitts-Nevis Labour Party Administration after just over a year in office. To date, it has been a challenging, but very rewarding experience. Since taking office in August 2022, we have maintained a stable economic situation in the country through the skilful management of a mix of existing measures and new initiatives. Our actions to date have helped the economy to maintain positive growth in 2023. We expect that our policies and programmes will continue to help our country manage the downside risks of the current polycrisis environment occasioned by the COVID-19 pandemic, climate change and the Russia-Ukraine war. Taken as a whole, the efforts of our Government to support the strengthening of the social and economic fabric of our country is commendable. Madam Speaker, for the record, permit me to highlight some of the major initiatives sponsored by this Administration over the last (15) fifteen months:

- ◇ Immediately opened the country for business with the world without restrictions.
- ◇ Paid a CBI Dividend for the first time in the history of the St. Kitts and Nevis CBI programme.
- ◇ Introduced Free Tuition for students at the Clarence Fitzroy Bryant College.
- ◇ Introduced a dedicated programme for Medical Assistance for Children in need of specialized life-saving medical care.
- ◇ Reduced Interest Rate from 9 percent to 5 percent on student loans at the Development Bank of St. Kitts and Nevis.
- ◇ Sustained notable subsidies to farmers for the purchase of important farming inputs.
- ◇ Solidified the prospects for advancing the development of geothermal energy in Nevis.
- ◇ Paid a Workers' Bonus to all working citizens and residents who are registered with the Social Security Board.
- ◇ Introduced special arrangements for customers who are in arrears with SKELEC – the Electricity Arrears Reset Programme.
- ◇ Introduced special arrangements for customers who are in arrears with the Water Services Department - the Water Service Arrears Reset Programme.

- ◇ Introduced special arrangements for customers who are in arrears with the National Housing Corporation (NHC) - the Housing Arrears Reset Programme.
 - ◇ Introduced special arrangements for customers with outstanding payments for land purchased from the Ministry of Sustainable Development - the Land Reset Programme.
 - ◇ Expanded the First Time Homeowners Programme to include home renovations up to a value of \$500,000.00 and reduced the VAT rate to 13 percent on building materials until December 2024 - the Building Materials Reset Programme.
9. Madam Speaker, the truth is that our Government has successfully carried a heavy load to protect our people from the full brunt of the harsh realities of the external shocks which are unrelenting. In other words, all this is being done to offset the impact of the challenges that continue to be stacked against us and give our economy a fighting chance to fully recover and advance beyond the achievements realized in 2019. The actions of our Government over the past year were sensible especially when viewed in the context of a small island development state existing in a turbulent and uncertain global economic environment. Over the coming months, the Reset Programmes will play an important role in assisting our people to meet their varied needs while at the same time contributing to the sustainability of critical institutions and our economy.
10. Madam Speaker, I now turn to consider some important aspects of the Domestic Economy.

MARCHING FORWARD WITH AN AGENDA FOR SUSTAINABLE ECONOMIC DEVELOPMENT

International and Regional Economic Developments

11. Our Federation operates within the wider global economy and therefore will continue to be influenced by international and regional developments. In this regard, we are aware that the International Monetary Fund (IMF) is projecting that global economic output

will fall from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, reflecting a slowdown in the global economy. Growth in the United States, our largest trading partner, is projected to remain steady at 2.1 percent in 2023 and decline to 1.5 percent in 2024. Closer to home, economic activity in the Eastern Caribbean Currency Union (ECCU) was estimated at 8.9 percent in 2022, while growth of approximately 6.4 percent is projected for 2023 and 5.1 percent in 2024. The main driver of growth in the ECCU is the Tourism Sector and this trend is expected to continue in 2024.

12. Madam Speaker, our Government spent the last year addressing a myriad of challenges which have and will likely continue to impact the small open economy of our Federation. Remarkably, the St. Kitts-Nevis Labour Party Administration has worked to reintroduce the Federation to the world as one that is dedicated to good governance; serious about the development of our people and the protection of our environment; and laser-focused on our economic and social progress. Our efforts are already bearing fruit as our simple message spreads far and wide that we are open for doing business with the rest of the world. Our efforts have set the path to a sustained recovery, supported by positive growth in all major Sectors. For the first half of 2023, Gross Domestic Product grew by 3.4 percent compared to the same period in 2022. When juxtaposed against the COVID-19 period, the recovery is even more obvious. By midyear 2023, the St. Kitts and Nevis economy had recovered 96.1 percent of its output levels when using 2019 as a point of reference. Madam Speaker, macroeconomic performance continues to show resilience, and we are on the road to full recovery with an anticipated growth of 3.9 percent by the end of 2023. The growth observed in 2023 is being fuelled by value added in the Hotels and Restaurant Sector which is poised to grow by an impressive 27.0 percent; the Wholesale and Retail Sector by 4 percent; the Transport, Storage and Communications Sector by 1.5 percent; the Construction Sector by 0.8 percent; and the Public Administration Sector by 8.5 percent.

13. The increase in the Hotel and Restaurant Sector is being influenced by the increases in visitor arrivals to the Federation by air and sea. Activity in the Construction Sector is driven by the rise in residential housing construction. The increase in the Wholesale and Retail, and the Transport, Storage and Communication Sectors is as a result of a general rise in consumer demand for goods and services. The outlook for 2024 and beyond is promising for our Federation as we expect that full recovery from the impact of the

pandemic will be achieved in 2024 and growth will expand by approximately 3.6 percent per annum over the medium term.

Inflation

14. Although inflation continues to ease in most countries as supply chains issues normalize, and energy and food prices fall substantially from their 2022 highs, food prices remain elevated. Global inflation is projected to fall from 8.7 percent in 2022 but will remain high at 6.9 percent in 2023 and decline to 5.8 percent in 2024. Our estimates of inflation for 2024 reveal that, consistent with global inflation, prices have begun to stabilize. For 2024, inflation is projected to be 2.0 percent compared to the 2023 estimate of 3.8 percent. Notwithstanding, we continue to be cautious with our estimates given the possible impact that the war between Israel and Gaza could have on oil prices which could lead to further inflationary pressures. It is anticipated that the Food and Beverages index will increase by 2.0 percent per annum while the Non-Food Commodities index will rise to 2.1 percent over the medium term. It is important for us to understand that the increase in prices experienced by or people here in the Federation is not localized to St. Kitts and Nevis but is primarily a reflection of the elevated prices for goods and services in the global economy.

15. Madam Speaker, our caring and responsible Government assessed the situation on the ground and responded with a mix of policies and initiatives to curb the impact of the increased cost of living. Some of these were highlighted earlier in my presentation. The CBI dividend payment alone impacted about 17,500 individuals in its inaugural round. A total of 35,694 workers also recently benefited from the payment of the \$1,000 Worker Bonus. We continue to provide support to the vulnerable members of our society via the Poverty Alleviation Programme, the STEP, the ELEVATE programme and the other social assistance programmes offered by the Ministry of Social Development and Gender Affairs. During the first 10 months of this year, our Government has invested in excess of \$118 million to implement the various support programmes. The Government has also sustained significant blanket subsidies in respect to the cost of gasoline at the pump, and the purchase of LPG (cooking gas) by households and businesses and sustained large subsidies on electricity supply to

domestic and commercial consumers. These initiatives are implemented primarily as a means of providing tangible support to our people and help to increase their purchasing power.

16. Madam Speaker, I hasten to encourage our people not to take this generous support by our Government for granted as most countries have already discontinued the COVID era subsidies and public assistance programmes. The Government is aware of the impact that high prices, especially food prices, can have on consumers. We will therefore continue to provide financial support to the most vulnerable citizens through the various social programs and implement policies that would safeguard consumers. This is evident with the recent passage of the Consumer Protection Act, 2023. The Government is also actively exploring the introduction of competition policy and price gouging legislation all in an effort to fortify consumer protection.

Labour Market

17. Madam Speaker, with the increase in economic activity, labour market conditions in the economy have improved immensely. According to the Social Security Board data as at June 2023, total jobs registration was recorded in the region of 25,384, an increase of 2 percent (490 jobs) over the January-December 2022 record of 24,894. This is a very positive development as it is indicative of the continued upward trend in economic expansion and job growth in the Federation. When compared to 2019 levels we see exceptional results. The data is pointing to the recovery of 95.4 percent of jobs lost during the pandemic. The main contributors to these good results include the Hotel and Restaurants, Transport, Storage, and Communications and Wholesale and Retail Sectors. Even with these results, we will continue to push hard to ensure that in 2024 we exceed the 2019 job levels in all major sectors of the economy. We want to create a situation in the country where all who are interested in working can find decent work and restore the capacity for people to fully take care of themselves and their family.

Fiscal Landscape

18. Madam Speaker, a review of the Government's fiscal performance revealed that for the 2022 fiscal year, a deficit of \$99.2 million was recorded for the Overall Balance and the Primary Balance also reflected a deficit of \$82.9 million. Total Revenue and Grants amounted to \$1.12 billion, of which Recurrent Revenue was \$1.1 billion and total Grants were \$14.0 million. Non-Tax Revenue exceeded the budget by 54.9 percent mainly on account of the proceeds from the Citizenship by Investment (CBI) Program. In contrast, Tax Revenue was 11.1 percent lower than expected as the economy continued to recover from the fallout of the pandemic and struggle to cope with the effects of the Russia-Ukraine war.
19. With respect to expenditure, Total Expenditure for 2022 amounted to \$1.2 billion. Outlays were 34.2 percent more than the Budget which was indicative of the former Administration's decision to repurchase lands under the Debt for Land Swap arrangement. Other notable expenditure initiatives included a 10.0 percent increase in salaries and wages and an extra month's salary payment to Civil Servants as well as the transfer of a number of workers from the Skills Training Empowerment Program (STEP) to the Government's payroll. The cost associated with the various Income Support Programs including the Poverty Alleviation Program (PAP), and the ELEVATE Programme (formerly referred to as the Peace Initiative) also contributed to the expenditure overages that were realized. Additionally, a CBI Dividend was also paid to citizens and residents who currently contribute to the Social Security Fund. As mentioned earlier, the dividend distribution was intended to help lessen the increased cost of living for our people and allow them to share in some of the profits derived from our CBI Programme.
20. With respect to the debt situation, at the end of December 2022, the Total Public Sector Debt stood at \$1.6 billion or 60.2 percent of GDP. This represented a decline of \$6.5 million in the debt stock and a decrease of 8.9 percentage points in the Debt-to-GDP ratio. The reduction of the Debt-to-GDP ratio was the result of an expansion in economic activity for 2022 when compared to 2021. Forty percent of the debt stock was contracted by the Federal Government and the remaining sixty percent was owed by Public Corporations on both St. Kitts and Nevis and the Nevis Island Administration. Central

Government's debt and Public Corporations on St. Kitts and Nevis' debt fell by \$9.6 million and \$11.9 million, respectively.

ECONOMIC EXPANSION AND DIVERSIFICATION

Agriculture

21. Madam Speaker, when it comes to the issue of food security, I think we are at the point where the majority of us, if not all Kittitians and Nevisians, are in agreement that this issue rises to the level of the top five (5) priorities for our country. Further, our Government has identified food security as a strategic pillar of the Sustainable Island State Agenda. We are fully committed to ensuring strategic investments in the Agriculture Sector to ensure that we achieve the CARICOM 25 by 25 Agenda. This will also be a critical step in our march to a Sustainable Island State as we reposition agriculture as a key contributor to employment, social and economic security, and the improvement of our collective health and nutrition. Our goal is within sight and we intend to ramp up investments in infrastructure, the adoption and use of technology, and the strengthening of our human resource capacity including the technological and scientific capabilities of our agricultural officers.

22. As we chart the way forward for the implementation of our planned strategic interventions, we are conscious of the need to hear from stakeholders operating in the Sector. To this end, the Ministry of Agriculture, Fisheries and Marine Resources initiated a number of stakeholder meetings in 2023 to discuss pertinent issues such as the impact of drought, land distribution and preparation, access to water, duty-free concessions, the availability of agricultural inputs, and the Cannabis Act. The message of the importance of agriculture was also taken to our youth, as engagements were held with students of two schools. Similar forums with stakeholders and students will be convened in 2024. I use this opportunity to invite the public to listen out for the announcement of these events and to participate when it is possible.

23. I am particularly encouraged by the fact that once again we can point to the meaningful partnership forged with the Republic of China (Taiwan) in promoting the sustainable development of our country. In June 2023, we witnessed the signing of an Agreement for the St. Kitts and Nevis Layer Chicken Industry Sustainable Development Project between the Ministry of Agriculture and the Republic of China (Taiwan). The implementation of this Project will result in the establishment of a hatchery on St. Kitts. This facility will deliver a production capacity of over twenty thousand, day-old chicks per year for both meat and egg production. The key objectives of this Project include the introduction of modern breeding technology as well as egg production technology, ensuring the Federation's ability to sustainably produce poultry products and substantially reduce the level of imports. The Estimates that are being presented for 2024 seeks to add support for the build out of this aspect of our agriculture expansion strategy.
24. Madam Speaker, water has been identified as a critical area for support to our farming community. To this end, a water security project has been devised for implementation over the medium term, to aid farms in gaining access to an adequate water supply for food production. Already this year, we invited tenders from the Private Sector for the supply of water tanks, irrigation pipes, and associated materials. A multi-stakeholder approach has been taken to holistically look at the water needs on the island of St. Kitts, inclusive of the Agriculture Sector. Reformation of land policies is a major area for attention in the year 2024. Our Government would have documented issues related to agricultural land policies and saw the need for reviewing and updating the legislative framework in this regard and establish clear guidelines for use of land for agricultural purposes.
25. Madam Speaker, the Department of Marine Resources is committed to overseeing the transformation of our Fisheries Sector and the effective management of our marine resources. The Department is spearheading a programme established for the construction and renovation of fishing facilities in the major fishing communities. This will ultimately help to promote more fishing activities, improve the assurance of fish quality, increase food safety, create jobs, sustain livelihoods, and attract new fishers into the Sector. With regards to the management of our marine resources, the Department will make the final push needed to formalise the Government's earlier declaration of the St. Kitts and Nevis Marine Management Area via publication in the official Gazette.

This is critically important to the development of the Blue Economy here in the Federation.

26. Madam Speaker, although we are a Small Island Developing State, we have great potential as a Large Ocean State. We believe that the timing is right for interventions to unleash our Blue Economy and engage in sustainable activities that will bring economic development to our country from this rich resource. In 2024, the Department of Marine Resources intends to promote blue economy activities such as marine energy, marine biotechnology, aquaculture, sea moss production, tourism activities, marine transportation, boat building and high seas fishing. To achieve notable growth in the Marine Sector, the Department is currently engaging in research and discussions with key stakeholders.
27. To achieve the objectives set for the Agriculture Sector in 2024, a total of \$18.5 million is being proposed to facilitate Recurrent Expenditure, a 6.4 percent increase when compared to 2023. These resources will be used to strengthen the human resource capacity through the recruitment of trained personnel to enhance the technical support provided to our farming community. Capital Expenditure totaling \$9.4 million is being proposed in 2024. This investment will help to advance the transformation process as we aim to make strides in achieving the Sustainable Development Goals, particularly as it pertains to Zero Hunger, Decent Work and Economic Growth, Life Below Water, and Responsible Consumption and Production. In 2024, work will continue to facilitate the implementation of a number of programmes and projects identified as critical to the continued development of the Sector.

Medicinal Cannabis Industry

28. Madam Speaker, the emerging global market for medicinal cannabis and artisan hemp products holds promising economic opportunities for St. Kitts and Nevis and the wider Caribbean as a common market. As St. Kitts and Nevis explores and unlocks new economic opportunities, participation in the global medicinal cannabis value chain could prove a promising way forward. The market for high quality medicinal cannabis products is rapidly growing on a global scale. According to experts, it was US\$9 billion

in 2020 and could reach US\$49 billion by 2028. Our Medicinal Cannabis Authority, under the guiding principles of empathy, efficiency and equity, aims to develop a medicinal cannabis industry that is truly medical and does not focus solely on profitability but also on the holistic improvement of human health and the environment.

29. To this end, Madam Speaker, A high-profile delegation from St. Kitts and Nevis, comprising Dr Garfield Alexander, Chief Executive Officer of the Cannabis Commission in the Ministry of Agriculture; Dr Machel Emanuel, Professor at the University of the West Indies, Mona Campus, Jamaica; and Dr Hadiya Claxton, Special Envoy for Investment, Development, and International Business Relations, engaged in fruitful discussions on a visit to the Southern Institute for Medicinal Plants, a division of Southern University and A&M College in Baton Rouge, Louisiana. Building on the momentum generated by a previous delegation led by the Minister of Agriculture, Honourable Samal Duggins, in September 2023, the visit aimed to foster collaboration and exchange knowledge on the research and benefits of medicinal plants, with a particular focus on cannabis. Discussions delved into innovative techniques for wildlife management to safeguard crops, addressing challenges faced by the industry. Madam Speaker, St. Kitts and Nevis looks forward to leveraging the expertise of Southern University, a trailblazer in the field, to advance research, innovation, and the application of medicinal cannabis for the benefit of both nations.

Construction

30. Madam Speaker, the Construction Sector remains a strong pillar of the St. Kitts and Nevis economy. The Sector is demonstrating a creditable rebound however, we recognise that there is still some work to be done to exploit the underlying potential that could accelerate the recovery in this important Sector. Unlike the other Sectors mentioned earlier, job gains in the Construction Sector as at June 2023 was lagging by 9 percent when compared to 2019 levels. The good news is that based on the value of the pipeline of Private Sector projects, the St. Kitts Investment Promotion Agency is forecasting that inflows of Foreign Direct Investment is expected to be very strong in 2024 and beyond. The planned activities of the Central Government and the State-

Owned Enterprises will also combine to make significant contributions towards the full recovery of the Sector in 2024.

31. It is universally recognised that high quality basic infrastructure is essential for countries to achieve superior levels of development and for building a competitive economy. Our Government has completed an assessment of the existing infrastructure gap that could possibly impede development and the attainment of the Sustainable Island State objectives. We therefore plan to invest heavily in basic infrastructure over the medium term. To this end, it is proposed that the Ministry of Public Infrastructure, Energy, Utilities and Domestic Transport be allocated a Recurrent Budget totaling \$24.2 million and a Capital Budget of \$61.7 million in 2024. These resources will be used to support the general operations of the Ministry, facilitate the recruitment of technical personnel and accelerate the implementation of some important infrastructure projects. This will further strengthen the capacity of the Ministry to continue to lead in the transformation of our physical infrastructure.

32. Improving our road network is also foremost in our medium-term development outlook. To those residents who have given voice to the frustration of people living in Government sponsored housing developments without access to proper road infrastructure, I say, we hear you. Help is on the way and your roads are coming. This process began in 2023 with the investment of approximately \$3 million to construct roads in Stonefort Heights. Over the next two years, we will expand the road works to residential developments at Shadwell West, Shadwell South, Boyds View Extension, Palmetto Point, Farms Meadows, Willets Extension, Rawlins Extension, Lodge Project, West Coast, Stapleton Extension and other underserved areas. In addition to this, we will in the new year push hard to bring on stream several other major capital projects such as the Basseterre High School, Joshua Obadiah Williams Primary School, the new Smart Hospital, Construction of Coastal Area Revetment, and the Rehabilitation of St. Peter's Main Road and FT Williams Highway. Our Government is also at the midpoint of negotiating additional investment initiatives including a private fish farm development with funding from the Afreximbank and the construction of a performing arts centre.

33. Additionally, Madam Speaker, in 2024, we will implement the final Phase of the Airport Rehabilitation Project which comprises the resurfacing of the Apron at the RLB

International Airport. These works are expected to be completed within a three (3) month period and will help to reinforce the integrity of the operations at the Airport. As we move to position the Federation as a premier tourism destination, approval has been granted for InterCaribbean Airways to build a hangar at RLB International Airport. The hangar will provide office space for the airline's team as well as mobile mechanical services for the aircrafts. Construction of a hangar at the RLB International Airport is an important step in positioning St. Kitts and Nevis as a base for airline operations.

34. Madam Speaker, based on our proposals for the 2024 Capital Estimates, we are recommending that this Honourable House grants approval for capital investment in the region of \$205 million of which approximately \$130 million will contribute directly to the Construction Sector. We expect that these investments will not only spur growth in the economy and create jobs but bring the added benefits of significantly enhancing the competitiveness and resilience of our country.

Housing and Human Settlements

35. Madam Speaker, we are marching forward with our plans for the sustainable development of housing and human settlements in our Federation. Our policies are sound and substantially connected to the goals we want to achieve. When we took the decision to offer a reduced Value Added Tax rate of 13 percent to first time homeowners or existing homeowners who are seeking to renovating their homes, we were deliberately targeting our mandate to make homeownership more accessible and equitable to a broader range of individuals and families. We also made the link with the need to stimulate the Construction Sector. The St. Kitts-Nevis Labour Party Administration announced its intention to build 2,400 Smart Homes, over the next four (4) years. Today, we are well on the way to fulfilling our promise to the people. As you are aware, the Government and the National Housing Corporation entered a partnership earlier this year with East Coast Housing Development Ltd, a regional company, based in Trinidad to construct a number of homes. Several local contractors have already benefited from training in the new construction techniques employed this Developer and

additional training will be offered to enable more local contractors to participate during the construction phase of the project. In 2024, residents can expect to see the ramping up of housing construction activities across the island of St. Kitts.

36. During 2023, the NHC continued to implement its regular housing programmes and assisted 35 individuals in the construction of two (2) and three (3) bedroom homes. In 2024, the NHC will construct an additional sixty (60) two (2) bedroom homes at an estimated cost of EC\$13.5 million. These homes will be specifically built for low-income families and differently-abled citizens. The NHC is also committed to improving the living conditions of the residents of West Street and East Street. In September of this year, the Corporation completed the relocation of the remaining persons who resided at the West Street apartment block. The old buildings were demolished and construction of the first apartment building will commence in the first quarter of 2024. After the completion of the building on West Street, the NHC will commence the demolition of the dilapidated buildings on East Street and proceed with the construction of the new apartment complex. The construction of these apartments is in keeping with our thrust to build new communities and to provide modern, energy efficient, affordable housing for financially vulnerable citizens. The West Street and East Street Housing initiatives are also in line with the Government's urban revitalization mandate which is aligned with SDG 11 – the creation of sustainable cities and communities.

Tourism

37. Madam Speaker, the Tourism Industry when nurtured, can help to reduce poverty, stir entrepreneurship and stimulate the economy; thereby supporting our attainment of SDG 2 (No Poverty) and SDG 8 (Decent Work and Economic Growth). I am pleased to report that the Tourism Sector has made significant progress despite global challenges, and our people are once again reaping the benefits of this vital industry. Over the past year, we have taken bold actions to reshape our tourism offerings and set the industry on a more sustainable footing. The notable actions taken to date includes increasing international and regional airlift capacity, improving and diversifying our product and service

offerings and building a foundation to transform St. Kitts into a year-round tourism destination.

38. The rebound in the Cruise Sector was notable, as we welcomed 772,528 passengers by the end of the 2022-2023 season, an increase of 97.8 percent over the previous year. This is a direct result of the exceptional work done by the Minister of Tourism and her team in re-engaging the cruise lines to ensure that our twin island Federation is seen as a valuable destination. In order to sustain this recovery, we have prioritized improving our destination standards and enhancing customer service. In preparation for the 2023-2024 season, the Ministry of Tourism provided training to over 1,200 individuals across 11 tourism related service areas such as Hair Braiders, Primate Petting Vendors, Taxi and Tour Operators, Certified Divers and Water Sports Operators.
39. Madam Speaker, the urgency of responding to climate change is shared by our cruise industry partners. The world has changed, and we need to adapt in order for our destination to remain competitive. We have observed changes in cruise itineraries as the cruise lines set sail for shorter voyages at lower speeds in order to minimize their carbon emissions to avoid penalty as required by the Carbon Intensity Indicator implemented by the International Maritime Organization. This compounded by a continued decrease in homeporting in San Juan has resulted in a decrease in the estimated number of ship arrivals for this season. Madam Speaker, this does not necessarily mean that the actual number of cruise visitors would be less, as a number of larger ships are scheduled to call at our port. Our tourism team is already at work exploring possible avenues for innovation, rejuvenation and diversification within the Sector to ensure that we remain on a path to sustainable tourism expansion. We are currently exploring the feasibility of introducing renewable sources of shore power to meet the needs of the cruise lines while they are docked at our port. This would add value and give St. Kitts and Nevis a comparative advantage among its peers.
40. Throughout 2023, we were able to increase the accessibility of the destination by strengthening both regional and international airlift capacity, leading to a remarkable 52 percent surge in total air arrivals compared to the same period in 2022. The United States held the number one spot as our primary source market, constituting 71 percent of total arrivals in 2023, while the Caribbean market surged to reclaim its position as the second largest at 15 percent, followed by the UK at 10 percent and Canada at 4 percent. We

are marching forward with the efforts to rebuild the Caribbean market by increasing the travel options for our visitors. Our accomplishments were reinforced by a series of strategic initiatives, including the introduction of InterCaribbean Airways with thrice-weekly direct flights from Barbados in March, and the initiation of Caribbean Airlines services from Port of Spain and Barbados via Antigua in July. There is more work to be done but we are encouraged by the fact that the introduction of these new services is helping to address the longstanding challenge of ease of access faced by our destination over the years.

41. In addition, the commencement of the highly anticipated year-round JetBlue service three times per week from JFK was a huge accomplishment for us. Further, American Airlines added flights for the 25th edition of the St. Kitts Music Festival and added double daily flights for peak travel in August and September of this year. The United Airlines service was extended from December to April, to November to August. Additionally, airlift capacity from Canada initially expanded by an impressive 66%, along with adding additional Friday flights. We should also note that in addition to the above expansions, Air Canada also added a second Friday flight to the destination for the holiday season. Madam Speaker, I want to emphasize the fact that this second flight was based on demand for our destination. We are building up the tourism profile of our country.
42. Madam Speaker, I extend heartfelt congratulations to the team at the St. Kitts Tourism Authority as they celebrate their 20th Anniversary, this year. I want to place on record our Government's appreciation to all those who contributed to the development of the Authority and the Tourism Industry over the years. The Tourism Authority was created with a mandate to develop and market the tourism product of St. Kitts. Over the past year, we have refined our marketing strategy with more emphasis placed on public relations and further building brand awareness.
43. I must also state in this Honourable House that due to our robust marketing plan, the destination has once again garnered the attention of the international tourism community. Notably, in 2023, we were honoured with several esteemed accolades, including the 2023 Caribbean Destination of the Year Award bestowed by Caribbean Journal. This recognition serves as a substantial affirmation of the quality of our destination's offerings and experiences and positions us at the forefront among other

Caribbean destinations. In addition, for the second year in a row, the destination was bestowed the honour of the Caribbean's Leading Dive Destination by the World Travel Awards. Furthermore, in 2023, we attained another remarkable achievement as Sunset Reef was included in Conde Nast Traveler's esteemed "Hot List" for the year.

44. While the Minister of Tourism will provide much more details on the recent developments at the Airport, I am pleased to share with you that some notable changes will be introduced shortly at the RLB International Airport. Travellers will enjoy an improved experience as we have started the process of switching to the Common Use Terminal Equipment System. Our current system locks airlines into using a particular counter and this no longer meets the requirements of our expanded airlift situation. Plans are also in place to further improve the speed of the check-in process by installing kiosks at strategic points in the terminal. Additionally, screens will be erected throughout the terminal to display flight arrivals, departures and gate information. We will continue to explore ways to further improve the efficiency of operations at our ports so that in the coming years, our ports will be transformed to align with our vision for a Sustainable Island State. We are hard at work and on the move to entrenching tourism as a solid pillar of our Sustainable Island State.

Industrial and Enterprise Development

45. Madam Speaker, in a world of heightened uncertainty and mounting risks for small states, we must continually seek to expand and diversify our economy and reduce over reliance on any one industry. This is an important tenet for the Sustainable Island State agenda which identifies Sustainable Industry as one of its strategic pillars. The delay in jobs recovery in the Manufacturing Sector can be traced to the closure of factories during the pandemic years. The closures have significantly impacted employment in the Sector. The Manufacturing Sector has played an important role in creating jobs and expanding our export capacity. We are therefore actively seeking investments in renewable energy components and semiconductor production. We are hopeful that our efforts will bear fruit in the near future.

46. Madam Speaker, the development and adoption of national standards is essential for the advancement of the productive sectors. Our Government therefore continues to work to

strengthen the National Quality Infrastructure of the country. This is necessary to promote trust in trade relationships, provide assurance with regard to the quality of products and services, promote safety and reliability, and reduce barriers to trade and trade disputes. The Bureau of Standards continues to improve its capacity to deliver the highest quality service in food, water and environmental testing and monitoring compliance of the related standards and regulations. As part of an ongoing project with the Caribbean Development Bank, the Chemistry and Microbiology laboratory will significantly upgrade its capacity to identify pesticide residue in food products and to conduct Cannabis testing, through the acquisition of a Gas Chromatograph Mass Spectrometer in 2024. For the first time, this will provide the Federation with the level of testing and assurance required for export to EU ports. This is a precursor to the Chemistry and Microbiology Laboratory seeking ISO 9001 Certification in 2024.

47. Madam Speaker, the Bureau was very instrumental in assisting the Carib Brewery to attain international accreditation. Earlier this year, I was pleased to participate in the ceremony where the Carib Brewery was officially recognized as an ISO 22000 Certified company. Congratulations again to Carib Brewery, a leading manufacturer of beverages in the region. The point of me presenting this information here today is to confirm to the public that some very important developments are taking place to assist businesses to gain access to markets outside of the Federation. We also recognise the potential of these accomplishments to fuel our march towards a Sustainable Island State in particular, achieving the Sustainable Industry pillar.

48. Madam Speaker, we are determined to develop the small business sector so that it can become the backbone of our economy. The Ministry of Small Business and Entrepreneurship plays a pivotal role in realizing St. Kitts and Nevis' vision of a Sustainable Island State. The new strategic focus of the Ministry is to prepare small businesses to lead the charge for long term economic growth while contributing significantly to environmental sustainability and social inclusion. By fostering innovation, providing tailored support to our small businesses, and aligning with global sustainability principles, we aim to position St. Kitts and Nevis as a leader in sustainable entrepreneurial growth in the Caribbean. We envision a vibrant entrepreneurial ecosystem that serves as the backbone for our economic transformation and the achievement of the SDGs. Special focus will be placed on SDG 8 (Decent Work and

Economic Growth) and SDG 12 (Responsible Consumption and Production). By integrating these goals into the Ministry's Strategic Plan, we aim to build an economy that thrives on innovation and sustainable business practices.

Creative Economy

49. Madam Speaker, the Creative Economy has been identified domestically and regionally as a burgeoning growth area with enormous potential to contribute to economic growth and diversification, and sustaining livelihoods, particularly for our youth. To this end, the Department of Creative Economy was successfully launched in July 2023, with its campaign dubbed "Project Transform". One of the central objectives of the Department is to raise the standard of skills of the Creatives through a range of training and career advancement programmes, mentorship initiatives, and collaboration with industry leaders.

50. Our Government views the Creative Industry as an important driver of economic growth, job creation, and innovation. We are therefore proposing that the Ministry of Sports and the Creative Economy is allocated a total of \$23.1 million to support the work of the various arms of the Ministry. In pursuing the development of the creative economy space, some attention would also be focused on our intangible culture. More specifically, for the support of creatives, the 2024 Estimates proposes the establishment of a national Creative Arts Fund that will offer between \$2,000 to \$15,000 grant assistance to qualifying applicants. The Fund is designed to stimulate growth in the creative economy through three (3) distinct offerings: the Technical Aid Grant; the Product Development Grant; and the Project Advancement Grant.

Citizenship By Investment Programme

51. Madam Speaker, our nation's economic prosperity hinges on the robustness of our Citizenship by Investment (CBI) programme, a cornerstone of Kittitian and Nevisian identity. Since taking office in August 2022, the St. Kitts-Nevis Labour Party

Administration has ushered in transformative innovations, reinforcing the programme's integrity, and aligning it with the highest standards for citizenship. Collaborating with international partners, we have proactively fortified the CBI against future risks, embodying a commitment to strategic vision over complacency.

52. Madam Speaker, the CBI Programme will continue to be a major factor in attracting foreign direct investment into our country. We anticipate that investors will capitalize on the recent changes to the CBI programme, particularly, the Real Estate Option, which now sets the minimum investment at US\$400,000. Since the changes to the Real Estate Option, the St. Kitts Investment Promotion Agency (SKIPA) has witness renewed interest from developers involved in the construction of hotels, condominiums, and villas, including those with stalled or incomplete projects. To this end, SKIPA is collaborating with some of our existing developers, through its “Discover the Opportunities” campaign, which is a marketing initiative that is designed to attract investment funds to complete these projects.

53. Madam Speaker, as stewards of this vital programme, we have introduced stringent regulations, including mandatory applicant interviews and the Sustainable Island State Contribution, enhancing due diligence, and directing CBI funds towards our agenda of renewal. This holistic approach, coupled with the Sustainable Island State Agenda, is not merely economic; it is a commitment to improving citizens' lives. From investments in education and resilient infrastructure to driving the green energy transition, our CBI programme is a catalyst for tangible, positive change. As we navigate this path, we remain steadfast in prioritizing the people of St. Kitts and Nevis, safeguarding the precious value of citizenship, and fulfilling the expectations placed upon us by our international allies and our citizens alike. In leading our nation, the St. Kitts-Nevis Labour Party Administration will hold true to the principles of sustainability, freedom, and an unwavering commitment to a premium standard of citizenship.

MARCHING FORWARD TO SUSTAINABLE HUMAN DEVELOPMENT AND SOCIAL PROTECTION

Social Development

54. Madam Speaker, it is my firm belief that attaining our goal of a Sustainable Island State goes hand in hand with building an inclusive and equitable society where every citizen participates and benefits from the development process, and no one is left behind. These are the commitments we have made as part of the 2030 Agenda for Sustainable Development. Our St. Kitts-Nevis Labour Party Administration will not rest until every citizen is empowered with the means and tools to climb the ‘socio-economic ladder’ of our society and enjoy an acceptable standard of living. It is not by coincidence, that ‘Social Protection’ features as one of the seven (7) pillars of our Sustainable Island State Agenda. We intend to ensure that the social dimension is kept at the fore in all our development activities.
55. The decision last year to return the Poverty Alleviation Programme to the Ministry of Social Development and Gender Affairs has resulted in some notable successes. Over the course of this year, connections were made with the Ministry of Small Business and Entrepreneurship. This is an initial step to introducing beneficiaries of the PAP to the idea of using entrepreneurship as a means of creating employment and improving their lot in life. Collaboration was also established with the Ministry of Employment and Labour where an Employment Readiness Training was conducted with unemployed PAP recipients. With a much more coherent approach, we will proceed in 2024 to reform the PAP into a multi-dimensional programme aptly named LIFT – Livelihood Improvement for Family Transformation. LIFT embodies the philosophy of our Government to empower people rather than simply providing them with a handout. We are committed to lifting people out of poverty. Lifting in this context, takes both parties working together to attain a better life.
56. Madam Speaker, Gender Equality, or SDG 5, must be mainstreamed in every facet of our social and economic development. The Women’s Empowerment, Employment and Financial Inclusion (WEEFI) Project, sponsored by the Taiwanese Technical Mission on behalf of the Embassy of the Republic of China (Taiwan) stands as an excellent

example of sustainable investment in our women. Over the course of the last two years, the Project has trained 255 women in business creation; and provided start up grants of \$3,000 to 120 female operated/owned businesses. In addition, this initiative assisted 18 AVEC staff members to attain CVQ Level 4 certification which will enable us to expand the national capacity for regional technical certification.

57. As we march towards achieving our Sustainable Island State Agenda, we acknowledge that our human resource is our greatest asset. We also recognise the importance of embracing our youth and seeking out opportunities to ensure that they are given a ‘seat’ at the policymaking ‘table’. Indeed, our young people must be seen as equal partners and contributors to the development of our country. Youth voices are important to bring a fresh perspective to the national dialogue on how to transform our country into a more inclusive, environmentally friendly and safe place to live, work and raise a family.
58. This year has been an exciting year for our senior citizens, with the launch of three Seniors’ Day Programmes in the communities of St. Peters, St. Paul’s and Newtown. Seniors from these communities were afforded the opportunity to learn new skills and to have new experiences. In 2024, the day Programmes will be expanded to three other communities. In support of the continued work of the Ministry of Social Development and Gender Affairs, the Government is proposing an allocation of \$43.7 million. The sum of \$2.4 million is being earmarked to advance the implementation of capital initiatives which include the Upgrade of Community Centres, the Construction of a New Administration Building to house the Ministry and the enhancement of the New Horizons Rehabilitation Centre.

Education and Skills Development

59. Madam Speaker, our agenda for a Sustainable Island State emphasizes supporting human development through education. As we learned during COVID-19, digital transformation within the Education Sector must continue to be a top priority. This is an important part of building resilience within our country, and for our students and teachers to be equipped to compete in a modern 21st Century global society. We are

pleased to have received the support of the Caribbean Development Bank and the Inter-American Development Bank in the roll out of the US\$4 million ‘Enhancing Learning Continuity and Resilience Project’. This Project enabled the Ministry of Education to purchase 3,700 laptops for distribution to teachers and students, and 4,125 tablets for student use. The device distribution process has been completed ensuring that both students and teachers are ready to deploy them in the education environment early in the new year. Madam Speaker, we came to office to offer a better way and I feel proud that we can deliver on such a hugely important mandate in such a short time. There is no stopping us now, as we march forward to fully realise the vision for digital transformation in the education system.

60. Madam Speaker, with the impending closure of the TVET Enhancement Project, another CDB funded initiative, we are bringing to a close a major initiative that has brought tremendous benefits to the TVET system in St. Kitts and Nevis. The TVET Project has seen several major accomplishments over the past year. These include the completion of two (2) cohorts of Assessor training consisting of 20 participants each. Over 90 percent of the participants became Caribbean Vocational Qualification (CVQ) Level IV certified in Assessment. Another achievement was the successful completion of training for a cohort of 20 participants in the area of Assessment Verification. Pending final assessment and verification of the participants’ portfolios, St. Kitts and Nevis will have a total of 20 CVQ Level IV Certified Assessment Verifiers who would be able to quality assure the TVET assessment system. Over the past year we also completed the construction of a 2-story six (6) classroom building equipped with a state-of-the-art audio-visual smart classroom at AVEC.

61. With the reconstitution of the TVET Council, which has been dormant for a number of years, we have seen the approval and implementation of a TVET quality assurance system that is fully capable of ensuring that we can train and certify the Nation’s workforce thereby fulfilling our mandate to provide a highly skilled and certified workforce with the offering of the National Vocational Qualification of St. Kitts and Nevis. The first cohorts of trainees seeking the National Vocational Qualification began training at AVEC in September 2023, in Commercial Food Preparation and Cosmetology.

62. It is being proposed that in 2024 the Ministry of Education is allocated a budget totalling \$107.9 million. These resources will support fibreoptic upgrades, and bandwidth expansion at our secondary schools. Our Government, having made the decision to provide free access to students at the Clarence Fitzroy Bryant College, is cognizant of the increased interest of our people at all ages in receiving a quality education. As a result, it has become necessary to increase the number of lecturers to address the growing demand. Therefore, the proposed allocation will also support the recruitment of Culinary Arts, Science, Business and Mathematics Lecturers.
63. In reference to Capital Expenditure, it is proposed that the Ministry of Education be allocated \$10.6 million. These resources will continue the critical work to upgrade or reconstruct educational infrastructure while supporting the continued development in curriculum and technological access. Major initiatives that will be pursued in 2024 include the Supporting Learning Continuity in Vulnerable Population, the Upgrade of School Bathrooms, the Reconstruction of the Joshua Obadiah Williams Primary School, the Secondary School Electrical Upgrade – Phase I, the Washington Archibald High School (WAHS) Bathroom, Roof and Window Renovation, and the Technical and Vocational Education and Training Enhancement Projects. Priority will also be given to the Purchase of Furniture for our various schools and the Enhanced Education Network Project. The Charles E. Mills Secondary School will be the first institution to benefit under the Secondary School Electrical Upgrade Project in 2024. Of course, Madam Speaker, in 2024 we will see the long-awaited reconstruction of the Basseterre High School move apace. Already this year, we have started the demolition of the old structures and commenced the process for site mapping and the completion of draft conceptual designs. Madam Speaker, I must say that the future for education in this country is indeed bright, and it can only get brighter as we achieve success in rolling out the big investments being made by our St. Kitts-Nevis Labour Party Administration.

Health Care

64. Madam Speaker, I am truly excited and encouraged about the prospects for upgrading the health care system in our country. We have embarked on a deep and systematic

assessment of the weaknesses and challenges in health care delivery. We have also commenced the process of implementing holistic reforms to foster an adaptive, responsive, resilient, and equitable health system for the people of St. Kitts and Nevis. To be clear, our intention is to raise the standard of health care in our Federation to a level at which we can attain accreditation in line with international standards. This is where we must go if we are to achieve a Sustainable Island State and our commitments under SDG 3 – Good Health and Wellbeing – by 2030.

65. The Ministry's Strategic Plan for Health remains its guiding framework, outlining a transformative program to enhance health care outcomes and reduce disparities. In 2023, with assistance from PAHO, the Ministry has commenced a comprehensive review of its Essential Public Health Functions, forming the basis for updating the Strategic Plan for Health in 2024. The Ministry is committed to aligning its agenda with the National Sustainable Island State Agenda, ensuring a SMART and resilient Health Sector. The primary strategic goal is therefore, to empower individuals and families to take charge of their own health. Simultaneously, the plan aims to strengthen the fundamental components of the national health system to enhance health outcomes.
66. Madam Speaker, in line with our ‘people strategy’ we are committed to human resource development and providing the right opportunities to bolster the morale and performance of our dedicated health workers. In April, we added to the medical staff two Internal Medicine Specialists, a Neurologist and a Biomedical Engineer signifying a major leap forward in the provision of specialist services and our accreditation efforts. The addition of this world-class expertise was made possible through our long-standing diplomatic relations with Cuba, particularly Ambassador David Rivero Pérez, who was pivotal in making this a reality.
67. The expansion of health care services in our institutions is pivotal in our ongoing transformation of the health care system. Our Government is steadfast in its commitment to providing the highest standard of care to all our citizens and residents. In May of this year, the Ministry of Health took a significant step towards addressing the health care needs of our citizens with the addition of 15 dialysis machines. The much-needed life-saving medical equipment was donated by the St. Joseph’s Hospital in Ontario, Canada, and Mr. Charles Estridge, a St. Kitts and Nevis national and Biotechnical Technologist residing in Canada, in collaboration with Mr. Gareth Payne. We recognize the

importance of specialized training for our medical personnel, thus the arrival of the machines was accompanied by a specialist team from Canada to impart their knowledge and expertise to enhance the capabilities of our health care professionals, particularly those in our Haemodialysis Unit. Furthermore, the Ministry launched a renal transplant program at the Joseph N. France General Hospital in November 2023, to offer the best possible care to those battling end-stage renal disease.

68. One of the significant accomplishments by the Ministry of Health is the resumption of eye surgeries which include cataract surgeries and procedures for diabetic retinopathy at the Joseph N. France General Hospital. This crucial medical service had been suspended for almost a year owing to the inadequate upkeep of essential medical equipment. To support this resumption and prioritize the well-being of the population, our Government has made substantial investments in brand-new medical equipment. This includes the acquisition of state-of-the-art medical devices like an Ophthalmic Microscope, Ultrasounds, and Cautery, which are essential for performing delicate eye surgeries. I am pleased to report, that the wait time to access these essential health care services has been reduced from several months to just a few weeks, and the Eye Clinic has performed scores of surgeries since May 2023. The JNF General Hospital is also now equipped with a new anaesthesiology machine, crucial for administering general anaesthesia during medical procedures.
69. Madam Speaker, in 2023, our Government granted approval for the continuation of the construction of a cutting-edge Magnetic Resonance Imaging (MRI) facility in St. Kitts. This project has now progressed into the construction phase of the MRI facility, marking a significant milestone after careful planning and development of architectural and engineering blueprints, as well as the recent completion of the tendering and contractual procedures. The Ministry of Health remains actively involved with the project's partners, consultants, advisors, and other stakeholders to ensure the successful completion of the project in 2024. In the meantime, internal discussions are ongoing, with a particular emphasis on the technical specifications necessary for outfitting the facility. This includes the recruitment and training of technical personnel, procurement of the requisite supplies and equipment, and the overall operational aspects of the Unit.
70. Madam Speaker, the impact of climate change on health and health systems is often overlooked. However, this Government intends to tackle the issue head-on and build

resilience early before the impacts on our health care system become detrimental. We are already working closely with the Green Climate Fund and PAHO, to establish a national ‘Climate Change and Health’ Committee to improve our capacity to engage and coordinate with all stakeholders to ensure that the Health Sector perspectives and priorities are fully accounted for in the development of national climate change plans and strategies. Further, a climate vulnerability assessment for the Health Sector will commence in 2024 as the first phase in the development of a holistic climate adaptation plan for health focusing on protecting people, improving health system preparedness, and building climate-resilient health care facilities.

71. Our new Climate Smart Hospital will serve as the flagship in our stock of physical assets as it pertains to climate adaptation initiatives. This year, we intensified engagement with the Overseas Engineering and Construction Company (OECC) from the Republic of China (Taiwan), on initiating actions to realize this timely endeavour, including the undertaking of the require Environmental Impact Assessment and Soil Testing. We intend to intensify plans even further in 2024 to ensure that this soon becomes a reality.
72. Madam Speaker, the Sustainable Island State Agenda is underpinned by an ambitious digital transformation strategy that aims to improve our collective ability to manage and utilize information for the betterment of our daily lives. In line with its progressive agenda, the Ministry has initiated discussions regarding the digital transformation of the health care sector. This initiative seeks to ensure equitable access to information technology for various units and patient care, facilitating informed decision-making and improved health outcomes. Privacy and confidentiality concerns will be addressed through the development of regulatory frameworks.
73. With the assistance of PAHO, a Human Resource for Health (HRH) electronic platform is being established. It consists of an online registration system for nurses, doctors, dentists, pharmacists, and related medical professionals and will facilitate the development and sustainability of an urgently needed comprehensive database for health professionals.
74. Looking ahead, our proposal is for the Ministry of Health to be granted a total of \$79.3 million to support Recurrent Expenditure in 2024. This will constitute an 8.2 percent increase when compared to the 2023 Estimates. On the Capital side, we are proposing

expenditure totalling \$21.5 million, reflecting an increase of 4.5 percent over the 2023 Estimates. Madam Speaker, our Government's unwavering commitment to enhancing health care services is evident through the investment in modern equipment, infrastructure, digitalization and human resource development. We are dedicated to providing the highest quality of health care to our citizens and residents, and we are confident that these initiatives will lead to a healthier and more prosperous future for our Nation.

CROSS-CUTTING ISSUES FOR ACHIEVING THE SUSTAINABLE ISLAND STATE AGENDA

Law and Order and Citizen Security

75. Madam Speaker, our Government remains committed to the maintenance of law and order and the safety and security of citizens, residents and our visitors. At this time, I pause to again express sympathy to the individuals who are carrying the burden of grief due to the loss of their family members and friends who fell victim to acts of brutal and senseless violence. I pledge that we will continue to work tirelessly to ensure that perpetrators are swiftly brought to justice and sustainable interventions are implemented to tackle the root cause of crime and violence in our society.

76. Madam Speaker, societal peace and stability are prerequisites for the accomplishment of our progressive Sustainable Island State Agenda. I strongly believe that what is learned can be unlearned if there is early application of best-practice interventions with a multidimensional focus. That is why in June of this year our Government commissioned a National Security Taskforce to develop and manage the rollout of a new initiative that approaches crime and violence from a public health perspective. The team is currently developing a comprehensive and scientifically driven action plan to implement and sustain a culture of non-violence within the Federation.

77. I publicly commend the security forces on their efforts to arrest crime within the Federation. There has been a marked intensification of activities as they seek to

implement innovative crime-fighting strategies, mobilize strategic resources and deploy new technologies. Throughout the year, the Police Force dramatically stepped up its operations, significantly increasing its visibility and outreach as part of its efforts to curb crime and violence. Further, in order to increase its resources, Section 10 of the Island Constables Act was activated. This permits the Police Force to temporarily enlist former law enforcement personnel to assist in peacekeeping endeavours in extreme circumstances or emergencies for a period of 90 days in the first instance. The Police Force has also upgraded its information reward system. As at June of this year, any person or persons who provide the Police with information that leads to the arrest and conviction of criminals are eligible to receive a monetary reward of up to \$25,000. The safety of our communities is everyone's responsibility and therefore it is our individual and collective duty to support the Police and other law enforcement agencies in their endeavours.

78. In 2024, the Ministry of National Security, Citizenship and Immigration will pay special attention to building the human resource capacity of the security forces. I was pleased to welcome 31 new police recruits who joined Course No. 46 in July this year. Over half of these new recruits are female, exemplifying our commitment to prioritizing gender equity within our security forces. In order to continually enhance the capabilities of our officers, the Ministry will continue to prioritise the identification of training opportunities that can be sourced to augment the skill set of officers in areas that are of critical importance to the Sector. In addition, the installation of a new Commissioner of Police and the appointment of a Deputy Commissioner of Police is testament to this Administration's unwavering commitment to strengthening the leadership and administration capabilities of our Police Force.

79. Our Government is committed to upgrading the technological capabilities of the security forces so that they are on par with security agencies anywhere in the world. In May, we completed the procurement of two (2) new Crime Scene Forensic Units. The vehicles have ample storage and are equipped with crime scene and general safety lighting and forensic examination equipment. The staff of the Forensic and Crime Scene Investigation Unit have undergone the training required to properly utilise, manoeuvre, and maintain the vehicles. It is expected that the Police Force will purchase additional vehicles to expand coverage to all districts across St. Kitts and Nevis.

80. Madam Speaker, patriotism, discipline, and respect are some of the values around which the St. Kitts-Nevis Defence Force was built. In line with these core tenets, the Defence Force sought to re-establish the St. Kitts-Nevis Cadet Corps. Hailed as a success, this venture is being pursued with the intention of providing our youth with a safe and structured, space for learning outside of the classroom. The invaluable life skills training that the Cadet Corps imparts on our youth is vital for their growth and development as responsible and law-abiding citizens of our Nation. In addition to learning the basic principles of paramilitary training, discipline, and integrity; the Corps engages our youth in physical activities that encourage fitness and promote good health overall. It instils in them the love for community and national service from an early age. During the upcoming year, this Administration will invest the time and resources necessary to transform the Cadet Corps to maintain this valuable training and development programme for young people.
81. In 2024, the Immigration Department will proceed to implement some important changes that would lead to greater efficiency and general improvements in its operations. One such initiative is the expansion of the Department's operational scope through the establishment of an Immigration Enforcement Unit. When fully built out, this Unit will have four categories of operation: Investigations; Prosecutions; Field Operations; and Roving Manoeuvres. This Unit will work in tandem with the St. Kitts-Nevis Defence Force Coast Guard and collaborate with other local law enforcement agencies as needed. This will greatly assist with scaling up the capacity of the State apparatus to combat unauthorised entry to our country and the increasing threat of human smuggling and trafficking.
82. Digital upgrades are also scheduled for the Immigration Department, specifically to the Border Management System which will be upgraded from third to the fourth-generation software. The system includes a built-in reporting module that highlights cases of persons overstaying their authorised visit. The upgrades also entail the commissioning of immigration kiosks at the arrival lounge of the RLB International Airport. This will expedite and further decrease congestion, all while maintaining a high level of security. By the end of the first quarter in 2024, there will be five (5) fully functional immigration kiosks in place at our Airport. Services at the Departure Lounge will also benefit from the upgraded services. It is anticipated that the Immigration Department will benefit

from improved operational efficiency due to the establishment of a Passenger Information database. This new arrangement will significantly reduce the need for Immigration Officers to be stationed in the Departure lounge. Instead, the Department would rely on the Advanced Passenger Information supplied by each airline or cruise vessel destined for St. Kitts and Nevis. Madam Speaker, this fourth generation Border Management System is a powerful tool which will bring noticeable change to our passports as they will now be laser readable e-passports that will no longer require a stamp. We are set to become the first in the Caribbean to have this level of Border Management System upgrade.

83. Madam Speaker, standing as irrefutable testimony of our commitment to the principles of fairness and justice for all, we revisited the policies governing the incarceration of female offenders. Prior to August 2023, female prisoners were not allowed to leave the prison compound to participate in rehabilitative activities. As we are all aware, this has not been the case for male offenders. The St. Kitts-Nevis Labour Party Administration deemed this to be an archaic policy befitting of an overhaul and we did just that. As of August 2023, incarcerated female offenders are allowed to participate in supervised assignments and rehabilitative activities in the same manner as the males. This decision has the potential to yield great benefits not only for female offenders upon release, but also for their families and communities, through the opportunities to learn new skills. This is also consistent with the overall efforts to reduce recidivism and promote acquisition of decent work.

84. Technology has transformed the legal landscape in various ways, making the administration of justice more efficient, accessible, and transparent. The Eastern Caribbean Supreme Court recognizing the power of technology, launched the Electronic Litigation Portal in the Magistracy Department. The portal was launched in March 2023 and enables litigants to file documents from anywhere in the world. Madam Speaker, 2024 is expected to be a year of further improvements in the administration of justice. This will incorporate infrastructure, technology, capacity building, access to justice and ambitious legal reforms. These efforts will lay the groundwork for a just society enabling our Sustainable Island State promise to take hold.

Energy

85. Madam Speaker, investments in the energy security of our country are ongoing. The recent prolonged period of heat waves, which is on record to have exceeded the 90th percentile of the region's historical temperature range, has increased the pressure on the electricity grid to meet the energy demands of consumers. As a result, the Central Government assisted the St. Kitts Electricity Company (SKELEC) to acquire two (2), 2-Megawatt Caterpillar gensets to strengthen the generating capacity.
86. In addition to the infrastructure activities, SKELEC will invest in a new state-of-the-art smart metering system. The shift to the new system will begin with a nationwide installation of smart meters in 2024 which will change the way electricity is supplied to consumers. With this new system, customers will be required to pay in advance through a top-up system similar to the mobile telephone service. On the SKELEC end, the new system will assist in the management of power distribution as well as improve collections. It would also help to safeguard the financial viability of the Company.
87. Madam Speaker, for some time now we have been hearing about establishing a solar energy plant in the Basseterre Valley. Well, I can confirm that this Administration has successfully renegotiated the agreement to bring it in line with our ambitions of becoming a Sustainable Island State and we are on the cusp of signing off. We therefore expect ground-breaking on the Basseterre Valley Solar PV Farm to take place early in the new year. The solar plant is designed to provide 35.7 Megawatts of power to the grid and should be completed within 18 months. As we move closer to realizing our green energy transformation, we intend to focus on the fortification of the grid network. In 2024, we will be focusing on the development of three main areas namely the interconnectivity of the St. Kitts and Nevis electrical grids, the upgrading of the electricity infrastructure to accommodate up to 66 kw of power as well as the bidirectional feed-in of electricity to prevent energy loss, and the facilitation of public-private partnerships specifically for combined sources of renewable energy.
88. We are moving closer to monetizing household green energy generation. The Energy Unit is currently spearheading the work on the Feed-In Tariff (FiT) Policy. The creation of a modern FiT policy will bring us one step closer to reducing our dependency on fossil fuel by accelerating the widespread adoption of renewables as it allows private

energy producers such as homeowners to sell excess electricity to the grid. The Policy is expected to be completed by the end of this year. Additionally, SCASPA has committed to recommissioning the existing 1-Megawatt solar farm at the RLB International Airport and expanding it to a 2-Megawatt solar farm with the accompanying battery storage facility. The recommissioning of the solar farm will not only reduce our carbon footprint in the Public Sector but also lessen the financial obligation of SCASPA. Procurement of the panels is currently on the way, and we expect full installation by the first quarter of 2024.

Water

89. Madam Speaker, we sometimes take for granted the popular adage that ‘water is life’. If we think about it seriously, we instantly recognise that it is true as water is one of the most basic but essential of needs for human survival. It is also integral for our economic progress and development. As we move towards our national development goal of becoming a Sustainable Island State, we must inculcate a culture of water conservation.
90. Although the problems with respect to water shortage in some communities are not entirely addressed, we have made immense progress in achieving our goal of providing a 24-hour water supply for the Federation. Over one year ago, our Government, made it a priority to address the water issue in the Cayon area by re-engaging Bedrock Exploration Development Technologies (BEAD) St. Kitts Ltd. to commence drilling in Cayon. By August 2023, we were successful in securing a substantial resource of potable water for the residents of that area. The well has the capacity to provide 700,000 to 1 million gallons of water per day. This is a phenomenal find given the pressure that climate change has placed on the water supply through perennial drought conditions. Work is now on the way to ensure that the water can be safely and efficiently harvested from the well. The order for the pump has been placed and it is expected that the full commissioning of the well would be realized in the first quarter of 2024. Upon completion of the Cayon well it is our intention to begin drilling in the St. Peters area to bring a more long-term solution to the water shortage issue there.

91. As an interim measure, the Government introduced a new Water Storage Tank Project to ease the suffering of residents by improving access to water by affected households. Under this Project, we have already distributed 265 tanks primarily to vulnerable residents in Upper Cayon, Whytes Village, Sarahbowry, Cabbage Tree and Spooners Village. These areas are known to be the most severely impacted by water scarcity and have felt the brunt of the water shortage impact over the years. Water storage tanks were also distributed to the residence of St. Peters who suffer a similar plight. A total of 314 water storage tanks were supplied to households throughout Upper Monkey Hill, The Glen, Parray's Village, Fountain and Stapleton bringing the total distribution under the Water Storage Tank Project to 579. We are also investing notable resources to maintain adequate water supply to residents in Frigate Bay and the Southeast Peninsula.
92. Madam Speaker, I take this opportunity to remind residents across the Federation that even when the water situation is stabilised, we have an individual and collective duty to act as better stewards of our water resources. This would mean paying more attention to water leaks and where appropriate installing water conservation fixtures to lessen the amount of water used at the household level. Scientific data and our experience over the last several years strongly suggests that we must seek alternative means and technologies to meet the increasing demand for potable water. Our Government has already accepted this reality and has set the plans in motion to realize the construction of two (2) solar powered desalination plants with the assistance of the United Arab Emirates: one (1) in St. Kitts and one (1) in Nevis. The location of the plant in St. Kitts was confirmed in Conaree earlier this year and we have already conducted the Environmental Impact Assessment (EIA). The EIA is currently under review by the experts at the Ministry of Sustainable Development. The designs and procurement of the two (2) plants were completed in October and they are expected to arrive in the Federation in December 2023. It is expected that the plant on St. Kitts would be fully erected and operational by March 2024. In addition, the Government has made a commitment to establish a two (2) million-gallon desalination plant in Basseterre. This plant will help to address water issues in Basseterre, Frigate Bay and the Southeast Peninsula for both residential and commercial users. The construction of the plant is set to be completed before the end of 2024.

Climate and Environmental Sustainability

93. Madam Speaker, the looming effects of climate change is now recognised as a major threat to our way of life and therefore warrants our full attention and action. Consistent with the findings of our Voluntary National Review, we will be dedicating the necessary resources to improve the implementation of the SDGs related to environmental protection, climate action and building resilience. We will give greater attention to issues such as land-based pollution and the impact on our marine environment. To ensure success, it would be essential to foster partnerships across Government, the Private Sector, Civil Society and our communities. Our ability to change course with regards to the proliferation of single use plastics will be a crucial measure of our success in this endeavour. The Ministry of Environment, Climate Action and Constituency Empowerment has proposed a phased ban on the most prolific single use plastic items and implore our people to embrace the use of the more environmentally friendly alternatives. I want to say a special word of thanks to our supermarket chains and retail outlets, that continue to work alongside the Government to inculcate sustainable practices in our country, through this timely initiative.
94. Our Government, in collaboration with the Taiwan ICDF, has also embarked on a programme to introduce recycling in our country with the goal of normalizing this practice in our everyday life. The response to the recycling programme by the general public has been encouraging and in just over a year, we have collected in excess of a 100,000 pounds of plastics, that have been diverted from our waterways and landfills. We are eternally grateful to the Government and people of the Republic of China (Taiwan). We hope to embark on a second phase in which we will improve our collection processes and introduce new recyclable materials. I want to express gratitude, as well, to the Government of Canada, who through the Canada-CARICOM Expert Deployment Mechanism will be providing experts in 2024 to conduct an assessment of the landfills on both St. Kitts and Nevis with a view to improving their sustainability.
95. We will continue collaborating with key sectors to ensure that our national commitments to the global climate change agenda are implemented. With limited access to finance, we have demonstrated the necessary political commitment and responsibility in our response to the global climate crisis. We recognize that we must promote a Long-Term Transformation Action Plan which would require a paradigm-shift in our policies and

institutional frameworks. This will in turn help us to kick-start deep climate resilience building and our transition to net zero emissions by mid-century. As the Ministry of Environment, Climate Action and Constituency Empowerment continues to monitor the implementation of projects and activities to achieve the targets outlined in our 2021 Revised National Determined Contribution, it will ensure that there is a partnership-based approach with the right people at the table to inform the way forward. Madam Speaker, we plan to apply a whole of society consultative approach and ensure multiple opportunities for stakeholders to provide inputs.

96. Madam Speaker, in pursuing the above referenced transformation, we are pleased to have the support of the Green Climate Fund (GCF). Over the past few years, the GCF has been providing support for capacity building of stakeholders in St. Kitts and Nevis to improve their response to climate change. With this assistance, we have been able to build the capacity of local institutions such as the Development Bank of St. Kitts and Nevis, the Clarence Fitzroy Bryant College, and St. Kitts Credit Union, as they commence the journey to become accredited entities to the GCF. Funding has also been leveraged to review and update the institutional frameworks for our Meteorological Offices and Emergency Management Agencies, to set them on a path where they can be more responsive to the needs of our country in the fight against climate change. I am particularly proud, Madam Speaker, of the work that has been done under the GCF programme to consistently reach out to our Private Sector and Civil Society stakeholders to invite them to join the national fight for climate action. As part of this process, our small businesses were invited to propose and formulate projects to assist in advancing a range of national sustainable development imperatives, including climate action, water, electric vehicles, sustainable housing, climate smart agriculture, and recycling. Madam Speaker, they did not disappoint. There was a high level of interest and the quality of the submissions made by the participating small businesses were encouraging.

97. In the coming year, the GCF will support the conduct of climate vulnerability assessments for the Agriculture, Health and Tourism Sectors, these represent the first phase of a medium term plan to assess all sectors in our country with respect to their vulnerability to climate change. As early as January 2024, we will commence consultations towards the formulation of a holistic National Adaptation Plan, for which the GCF provides funding up to US\$3 million, to ensure that our country builds cross-

sectoral resilience, at all levels, in line with the targets set in the NDC, Urban Resilience Plan, National Physical Development Plan, National Development Planning Framework and sectoral strategies. This is essential as we march towards a Sustainable Island State.

Information and Communication Technology

98. Madam Speaker, the digital revolution has transformed the way we communicate, access information, and conduct business. Digital technologies have become essential tools in our daily lives. In particular, they are important for advancing economic development, social empowerment, and good governance. Moreover, digital transformation is central to achieving our vision for a Sustainable Island State. It supports the efficient storage and dissemination of data and information needed for responsive planning, and facilitates the ease of doing business within our Federation. Moreover, digital transformation has the ability to enhance worker productivity, which is a high priority for our Government. It is therefore imperative that we invest in our Information and Communications Technology Sector to ensure that our country remains competitive, and our citizens have access to the benefits of the digital age.

99. I want to commend the work of the Department of ICT in helping to lay the foundation to accelerate our digital transformation here in the Federation. As I speak, almost all Government offices within the metropolitan area have been connected to the Government Wide Area Network with the exception of two (2) areas where implementing this upgrade was not feasible. In September 2023, the St. Kitts and Nevis Internet Exchange Point (SKNIX) was officially launched. The SKNIX is now considered a critical internet infrastructure and resource for national development. This is a central point for the delivery of critical national ICT services. It will help to promote the proliferation of local content services, and provide cybersecurity protection of domestic internet traffic. The SKNIX can be leveraged for the improved delivery of local e-Government services in a more secure and cost-effective manner.

100. Our Whole of Government Technology Strategy and our Cybersecurity Strategy are critical parts of the framework to achieve digital transformation. The Whole of Government Technology Strategy prioritizes various activities and programmes for

implementation under three main categories: People, Processes, and Technology. The Cybersecurity Strategy defines the strategies to ensure the safety, integrity, and availability of the Government's data and information. The Department of Technology will continue to build out the functionality and services on the official Government portal (www.gov.kn) with a goal to deliver information to users that is easy to access.

101. Madam Speaker, an increasing number of Government services are accessible online. In addition to the online payment services offered by the Inland Revenue Department and the Customs and Excise Department, other Government agencies now offer similar digital services. These include application platforms for accessing the NHC Building Assistance and Housing Scheme, the Back-to-School Voucher Programme, and the Poverty Alleviation Programme. A payment portal has also been developed for the Water Services Department to provide greater efficiency and ease in the payment of water bills by customers. We also successfully completed the digital platform for the online publication of the official Gazette. This is a significant advancement for our country as the Gazette plays an important role in the promulgation of laws, ordinances, treaties and other national commitments and publication of pronouncements in accordance with legal provisions.

102. Madam Speaker, a number of digital solutions will be advanced in 2024. The Agriculture Online Marketing Platform will be enhanced to foster greater linkages between our agricultural producers and consumers including supermarkets and restaurants. Further, work will commence to create an online shopper application with mobile feature that will enable the Consumer Affairs Department to monitor the prices for specific Food Basket items, and keep consumers more informed of prices. The Department of Technology will also seek to advance the development of an Electronic Digital Identity (e-ID) Authentication System. The new national e-ID system is very powerful and promises to make revolutionary changes to the way citizens interact with the Government and businesses to access services and transact business. When this new system becomes operational, it will allow for the verification and validation of the digital representation of a citizen's physical identifying data. This will allow citizens and residents the opportunity to digitally sign electronic documents, make it easier for them to access online Government services, and streamline operations in both the Public and Private Sectors.

103. Madam Speaker, by no means is this a full account of all the important developments in the Information and Communication Technology Sector but rather an attempt to give the public a glimpse of some of the wonderful things that are being done by their Government. The investments and activities in the ICT Sector are testament to our commitment to building a digitally inclusive society. It reflects our vision of leveraging technology to drive economic growth, improve public service delivery, and empower our citizens. I urge all stakeholders, including those in the Private Sector, Civil Society, and development partners, to collaborate with us in this endeavour. Together, we can create an enabling environment for the growth of our Information and Communication Technology Sector, ensuring that all our citizens benefit from the advantages of the digital age.

104. Madam Speaker, I turn now to Public Finance.

MEDIUM-TERM ECONOMIC MANAGEMENT STRATEGY

Medium-Term Fiscal and Debt Outlook and Growth Targets

105. Madam Speaker, with respect to the anticipated fiscal outturn for 2023, based on information that was available at the end of October 2023, we are projecting an Overall Surplus of \$11.2 million and a Primary Surplus of \$28.2 million would be achieved. Recurrent Revenue will be about \$1.1 billion or 11.9 percent higher than the 2023 Approved Estimates. The total collections will reflect, in part, improved revenue from Taxes on Income, Taxes on Property, Taxes on International Trade and Transactions and inflows from the CBI Program. Proceeds from the Caribbean Catastrophe Risk Insurance Facility following the passage of Tropical Cyclone Tammy as well as grants from the Republic of China (Taiwan) have contributed to the overall revenue and grants. Recurrent Expenditure for 2023 is projected to reach \$888.1 million. Madam Speaker, there is no doubt that this St. Kitts-Nevis Labour Party Administration is good for our country. We are a Government that delivers on its promises. Last Budget presentation I promised that we will turn around the deficit

situation left by the former Administration. Based on these numbers that were verified by the Ministry of Finance, we have delivered on this promise. We have also delivered on our promise to the people of St. Kitts and Nevis with regards to their economic empowerment and social advancement. This was evident by the payment of the CBI Dividend as well as a Workers Bonus earlier this year.

106. With regards to the management of the Public Sector Debt and the medium-term debt outlook, my Government remains steadfast in the execution of our mandate to transform our Federation to a Sustainable Island State. In doing so, our focus has been and continues to be to maintain our debt stock at sustainable levels. In this regard, the Total Public Sector Debt is projected at \$1.6 billion at the end of December 2023 which represents a reduction of \$20.0 million or 1.2 percent as compared to 2022. This decline was as a result of the projected contraction in the Central Government's debt by \$21.9 million or 3.4 percent and the debt held by the Public Corporations in St Kitts and Nevis by \$1.7 million or 0.3 percent.

107. The medium-term outlook shows a continued reduction in the Debt-to-GDP ratio. By the end of 2023, the Debt ratio is forecasted to decline to 55.1 percent; surpassing the 60 percent benchmark that was set for the Eastern Caribbean Currency Union ahead of the target year of 2035. The ensuing years show a similar trend with the Debt-to-GDP ratio forecasted to fall to 50.3 percent by the end of 2024 and 45.6 percent by 2025 and 41.0 percent by 2026. Madam Speaker, maintaining the debt stock at sustainable levels can only be achieved through the implementation of a debt management strategy that is geared towards ensuring that any future borrowing will be done at the lowest possible cost and at an acceptable level of risk. We are committed therefore to fortifying the gains we have achieved thus far and capitalising such a strong position to support our forward march towards a Sustainable Island State.

108. With respect to the performance of the economy, the Ministry of Sustainable Development is projecting real GDP growth of 3.6 percent in 2024 and 3.4 percent per annum over the medium term. This is in line with the IMF's growth projection of 3.8 percent for St. Kitts and Nevis in 2024. The projected GDP growth rate is attributed mainly to the expected increase in economic activity in various Sectors including Agriculture, Manufacturing, Construction, Hotels and Restaurants, Transportation, Storage and Communication, Financial Services and Public Administration.

109. With respect to the Agriculture Sector, growth for 2024 is projected to be 6.2 percent and 2.6 percent per annum over the medium term. We are reminded that Food and Nutrition Security is one of the important pillars to help us achieve the Sustainable Island State status. Therefore, our vision for the Agriculture Sector is to establish resilient and productive agri-food systems that would contribute to economic growth and improve livelihoods. The Government will continue to pursue investments to promote crop and livestock production to boost output and reduce the food import bill by 25.0 percent by 2025.
110. The Tourism Sector is forecasted to grow by 7.3 percent in 2024 and 4.3 percent per annum over the medium term. Contingent on macroeconomic developments in major source markets, we anticipate increased visitor arrivals into the Federation via the traditional airlines as well as the engagement of new airlines and routes such as JetBlue, to spur activity in the Sector. With the increased marketing efforts of the St. Kitts Tourism Authority, we look forward to the return of travellers from regional and international markets, surpassing the 2019 tourist arrival levels.
111. The Construction Sector, which is the largest economic sector, is estimated to grow by 7.5 percent in 2024 and 3.5 percent per annum over the medium term. During our first year in office, we recognized that it was necessary to reassess some of the existing projects and redesign plans for others in order to align them with our mandate. We now have a good pipeline of projects that are ready to be mobilised. Construction activities will be used to unlock our economic growth potential in 2024 and we intend to move swiftly to the construction phase of some major Public Sector projects such as the new Basseterre High School, solar farm, hospital, and road improvement activities across the island including the St. Peter's main road. As mentioned earlier, the construction of smart homes under the NHC Housing Program is also expected to stimulate residential construction activity.
112. Madam Speaker, the Medium Term Fiscal Framework which spans the period 2024 to 2026 was developed to guide the preparation of the 2024 Estimates. The Framework establishes the Government's fiscal strategy that would focus on maintaining fiscal stability by reducing the heavy reliance on revenues from the Citizenship by Investment Program to finance Government's recurrent programs. We continue to explore the possibility of saving some of the CBI revenue in a dedicated

fund to build fiscal buffers and finance transformational Public Sector projects. Another aspect of the Strategy is to adopt a more equitable and efficient tax regime. We believe that a tax system should promote transparency to ensure a fair distribution of the tax burden. Based on the Framework, the Government is expecting to raise revenue in line with the projected GDP growth. The Estimates therefore, indicate that the Government's fiscal operations would result in an Overall Surplus of \$24.6 million for the 2024 fiscal year and \$97.0 million over the medium term. Recurrent Revenue is projected to be approximately \$1.1 billion for 2024 and over the medium term. The amount for Recurrent Expenditure would likely reach \$852.6 million for 2024 and an average of \$861.8 million over the period 2025 to 2026. We are also projecting \$204.7 million for Capital Expenditure and Net Lending in 2024 while over the medium term, outlays are anticipated to average in the region of \$123.8 million. The composition of the Government's Public Sector Investment Program is a testament to our deliberate efforts to enhance the economy's growth prospects as we strive to attain the Sustainable Island State status.

Fiscal Measures and Other Strategic Interventions

113. Madam Speaker, our Government's approach to fiscal management is practical. We are committed to maintaining fiscally prudent policies in order to assist the Federation to adequately respond to the many challenges that emanate from the continued uncertain global economic environment. Given the ongoing volatility in the global economy, the significance of fiscal prudence for our small open economy cannot be overemphasised. As a small country operating in the international market, our economic stability hinges on prudent fiscal management and strong economic policies. Conversely, the current level of broad-based subsidies is not sustainable and therefore runs counter to the principles of fiscal prudence. Madam Speaker, I mentioned earlier the expansive nature of the subsidies and the cost of the various social support programmes currently funded by the Government. In considering this matter, it is important to remember that the primary aim of many of our elevated social assistance programmes was to protect our people from the devastating impact of the COVID-19

pandemic on their livelihoods and to speed up the recovery of our economy from the enormous contraction during the pandemic. However, as the economy recovers from the effects of the pandemic and more and more of our people become capable of standing on their own feet, it will be necessary to bring our social assistance programmes to more sustainable levels by focusing more precisely on the poor and needy.

114. By upholding fiscal discipline, we fortify our resilience against external shocks, ensuring sustainable growth and shielding our economy from permanent scarring. This approach fosters investor confidence, deepens our competitiveness, and empowers us to achieve the objectives of our Sustainable Island State Agenda. The current Medium Term Fiscal Framework therefore focuses on building long term sustainability. Consistent with this Framework, we are once again prioritising investments in infrastructure, tourism, agriculture, education, small business development, technology and innovation. These are all areas that can contribute to sustainable growth and stability over time. The Framework is also designed with a level of flexibility to allow for adjustments to respond to shifts in the actual performance of the domestic economy. Further, in our pursuit to diversify and reduce the reliance of our economy on CBI business, we are making notable progress in attracting investments that are not dependent on the CBI programme.

115. Madam Speaker, similar to the position held in my maiden Budget Address delivered last December, our Government is not proposing the introduction of any new taxes at this time. We are however, making progress in terms of the comprehensive review of the tax regime. I am pleased to inform the public that earlier this year we worked with the IMF to commence the review process and the draft Report would be finalised early in 2024. The results of the review would be subsequently shared with stakeholders as we move to determine the new configuration of the tax regime. We expect the new structure to emphasise the diversification of revenue sources in order to reduce dependence on specific sectors or sources of income.

116. At the last Budget sitting of the National Assembly, I also mentioned that the Corporate Income Tax rate would be temporarily reduced to 25 percent until June 2023. The rate reduction was further extended to December 2023. Our intention to lower the Corporate Income Tax rate is a strategic investment in our Nation's future as it fosters an environment where businesses thrive, innovation flourishes, and communities

prosper. This translates into more job opportunities, reduced unemployment rates, and improved livelihoods for individuals and families. It is our expectation, therefore, that with a lower tax rate, businesses would use the resultant savings to expand their operations to provide more innovative products and services, reinvest the funds in research and development as well as new technologies and most importantly, employ more people. This not only enhances the competitiveness of local businesses at the regional and international level but also drives economic growth and innovation domestically.

117. Moreover, a reduced Corporate Income Tax rate can attract additional foreign investment to our Federation. In today's interconnected world, countries compete for global capital. A more favourable tax environment entices foreign companies to establish operations within our borders, bringing not just investments but also expertise, technology, and job opportunities for our citizens. In considering the foregoing, I am happy to announce that effective 1st January 2024, the Corporate Income Tax rate to be charged to Corporations registered in St. Kitts and Nevis will be officially set at 25 percent. We want to acknowledge the role of our businesses large, medium and small. The Government cannot build this country on its own strength, but only in true partnership with the Private Sector. We therefore commend the various businesses that are contributing to the economic growth and development here in the Federation. This is a tangible effort of our St. Kitts-Nevis Labour Party Administration to promote stability and sustainability which will enable businesses to develop long term plans for the next phase of their contribution to nation building.

118. Madam Speaker, a key promise of this St. Kitts-Nevis Labour Party Administration is to increase the minimum wage for the industrious working people across our Federation. In just a few months after taking office, a National Minimum Wage Advisory Committee was commissioned to review the existing minimum wage and recommend an appropriate rate of increase. By providing a fair and liveable wage, we empower our workforce, allowing them to support themselves and their families without the constant strain of financial hardship and insecurity. It is well known that when workers have more disposable income, they spend more within their communities, thus stimulating local businesses. This creates a cycle of growth, leading to increased production and economic stability. We also acknowledge that raising the minimum

wage is an investment in our future as it fosters a healthier, more motivated, and more productive workforce. It incentivizes people to pursue education and skill development, knowing that their efforts will translate into a better quality of life.

119. Critically important, is the fact that increasing the minimum wage reduces the reliance on public assistance programs as workers are better able to sustain themselves through their earned wages. Numerous studies indicate that modest and gradual increases in the minimum wage have contributed to reducing turnover, improving employee morale, and overall productivity. Madam Speaker, I am elated to inform this Honourable House and the general public that the National Minimum Wage Advisory Committee has completed its work and the Government has accepted the recommendations for the increase in the minimum wage in St. Kitts and Nevis. I say to our people who have been patient for almost 10 long years for the Government to bring relief to their situation, “we got you”. Only a St. Kitts-Nevis Labour Party Administration can rise to the defence of the workers of this country. It is therefore with great pleasure that I announce that an increase in the minimum wage will be implemented effective 1st January 2024. It will be done in a phased approach. The hourly minimum wage will be increased from \$9.00 per hour to \$10.75 per hour effective 1st January 2024. The rate would then be increased to \$12.50 per hour from 1st July 2025. The increase in the hourly rate would result in a weekly rate of \$430.00 from 1st January 2024 and \$500.00 per week from 1st July 2025. Our Government is determined to ensure that this important policy initiative brings real improvement to the standard of living of the people in our workforce. We will therefore monitor its impact on the workforce on a continuous basis to ensure that it achieves the desired result of enhancing the well-being of our workers.

120. Madam Speaker, my Government is fully committed to responding to the cries of our long serving Government Auxiliary Employees (GAEs) formerly known as Non-Established Workers. This category of Public Officers has benefitted from our recent decision to correct the injustice meted out by the previous Administration in relation to the Computation of their Gratuity Benefits. Indeed, it was a St. Kitts-Nevis Labour Party Administration which successfully piloted and passed the Government Auxiliary Employees Act in 2012. This Act makes provisions for the appointment, and terms and conditions of employment for such employees to be regularized. GAEs now enjoy better

job security and stability which translates to peace of mind and a deeper sense of belonging. The legislation also makes provisions to extend pension coverage to all Government Auxiliary Employees. Unfortunately, the pension aspect of the new employment arrangements was not prioritised and GAEs have not benefitted from the good intentions of the legislative and administrative changes.

121. Madam Speaker, I am proud that it was a St. Kitts-Nevis Labour Party Administration which successfully passed the Pensions (Amendment) Act in 2012 for the establishment of the legal framework for a Contributory Pension Plan. This action was well intended for the benefit of Government Auxiliary Employees and other categories of workers employed by the Government after the coming into force of the Act. In this regard, I am truly pleased to announce that the New Contributory Pension Plan would be operationalized on 1st January 2024. In addition, the provisions of the Pensions (Amendment) Act, CAP 22.06 shall come into force retroactively on 18th May 2012. This means that all Government Auxiliary Employees and other monthly paid workers employed by the Government on or after the 18th May 2012 are eligible to benefit under the Act.

122. Madam Speaker, today, I am thrilled to share some other great news with our Civil Servants. Many of our workers in the Public Service continue to work hard to enable the Government to deliver quality services to the public. Their dedication is commendable and their commitment to their duties has not gone unnoticed. We are cognisant of the fact that they are also affected by the inflationary pressures which can result in hardship and a deterioration of their living standards. We are also determined that the Civil Servants who fall under the new pension arrangements would not experience reduced income as a result of the commencement of the Contributory Pension Plan. As a caring Government, we will not turn a blind eye to these realities. It therefore gives me great pleasure to announce a general salary increase of eight percent (8%), effective 1st January 2024 for all Civil Servants and pensioners. This increase reflects our appreciation for your contributions to the Government service as we firmly believe that your efforts should be recognized and fairly compensated. We hope that this increase will positively impact your attitude, commitment to professionalism and productivity. We encourage each and every Civil Servant to

continue to work hard and strive for excellence as we march along our journey to the realisation of a Sustainable Island State.

123. Madam Speaker, the commitment of the St Kitts-Nevis Labour Party Administration to the well-being and financial education of our young population is unwavering. In pursuit of this commitment, we present a ground-breaking initiative designed to revolutionize the financial landscape for our youth, one that will instil financial responsibility and investment knowledge in the youth of Saint Kitts and Nevis. Madam Speaker, in collaboration with the Eastern Caribbean Central Bank (ECCB) and other stakeholders, our Government will spearhead a comprehensive financial education and savings programme. Covering crucial topics like budgeting, saving, investing, entrepreneurship, and understanding financial markets, this programme will empower our youth with the knowledge needed to navigate the complexities of the financial world. The savings aspect of this initiative is equally revolutionary, Madam Speaker. Every young citizen aged 5 to 18 will be endowed with a savings account, initially funded with EC\$1,000. Notably, EC\$500 will be invested in shares of Government majority-owned companies, including the St. Kitts-Nevis-Anguilla National Bank and The Cable (once divested). These accounts, designed for long-term impact, will be inaccessible for a specified period. Over 8,000 young people will directly benefit from this innovative programme. Madam Speaker, a dedicated and knowledgeable task force is diligently refining the finer details, with the ambitious goal of launching this transformative initiative during 2024. Madam Speaker, this initiative is not just about economic growth; it is about empowering the next generation to be architects of their own financial destiny and contributors to the sustained prosperity of our nation.

124. The Social Security Board (the Board) continues along the path to reform the social security system to safeguard the solvency and relevance of the Fund. Solvency speaks to the health and ability of the Fund to meet the expected financial commitment to its beneficiaries and members. Relevance refers to the ability for the system to provide meaningful levels of support to its insured persons. Aligned with the Board's 45th Anniversary Theme: "Transform, Reform, Thrive...SSB 45!", we are seeking to transform Social Security into a model for the region. We are designing reforms that will position the institution and its members to thrive for years to come.

125. Madam Speaker, the first reform changes will come into effect on 1st January 2024 with increases to pension amounts paid to two of our pension groups, namely the Age (Contributory) Pensioners and the Assistance (Non-Contributory) Pensioners. The Minimum Age Pension will increase from \$430 to \$500 per month (a 16.3% increase). The Assistance Pension will increase from \$255 to \$350 per month (a 37.3% increase). These changes will impact 772 age pensioners and 314 assistance pensioners currently in our system. Efforts are being made to ensure that the number of non-contributory pensioners remain at minimum through education, compliance, and social programs.
126. Madam Speaker, some attention was also placed on the Funeral Grant, which is a lump-sum paid when an insured member dies. This benefit has been reviewed to ensure that it remains relevant with respect to the level of support provided. Beginning 1st January 2024, the funeral grant will increase from \$2,500 to \$3,500 (a 40% increase).
127. In 2024, the Board will embark on a program of stakeholder engagement to sensitize citizens and residents on other changes that will be made to our social security system. Madam Speaker, it is crucial that our people contribute to the Social Security system to ensure its solvency and its provision of meaningful support to beneficiaries. By actively participating, individuals contribute to the collective well-being, helping to maintain the system's financial health and its ability to provide crucial assistance during various life stages, such as retirement and unexpected challenges.
128. Madam Speaker, the people of St. Kitts and Nevis are on the poised to receive a significant bonus—a Workers' Bonus—a pioneering initiative showcasing the unwavering dedication of the St. Kitts-Nevis Labour Party Administration in mitigating the pandemic's impact. This landmark move stands as the first of its kind in the Caribbean, extending bonuses to non-civil servants directly from the Government. The Saint Christopher and Nevis Social Security Board will oversee the disbursement of the Workers' Bonus, in the amount of EC\$500.00, to those employed outside the civil service. These hardworking individuals, integral to the private sector, have weathered substantial financial strains due to the COVID-19 pandemic. Recognizing their dedication and the financial challenges they face; the Government has chosen to express gratitude through this means.

129. Madam Speaker, our Government has adhered to a methodical, prudent, and pragmatic approach in fulfilling the entrusted mandate from the people of St. Kitts and Nevis. It brings me great satisfaction to announce that, following thorough deliberation, a comprehensive measure will be implemented on Thursday, 21st December, 2023, encompassing the disbursement of a fifty percent salary bonus to all civil servants and Government Auxiliary Employees (GAEs) within the Government of St. Kitts and Nevis and the Nevis Island Administration (NIA), including Pensioners and STEP workers. Furthermore, we extend encouragement to Statutory Corporations to emulate these payments for the benefit of their employees as well.
130. Madam Speaker, the array of financial and economic measures, ranging from adjustments in the corporate tax rate to the provision of pensions for Government Auxiliary Employees, the CBI Dividend, salary increases, and the elevation of the national minimum wage, underscores the resolute commitment of the St. Kitts-Nevis Labour Party Administration to enhance the lives and livelihoods of all our citizens, residents, and the business community. In tandem with these initiatives, our Government urges our people to exhibit diligence in work, prudent financial management, productivity in employment, and the safeguarding of their financial futures through regular savings and budgeting, fostering a collective commitment to progress and prosperity.

Conclusion

131. Madam Speaker, the future of economies across the globe is highly dependent on the implementation of prudent monetary and fiscal policies, the impacts of geopolitical conflicts and a concerted and intensified response to the reality of climate change. This reflects the reality for our country at this time. We have presented a Budget that is sensitive to the needs of our people and progress of our country. We will continue to implement initiatives to help stabilise prices, protect the poor and vulnerable from the full brunt of increased cost of living, and limit the social and economic costs of climate change. Over the medium term, fiscal policy will also focus on rebuilding fiscal buffers in order to cope with future crises. Further, over the coming months,

efforts would be made to improve productivity and expand economic capacity and fast-track the green energy transition in order to yield long term benefits and energy security. Our decision making will be guided by the voices of our people through more active stakeholder engagement.

132. We are committed to transforming St. Kitts and Nevis into a Sustainable Island State, one where our people today enjoy a high standing of living whilst not adversely affecting the prospects for tomorrow's generation. The Sustainable Island State Agenda is premised on building partnerships across the Private Sector, Civil Society, communities, youth, bilateral partners and multilateral development institutions to co-create policies and funding plans aimed at future-proofing development in St. Kitts and Nevis.

133. Madam Speaker, I cannot close this presentation without mentioning the sterling performance of our Administration in terms of the implementation of a robust legislative agenda. Since taking office, the halls of the Parliament frequently open for us to bring our legislative proposals to the people. This Administration remains very active and will continue in 2024 to be active on this front. To date, we have tabled 32 pieces of legislation and passed 29 in the National Assembly. I will not attempt to name them all at this time however, an annex to the digital and print versions of this presentation has been provided for the consideration of the general public.

134. Madam Speaker, as a forty-year-old nation, we have learnt much; yet, as a forty-year-old nation, we still have a long journey in front of us. The St. Kitts-Nevis Labour Party Administration is determined to make an indelible mark on the development landscape which will propel our Federation to attain the status of a Sustainable Island State. Our progressive stance in terms of social principles such as gender equality and the empowerment of women is intended to engender holistic growth and development across our Nation. This Budget therefore represents our collective commitment to responsible fiscal management and strategic allocation of resources. It underscores our dedication to fostering economic growth, supporting crucial sectors, and prioritizing the welfare of our citizens. As we move forward, let us embrace the opportunities and challenges that lie ahead, working together to ensure that every dollar spent reflects our vision for a prosperous, inclusive, and resilient future. With the support and collaboration of all stakeholders, we pledge to continue our work to make fairness and

equality core social norms in St. Kitts and Nevis. In closing, I want to assure our people that the entire Labour team is here at this time to serve in such a way that we bring meaning to our motto “**for the good that we can do**”.

135. I am the humble Servant of the people.

136. May it please you, Madam Speaker. Thank you very much.

ANNEX I: St. Kitts and Nevis 2022-2023 Laws

1. NEVIS ISLAND ADMINISTRATION (CROWN PROCEEDINGS) ACT, 2023

By this New Act, the Nevis Island Administration, a legal body established by the Constitution, now has the explicit legislative power to sue and be sued in its own name. The NIA has sued and been sued since 1983, but the court recently ruled that there was no legislative authority to support that long standing practice. All documents required to be served on the NIA for the purpose of any civil proceedings against the NIA shall be served on the Legal Department of the Office of the Premier.

2. CROWN PROCEEDINGS (AMENDMENT) ACT, 2023

This ancillary Amendment simply clarifies that the NIA can sue and be sued in its own name with respect to civil proceedings.

3. RASTAFARI RIGHTS RECOGNITION ACT, 2023

This New Act gives Rastafari groups the right to register (free) with the Ministry of Ecclesiastical and Faith-Based Affairs in order to access various tax and other concessions and to be licenced, free of charge, to participate in the Medicinal Cannabis Industry. Registered Rastafari groups can also LEGALLY cultivate, harvest, dry, trim, cure or possess and smoke cannabis as a sacrament for their upliftment or edification at their places of assembly.

4. FREEDOM OF CONSCIENCE (CANNABIS) ACT, 2023

This New Act gives Rasta and other persons who use cannabis for their personal belief-based upliftment or edification the opportunity to apply for a licence issued by the Ministry of Ecclesiastical and Faith-Based Affairs in order to LEGALLY possess up to 2 ounces of cannabis, cultivate up to 5 cannabis plants in a secured private place at their home and smoke cannabis in designated public areas. Licencing is free until December 22, 2023 (EC\$100 per year thereafter)

5. DRUGS... (AMENDMENT) ACT, 2023

This Amendment decriminalizes, and therefore makes it a ticketable offence (for a person not holding a licence issued under the Freedom of Conscience (Cannabis) Act, 2023) to possess of up to 2 ounces of cannabis, to cultivate up to 5 cannabis plants in a secured private place at their home and to smoke cannabis outside designated public areas. It also makes exemptions from criminal action against persons issued with cannabis-related licences by the Chief Medical Officer (to import certain goods), the Medicinal Cannabis Authority and the Ministry of Ecclesiastical and Faith-Based Affairs.

6. SMOKING (DESIGNATED AREAS) ACT, 2023

This New Act allows the Chief Medical Officer to designate certain public places for smoking (of all types). It also makes it a ticketable offence to smoke outside designated smoking areas (EC\$500), which must be clearly demarcated with signage. Business places and event promoters have until October 31, 2023 to become licenced if they wish to have designated smoking areas at their businesses or events.

Here are summaries of the Bills passed in the National Assembly on February 22, March 7 and April 4 2023.

7. ANTI-CORRUPTION ACT, 2023

This new Act creates and defines offences of corrupt conduct and establishes the Special Prosecutor's Office to receive complaints, investigate and prosecute acts of corrupt conduct of persons in public life in St Kitts and Nevis.

8. INTEGRITY IN PUBLIC LIFE (AMENDMENT) ACT, 2023

This Act strengthens the powers of the Integrity Commission and sets a date for the initial filings of annual declarations of assets and liabilities by senior public officials as July 31, 2023.

9. FREEDOM OF INFORMATION (AMENDMENT) ACT, 2023

This Act gives the press and general public the power to access non-confidential Government information and establishes the Information Commissioner's Office.

Note: The foregoing Acts are soon to be brought into force after widespread civil service and public education campaigns.

10. NURSES AND MIDWIVES (REGISTRATION) (AMENDMENT) ACT, 2023

Under the previous legislation, nurses were asked to register yearly. This amendment requires nurses to be registered every two years.

11. CARIBBEAN COMMUNITY AND AFRICA EXPORT-IMPORT BANK (AGREEMENT FOR THE ESTABLISHMENT OF A PARTNERSHIP) ACT, 2023

This new Act gives the partnership agreement between Afreximbank and numerous CARICOM nations legal force in St Kitts and Nevis and allows the Federation to tap into the US\$1.5 billion financing approved by the Board of Directors of the Afreximbank to enable CARICOM countries to enhance trade between the Caribbean and Africa and develop new industries.

12. BANKING (AMENDMENT) ACT, 2023

Numerous amendments have been made to the Banking Act to strengthen the regulatory framework for banks and financial institutions regulated by the Eastern Caribbean Central Bank. Particularly, the amendment clarifies the fit and proper criteria for members who sit on Boards of licensed financial institutions.

13. EASTERN CARIBBEAN CENTRAL BANK (AMENDMENT) ACT, 2023

The single amendment secures the hierarchy of the ECCB Agreement over other legislation in the case of conflicts, consistent with other regional treaties and lends assurance that the Bank's legal structure and autonomy continue to be adequate.

14. CRIMINAL RECORDS (REHABILITATION OF OFFENDERS) (AMENDMENT) ACT, 2023

This law amended the Criminal Records Act, originally passed in 2014, to expand the offences by which convicted persons' criminal records can be expunged. The categories added by this law are convictions for cultivation of five or less cannabis plants and cultivation such that the convicted person was fined or sentenced for imprisonment 3 years

or less. The policy aims to introduce equity and fairness into the fast-changing global effort to decriminalize cannabis use and establish a Medical Cannabis Industry in St Kitts & Nevis.

In February 2020 the Criminal Records Act was amended to provide that all persons convicted of offences involving 56 grams of cannabis or 15 grams of cannabis resin or less shall have their criminal records expunged. However, that amendment did not address cultivation offences, which have been recognized by our High Court as being allowed by adults in private and by Rastafarians as part of their sacrament (to an extent determined by Parliament and regulated by the Government).

This amendment will impact hundreds of persons, including young people aspiring to careers which require a clean criminal record, as well as many others who have lost out on job opportunities because of their cannabis cultivation-related criminal records. It simply isn't fair to ruin a life based on actions that result in convictions but are subsequently legalized or decriminalized. This law seeks to fix this injustice.

Once the law is gazetted (within the next 2 weeks) persons with cannabis cultivation-related criminal records can attend at the Criminal Records office at the Basseterre Police Station to request their updated records. No application is required, as the records for cultivation offences which fit within the law are automatically expunged.

15. OFFICIAL GAZETTE ACT, 2023

This modernization law creates certainty as to when laws and statutory instruments are published and digitizes the publication of the Official Gazette. The Gazette serves an important constitutional role and is an official Government publication for the purpose of notifying the actions and decisions of the Government. It is also a source of information for various matters emanating from both the public sector and the private sector.

The general purpose of the Gazette is therefore to communicate messages of national importance to the general public. Acts, Statutory Rules and Orders, Proclamations and other subordinate legislation are also notified in full in the Gazette and the text published in the Gazette is the authoritative version. The objective in providing for online publication of the Gazette is to better facilitate proper dissemination and greater access to the Official Gazette. Our people mainly access information on the internet. In that vein, increasing access to this Governmental publication will promote transparency and accountability within the Federation.

The ICT Department will soon establish the website: gazette.gov.kn and when the website is fully operational, tried and tested, this law will be operationalized to allow all Gazettes to be viewed, free of charge, by the general public. Other services will be available by subscription only and copies of the gazettes will remain available for purchase at the Government Printery. Please be reminded that most of our laws can be accessed now at lawcommission.gov.kn.

Here are summaries of the Bills passed in the National Assembly on November 4, 2022 which will become law when published in the Official Gazette in the next few days.

16. DOMESTIC VIOLENCE (AMENDMENT) ACT, 2022

This law enhances the protection regime for victims of domestic violence and provides them with swifter access to justice. It allows victims of domestic violence, or persons on their

behalf, to apply to the Magistrate’s Court or the High Court for protection orders. This will rectify issues raised with the Ministry of Gender Affairs that the cost of obtaining protection orders only in the High Court (a 2019 initiative) was prohibitive for many victims and their families.

The law also expands the definition of economic abuse (a type of domestic violence) to cover situations where perpetrators exercise full access and control over victim’s financial resources. The Director of Gender Affairs, the officer charged with providing support to domestic violence victims, now replaces the Director of Social/Family Services, as previously legislated. This law aligns with the Cabinet’s promise to take immediate legislative steps to curtail the increased scourge of domestic violence in our society.

17. SMALL BUSINESS (AMENDMENT) ACT, 2022

This law changes the Minister with responsibility for administering the Small Business Act and appointing the Small Business Development Advisory Committee to the Minister with specific responsibility for Small Business, who is currently the Hon. Minister Samal Duggins. Previously, the Minister responsible was the Minister of Industry & Commerce.

The law also expands the number of businesses that can receive the benefits afforded in the original Act by including businesses in which not more than 30 persons are employed. Previously, the number of employees was limited at 25. This law aligns with the Cabinet’s fundamental goal to provide small businesses with the necessary and dedicated Governmental support to grow, thrive and employ more people.

18. COMPANIES (AMENDMENT) ACT, 2022

This law resolves a constitutional issue created by a 2021 amendment to the Companies Act which permanently dissolved exempt companies to comply with OECD and EU recommendations.

The law allows creditors, directors, shareholders and other interested persons to apply to the High Court to deal with any assets previously held by the dissolved exempt companies. Exempt companies remain permanently dissolved, however, the law provides a pathway for beneficial owners of the companies’ assets to access assets left behind such as money held in local bank accounts and real property in St Kitts or Nevis.

19. EVANGELISTIC FAITH CHURCH ST KITTS (INCORPORATION) ACT, 2022

This law gives the Evangelistic Faith Church situate at the Alley, Sandy Point, St Kitts the power to own land and otherwise have legal standing to facilitate the further expansion and development of the Church.

On October 27, 2022 the following bills were passed and will become law when gazetted.

20. ST KITTS INVESTMENT PROMOTION AGENCY (AMENDMENT) ACT, 2022:

The original Act, passed in 2007, created a statutory corporation named the St Kitts Investment Promotion Agency [“SKIPA”] led by a Board of Directors and CEO to promote and facilitate investment in St Kitts. Previously, the Minister of Finance had the power, with approval of Cabinet, to appoint and terminate the Directors and CEO; authorize financing; and make Regulations.

The Amendment has simply made the Minister responsible for Investment the Minister with those powers. The Right Honourable Dr Denzil Douglas, Minister of Economic Development and Investment, will now hold the statutory powers with respect to SKIPA.

21. PUBLIC HEALTH (AMENDMENT) ACT, 2022:

The original Act, passed in 1969, provides the Minister of Health with wide ranging powers to make Regulations to protect the health of the Federation’s residents. It includes powers to regulate the prevention, treatment, limitation and suppression of disease; the publication of reports, information and advice concerning public health; and the education of the public in the promotion and preservation of health. The Covid-19 (Prevention and Control) Act [“the Covid Act”] was passed in 2020 to create public health restrictions to address the recent pandemic.

The Amendment has repealed the Covid Act and given the Minister of Health the power to specifically create Regulations to manage any potential further outbreaks of Covid-19. All of the pandemic related restrictions are now removed. On being appointed, Senior officials in the Ministry of Health advised the Minister of Health, Hon. Dr. Terrance Drew, that the pandemic restrictions were no longer needed, since May 2022.

22. CIVIL AVIATION (AMENDMENT) ACT, 2022:

The original Act, passed in 2004, creates provisions for the regulation, operation and control of civil aviation in the Federation. In 2020, the Eastern Caribbean Civil Aviation Authority [“ECCAA”] (ECCAA) lost the Category 1 status accorded it by the US Federal Aviation Authority [“FAA”], as a result of its failure to make certain adjustments. Carriers from Category 1 countries are permitted to operate into the US and/or code share with US air carriers, in accordance with the US Department of Transportation authorisations. Carriers from Category 2 countries that operate into the United States and/or code share with US air carriers have such services limited to the levels that existed at the time of the assessment.

In an effort to convince the FAA that the ECCAA Members deserve to be returned to Category 1 Status, OECS Nations have agreed to pass harmonized amendments to their Civil Aviation legislation allowing the Director-General of the ECCAA to make Regulations for safety and security at our sub-regional airports and other related amendments. The Minister of Civil Aviation, Hon. Marsha Henderson, has signed the related Treaty Amendment.

23. APPROPRIATION (2023) ACT, 2022

24. CONSUMER PROTECTION ACT, 2023

This modern Consumer Protection Act, 2023, gives the Consumer Affairs Department (“CAD”) of the Ministry of Trade the ‘teeth’ to enforce consumer/customer/shopper rights. We are all consumers of goods and services, so this Act will benefit us all by ensuring the fair and ethical operation of businesses within St Kitts and Nevis.

The modern Act establishes a Consumer Protection Board, which is charged with protecting citizens’ life, health, and safety. The Board is also tasked with receiving complaints about overpricing, foreign language labelling, unfair terms, poor quality or damaged goods, etc, from the CAD; monitoring the investigation of such complaints; and where necessary, seeking to resolve disagreements between a consumer and supplier in relation to goods and services.

It is a significant step towards fostering a shopper-friendly and sustainable economic environment in the Federation. This modern Act embodies the principles of fairness, safety, and accountability, essential for building consumer trust and promoting responsible business practices. Robust consumer protection legislation, like this Act, is a crucial component of fostering sustainable economic growth, particularly in the context of a small island state transitioning into a Sustainable Island State.

25. PROCEEDS OF CRIME (AMENDMENT) ACT, 2023

This amendment Act expands the definition of “tainted property” to allow law enforcement the power to recover the widest range of crime-related assets. The main Act provides a legal framework for the freezing, forfeiture, and confiscation of the proceeds of crime.

This is a crucial tool for law enforcement to deprive criminals of the financial benefits they have gained through illegal activities. This amendment is critical to the work of investigators and prosecutors who strive to hold perpetrators of white-collar crime accountable.

26. MEDICAL (AMENDMENT) ACT, 2023

Our ancient colonizer-drafted 1938 Medical Act classified cannabis as a poison. In order to facilitate the Medicinal Cannabis Industry locally and reflect modern science, the simple amendment Act removed cannabis from the list of poisons.

27. CANNABIS (AMENDMENT) ACT, 2023

The Cannabis Act, fully activated on 4/20/2023 facilitates the creation of a Medicinal Cannabis Industry (MCI) in St Kitts and Nevis. A Medicinal Cannabis Authority (MCA) has been established to manage the MCI by setting policy, providing strategic direction, monitoring administrative operations, offering recommendations to the Cabinet on licenses and authorizations and advising the Minister on industry-related matters, etc. In essence, the Board is tasked with steering the course for a responsible, efficient, and regulated MCI in our nation.

The 3 amendments in the Act are (1) to give responsibility for the MCA to the Minister of Agriculture instead of the Prime Minister, as the international standard is for an MCI to be treated as an agricultural industry, naturally; (2) to increase the number of non-civil servant members of the MCA from 4 to 8, so that technical experts serve as the majority of Directors of the MCA (8 out of 15); (3) to remove all references to Rastafari places of worship licencing, because the Rastafari Rights Recognition Act, 2023, comprehensively addresses all spiritual cannabis use and cultivation rights for Rastafari.

28. WHISTLEBLOWER PROTECTION ACT, 2023

A whistleblower is a person who informs on a person or organization engaged in an illicit activity. This new Act, a key element of the Good Governance Transformation, seeks to protect whistleblowers working in or for the public service from termination of their employment, disciplinary actions or other sanctions, so they can freely blow the whistle on corrupt or illegal activities in Government.

The Act therefore gives life to the Anti-Corruption Act, 2023, in which specific corruption offences were created and all Government employees and contractors are subject to investigation by the Special Prosecutor. It gives it teeth by providing protection to the ones who are most likely to discover corrupt or illegal activity.

29. UNAUTHORIZED DISCLOSURE OF OFFICIAL INFORMATION ACT, 2023

The Freedom of Information Act, as amended in 2023, provides an avenue to Government information that is non-confidential, non-privileged and non-sensitive. The corresponding Unauthorized Disclosure of Official Information Act, 2023, prevents such confidential, privileged and sensitive from being leaked by public servants and contractors through the backdoor.

The new Act criminalizes ONLY unauthorized and damaging disclosures of information related to matters of national security, international relations, crime and special investigation powers, information entrusted in confidence to other states or international organizations, confidential Government communications, prejudicial commercial communications, matters related to health and safety, etc. In other words, it seeks to prevent leaks of confidential, sensitive or privileged Government information to bring St Kitts and Nevis in line with international standards.

TABLED BUT NOT YET DEBATED

30. Animal Health Bill, 2023
31. Plant Protection Bill, 2023
32. Firearms (Amendment) Bill, 2023