



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

BUDGET ADDRESS 2025



INNOVATION,
INCLUSIVITY, AND
SUSTAINABILITY:
OUR PATH FORWARD

2025 



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

ST. CHRISTOPHER AND NEVIS

2025

BUDGET ADDRESS

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

INTRODUCTION

2. Madam Speaker, today I stand in this Honourable House with profound gratitude to the people of our beloved Federation for the trust and support you have placed in the Saint Kitts-Nevis Labour Party Administration over the past two years. It is your confidence in our leadership that fuels our determination to deliver a brighter future for all. It is a privilege to present, for the third time, a Budget that embodies sustainability, innovation, and inclusivity—a Budget designed to make life better not only for today’s citizens and residents but for generations to come. This is not just a financial plan; it is a blueprint for progress, focused on building resilience, fostering inclusivity, and shaping a sustainable economy and society. Together, we continue to move confidently along the path toward realizing our vision of a stronger, more prosperous, and more united St. Kitts and Nevis.
3. The successes we have observed over the past two years are the result of deliberate incremental steps that are creating a strong foundation for the transformation process to really take root here in our Federation. As a country, it is crystal clear to me that we are currently at a critical crossroad along our chosen path to become a sustainable island state. Let us take a quick snapshot at where we are on this journey. Our legislative framework has been strengthened and will continue to be strengthened; workers are earning the highest basic wage ever experienced in our Federation because of our action to increase the minimum wage after a nine (9) year interval; and our Government Auxiliary Employees are more secure in their jobs with the guarantee of a gratuity and pension at the end of their long years of service. Families can find support for their critically ill children who can now access lifesaving medical treatment. The issues related to our crumbling public infrastructure are being incrementally addressed. We are also well on our way to arresting the water shortage issues, on our way to creating a housing boom with the delivery of quality smart housing solutions to hundreds of families, and we are on our way to changing the energy mix towards greater use of renewables.

4. Over the past year, we have taken the time to carefully revise our National Development Planning Framework (NDPF) 2023-2037 and have secured grant funding from the Caribbean Development Bank (CDB) to initiate our first NDPF Medium-Term Strategy and Investment Plan (2025-2029). Through careful deliberation we have successfully aligned the NDPF and the Sustainable Island State (SIS) Agenda. This is articulated through the identification of the key drivers of development and the linkages to advance our Nation's achievement of the Sustainable Development Goals (SDGs). Our path forward is therefore clear Madam Speaker, as we strive to ensure that all our plans incorporate strong elements of innovation, inclusivity and sustainability.

5. Madam Speaker, we are proud of our record. In this regard, please allow me again to highlight some good news to our people about our delivery on an important promise made. Last year, as part of my Budget presentation, I announced the commitment of our Labour Administration to step up, in a very tangible way, to our commitment to empower and build wealth for our people. We have kept our promise with the launch of the ASPIRE Programme in September of this year. Just about three (3) weeks ago, this Honourable House passed the ASPIRE Bill into law to facilitate the proper functioning of this innovative and inclusive Programme that will benefit all our young people between the ages of 5 and 18 for many years to come. We are very pleased with the roll out of this highly impactful Programme. Thousands of our young people have already started to benefit with the establishment of their Bank accounts. By the end of last week, the Programme received over 4,000 applications and just about 2000 young citizens now have bank accounts at the St. Kitts-Nevis-Anguilla National Bank. We are also ready to roll out the education component of the Programme in the new year. The reception of our young people and their parents to the ASPIRE Programme has been tremendous and very encouraging. Madam Speaker, ASPIRE is a perfect example of our focus on innovation and inclusivity which is critical to sustainable wealth creation, a key element of our SIS Agenda. I must reinforce the point here that we are determined to give a death blow to poverty in this country. We commend the ASPIRE Task Force for their commitment and diligent efforts to deliver this cornerstone initiative of our Labour Administration.

6. As we look towards 2025 and the medium term, we recognize that we would have to accelerate the pace of implementing the Sustainable Island State Agenda in order to capitalize on the existing and emerging opportunities for growth and development of our twin island Federation. There is a lot of work to be done and it is a foregone conclusion that the Government cannot achieve the SIS Agenda or attain the SDGs alone. These undertakings require a whole of society approach propelled by the meaningful contribution of the Private Sector, academia and civil society. We believe that our consultative approach has resulted in collective buy-in to the goal of transforming St. Kitts and Nevis as a sustainable island state. We have planted the SEED, our Sustainable Economic Expansion and Diversification pillars and now we must nurture them to bare fruits over the medium term for the prosperity of future generations of Kittitians and Nevisians.
7. I now turn to consider some pertinent aspects of the international and regional economies.

International and Regional Economic Developments

8. Madam Speaker, in terms of the global economic movements that are important for us to monitor, we are guided by the information provided by the International Monetary Fund (IMF). The October 2024 edition of the World Economic Outlook projected that global economic output will fall slightly from 3.3 percent in 2023 to 3.2 percent in both 2024 and 2025. Notwithstanding the global average, there is a large variance in output across the various regions of the world, with output moving closer to potential for many regions. Growth for the advanced economies is projected to increase marginally from 1.7 percent in 2023 to 1.8 percent in 2024 and 2025. Growth in the United States, our largest trading partner, is projected to remain relatively steady at 2.8 percent in 2024 sustained by strong outturns in consumption and non-residential investment. In the United Kingdom, growth is expected to reach 1.1 percent in 2024 and 1.5 percent in 2025 as falling inflation and interest rates stimulate domestic demand. Growth in the emerging market and developing economies is expected to decline but remain generally stable at 4.2 percent in both 2024 and 2025.

9. Madam Speaker, the prospects for the regional economy are also positive. The expansion of economic activity in the ECCU is expected to be sustained in 2024 and 2025 bolstered by construction and tourism-related activities as stay-over arrivals return to pre-pandemic levels. Inflationary pressures should continue to recede across the ECCU but can be impacted by unforeseen international geopolitical developments.
10. I now turn attention to the Domestic Economy.

Domestic Economic Developments

Output

11. Madam Speaker, according to the Statistics Department, Ministry of Sustainable Development, the national economy is expected to grow by 1.2 percent moving to \$2.4 billion this year. This growth is supported by expansion in the Hotel and Restaurant and the Transport, Storage, and Communications Sectors. The increase in the Hotel and Restaurant Sector can be attributed to the growth in tourist arrivals. The influx of visitors in 2024 resulted in an upturn in visitor arrivals of 26.0 percent, just 14,458 passengers shy of the peak pre-pandemic figure of 123,498 persons observed in 2018. Given the projected medium-term growth of 3 percent per annum, arrivals are estimated to surpass this level in the coming year, 2025. The performance of this Sector was positively influenced by the increase in airlift to the Federation.
12. Madam Speaker, the increase in the importation of goods is an important signal of the ongoing recovery in the economy. On the Services Account, travel rose by 25.3 percent, mainly influenced by the increase in stayover arrivals of 17.9 percent. In line with the increase in stayover arrivals, total visitor expenditure grew by 12.4 percent moving to \$107 million as of June 2024. The increase in stay-over visitors confirms that the Tourism Sector is regaining its footing. The rise in the Transport, Storage, and Communications Sector correlates with developments in Tourism. Positive growth was observed across all sub-

categories with air transport increasing by 26.0 percent in alignment with rising passenger arrivals; sea transport grew by 4.8 percent, attributable to enhanced cargo throughput and cruise passenger arrivals; and road transport expanding by 3.6 percent, driven by heightened demand for taxi and tour services.

13. The full potential for economic expansion was somewhat dampened by modest declines observed in some of the traditionally dominant sectors of the economy, including the Wholesale and Retail, Financial Services, and Construction Sectors. In the Construction Sector, delays in the start of key investment projects due to administrative and technical challenges contributed to this outcome. However, these challenges have largely been resolved, and we are now poised to fully implement our planned projects with renewed momentum. Indeed, Madam Speaker, work on several high-value public sector investment projects commenced in the latter part of this year, setting the stage for a strong and sustained growth trajectory in 2025. Among these are transformative initiatives such as our flagship smart housing project, which redefines affordable, sustainable living; the construction of vital road networks across St. Kitts to enhance connectivity and accessibility; and the landmark Basseterre Desalination Plant. This desalination plant—the largest in our nation's history—will deliver an impressive 2 million gallons of potable water daily, addressing a critical need and ensuring resilience in our water supply. These projects embody the spirit of innovation, inclusivity, and sustainability that drives our national agenda and positions us for a brighter, more prosperous future.

Inflation

14. Madam Speaker, according to the IMF, the global battle against inflation has largely been won. Nationally, after a three-year spike in prices, inflation has finally returned to normal levels at around 1.5 percent which is projected for 2024. The decline in the inflation rate is primarily due to a decrease in the average price increases for Food and Beverages, along with some reductions in prices within the Services category when compared to 2023 levels. Some upward movement in prices within the non-food commodities category were also observed. The increases in the general price level can be attributed to imported inflation

and the ripple effects of exogenous factors, notably the continuing geopolitical tensions and war in Europe and the Middle East.

15. Madam Speaker, the relentless rise in global prices for imported goods and shipping services has undoubtedly impacted economies everywhere, including right here in our Federation. Yet, even amid these challenges, we can take comfort in seeing prices begin to stabilize, offering our citizens an opportunity to adjust to this evolving “new normal.” What must be underscored is that our Government did not waver in its commitment to shield our people from the worst effects of these global pressures. While my last Budget Address signalled an intention to phase out some COVID-19 relief measures, we made the deliberate decision to sustain them throughout 2024, recognizing the continued hardships faced by our citizens. Over the past year, we carried an extraordinary financial burden to protect our people from the rising cost of living. These efforts came at a significant cost to the Government, but they represent a resolute investment in the well-being of our citizens. To put this into perspective:

- \$63.5 million was expended to support the St. Kitts Electricity Company (SKELEC), with \$54.8 million specifically allocated to subsidizing the fuel variation charge, ensuring that households and businesses could continue to access electricity without insurmountable costs.
- We provided subsidies on fuel at the pump amounting to \$8.6 million, and on LPG—commonly known as cooking gas—at a cost of approximately \$12 million.

Beyond these critical interventions, we have maintained one of the most robust social safety net systems in our history, channelling resources to programmes that uplift and empower our most vulnerable:

- \$58.1 million has supported the Livelihood Improvement for Family Transformation (LIFT) programme, food vouchers, social welfare, school meals, school uniforms, and subventions to early childhood centres.
- The Skills Training Empowerment Programme (STEP) received \$124.6 million, providing countless citizens with opportunities for self-reliance and growth.
- The ELEVATE programme was bolstered with \$39 million, further cementing our commitment to inclusive development.

Madam Speaker, over the past two years, our Government has invested a staggering \$320 million in these essential subsidies and social programmes. This figure is not just a number—it represents hope, stability, and a government that stands resolutely by its people. Through these efforts, we have not only cushioned the impact of rising costs but also reaffirmed our pledge to ensure that no citizen is left behind as we advance towards a brighter, more equitable future.

16. In addition, the Consumer Affairs Department has also made efforts to ensure that the price control mechanisms for essential commodities are operating to help to mitigate the impact of inflation within our jurisdiction. As we move forward, our Government will continue to prioritize the needs of our people by designing responsive policies to address increases in price levels, safeguard their purchasing power, and secure an acceptable standard of living. As we continue to observe the situation, we will also review markups and our monitoring and control mechanisms to ensure that the best prices are provided to the consumer while at the same time safeguarding the profit margins of private enterprise. Further, we are currently rebasing the basket of goods and services used to estimate the Consumer Price Index (CPI). The last revision was done in 2010, some 14 years ago. The consumer market has changed significantly over the past 14 years, and as such, the basket of goods and services will be revised to 2025 price levels to reflect current consumer spending patterns. This revision will also provide a more accurate base to inform important public policies.

Fiscal Landscape

17. Madam Speaker, a review of the Government's fiscal performance revealed that for the 2023 fiscal year, a surplus of \$27.8 million was recorded for the Overall Balance and the Primary Balance also reflected a surplus of \$44.2 million. Total Revenue and Grants amounted to \$1.2 billion, of which Recurrent Revenue was \$1.1 billion and total Grants were \$20.7 million. Tax Revenue surpassed the budget by 6.3 percent as a result of higher collections from Taxes on Income, Taxes on Property and Taxes on International Trade and

Transactions. Non-Tax Revenue exceeded the budget by 18.7 percent mainly on account of the proceeds from the Citizenship by Investment (CBI) Program.

18. Madam Speaker, in 2023, Total Expenditure amounted to an impressive **\$1.1 billion**, reflecting our Government's steadfast commitment to advancing national priorities and addressing the needs of our people. This expenditure represented a 13.1 percent increase over the Budget, largely driven by higher-than-anticipated allocations for Capital Expenditure, Net Lending, Transfers, and Goods and Services. Among the pivotal initiatives supported by this expenditure were:

- Budgetary support to the St. Kitts Tourism Authority to secure Jet Blue flights with direct service to St. Kitts, bolstering tourism and strengthening our connectivity to key markets.
- Increased subvention to the Clarence Fitzroy Bryant College (CFBC) to compensate for revenue losses arising from our transformative policy of providing students with free tuition—a policy that underscores our Government's commitment to equitable access to education.
- Financial support to the Skills Training Empowerment Programme (STEP), ensuring opportunities for skills development and empowerment for countless citizens.
- Support to SKELEC, demonstrating our resolve to maintain affordable and reliable energy for households and businesses alike.
- The payment of the 40th Independence Anniversary Workers Bonus and the CBI Dividend, both of which directly benefited our hardworking people and reaffirmed our commitment to shared prosperity.

Madam Speaker, these expenditures are not merely figures in a ledger; they represent strategic investments in the present and future of our Federation. They reflect a Government that prioritizes its people, enhances its institutions, and paves the way for a more inclusive, resilient, and prosperous tomorrow.

19. With respect to the debt situation, at the end of December 2023, the Total Public Sector Debt stood at \$1.6 billion or 55.9 percent of GDP. This represented a decline of \$1.0 million in the debt stock and a decrease of 4.4 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 2023 when compared to 2022. Thirty-nine percent of the debt stock was contracted by the Federal Government and the remaining sixty-one 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 \$18.7 million and \$8.9 million, respectively. Conversely, the Nevis Island Administration's debt increased by \$26.6 million, thus reducing the overall impact of reduction observed in the Central Government's and the Public Corporation's debt.

OUR PATH FORWARD FOR ECONOMIC EXPANSION AND DIVERSIFICATION

Agriculture

20. Madam Speaker, food security is a strategic pillar of our Sustainable Island State Agenda. Our vision is clear, that is, to foster a robust, self-sufficient, and innovative Agriculture Sector that will help to drive sustainable development and ensure the food and nutrition security for our Nation. We have committed to facilitating strategic investments in this Sector to reposition it as a key contributor to employment, social and economic development, and our collective health and nutrition. Our path forward dictates that the public and private sector players must ramp up investments in agriculture. There is room for investments in agricultural infrastructure, the adoption of technology, and strengthening the human resource capacity including the technological and scientific capabilities of our agricultural professionals.

21. Growth in Agriculture for 2025 is projected to be 1.8 percent and 3.5 percent per annum over the medium term. Our main objective for the Sector over the medium term is to enhance food security through the promotion of sustained local production. The comprehensive CARICOM 25 by 2025 Agenda focuses on impacting every aspect of the food supply chain spanning meats and crops to aquaculture and fisheries. The primary goal is to reduce the annual food import bill of \$140 million by 25% by 2025. We are investing in the development of the Poultry Sector to assist with the achievement of this goal. A new state-of-the-art Layer Chicken Breeder Farm and Hatchery facility at the Bayford's Livestock Centre of Excellence was officially commissioned at the end of October 2024. The facility is expected to produce twenty thousand laying birds per year and will support local poultry farmers by providing high-quality chicks, technical resources, and the infrastructure necessary to elevate poultry production across the Federation. This remarkable achievement was made possible through the steadfast support and partnership of the Republic of China (Taiwan) and the Government of St. Kitts and Nevis. It symbolizes the enduring and dynamic partnership between our two nations—a partnership rooted in shared values and a mutual commitment to fostering sustainable agricultural development. Madam Speaker, on behalf of the Government and people of St. Kitts and Nevis, I wish to convey our deepest gratitude to the Government and people of the Republic of China (Taiwan) for their invaluable contribution to this project and for their continued friendship and collaboration in advancing the well-being of our citizens.

22. Madam Speaker, with regards to our path forward for crop production, a significant milestone was achieved in 2024 with the launch of the Plant Diagnostic Laboratory, which will play a crucial role in identifying plant diseases and pests. By providing timely diagnostics, the laboratory will help farmers implement appropriate control measures, reducing losses and improving overall crop health.

23. We intend to advance our plans for the development of the Cannabis Industry which could improve the scope of the traditional production of crops and reap medical and economic benefits. Furthermore, with the supply of seedlings, land preparation, and the provision of irrigation systems, solar pumps, ground cover, fencing material and technical assistance,

our farmers are being equipped to increase local food production. In 2024, the Ministry of Agriculture also continued its drive to ensure that the farming community has adequate planting materials. The Ministry imported more than 60,000 banana suckers, over 150,000 pineapple suckers and dasheen planting material. Through these initiatives, we continue to underscore inclusivity, ensuring that no farmer is left behind in accessing our highly subsidized farming materials and services provided by the Department of Agriculture. The crop distribution drive will ultimately play a significant role in boosting local food production and reducing the country's dependency on imported produce. Anticipating potential production surpluses, the Ministry of Agriculture has already begun exploring strategic partnerships in canning, drying, preserving, and marketing excess output to maximize value and minimise waste. To further strengthen these efforts, in 2024, the Ministry installed two new walk-in chills at the Tabernacle Outreach Centre and added 15 cold storage reefer containers. These investments address the growing storage demands, ensuring that crops are preserved at optimal temperatures and farmers are empowered to meet market needs sustainably.

24. Madam Speaker, we cannot speak about advancements in agriculture without highlighting the strategic partnerships we continue to build in Louisiana with the McIlhenny Company, the manufacturer of the world-renowned TABASCO® Brand and Southern University and A&M College. Our partnership with McIlhenny Company is a major part of our economic diversification strategy under the SEED initiative. Through this collaboration, our local farmers will participate in cultivating high-quality peppers for export to McIlhenny. The Government will make the necessary land and equipment available to ensure that as many farmers can reap the benefits from such a meaningful opportunity. We believe that the collaborative efforts of the TABASCO® Company and the local pepper farmers will have positive impacts on the growth of the Agriculture Sector.
25. Additionally, our partnership with Southern University and A&M College holds enormous potential as we focus on collaborative relationships in horticulture, livestock management, agricultural sustainability, crop enhancement, and medicinal plant research. The Memorandum of Understanding that we signed with the University earlier this year will

also facilitate food safety certification courses for local vendors. Further, we were pleased to announce, through our partnership with Southern University, five (5) annual undergraduate scholarships in Agricultural Economics, Agribusiness, Animal Science, Plant and Soil Science, and Pre-Veterinary Medicine for citizens of St. Kitts and Nevis. These scholarships will empower our next generation of agricultural leaders to gain cutting-edge knowledge and skills essential for propelling the Agriculture Sector forward. With these initiatives, we are not just planting seeds for a bountiful harvest today; we are cultivating the leaders and innovators who will ensure a thriving, sustainable, and self-reliant agricultural future for our Federation.

Construction

26. Madam Speaker, a Sustainable Island State demands that we plan strategically to ensure that newly built infrastructure can withstand climatic changes today and well into the future. Our plans to promote and install climate resilient infrastructure to support social and economic development is directly linked to our objective to further stimulate the Construction Sector. Madam Speaker, a construction boom in sustainability projects is on our horizon. Our Government will not rest until we have a pipeline of investment projects to stimulate growth in construction well beyond what was recorded in the pre-pandemic years. This year, we have bolstered the technical capabilities of the Public Works Department which is now in a better position to facilitate the rollout of several major projects that are already at an advanced stage. Madam Speaker, the Government-owned quarry is poised to become a driving force in advancing public and private infrastructure development across the island of St. Kitts. Recognizing its critical role in the construction industry, this Labour Administration has taken decisive action to address decades of neglect. In August, we proudly commissioned a new primary crusher, marking a monumental step forward for the quarry. Remarkably, this is the first upgrade of this type of machinery since 1988, a staggering 36-year gap that underscores the lack of attention paid to this vital resource especially under the immediate past administration. This Labour Administration is determined to reverse that trend and ensure that our national assets are modernized to

serve the needs of our people. Madam Speaker, we are also eagerly anticipating the arrival of additional state-of-the-art equipment in early 2025, which will further enhance the quarry's capacity and efficiency. These investments are not merely upgrades; they represent our Government's commitment to fostering a robust construction industry, strengthening the foundation for sustainable development, and ensuring that critical infrastructure projects are executed with the highest quality materials.

27. Over the past year, activity in the Construction Sector was dominated by commercial and residential construction. In the medium term, we can expect the Construction Sector to bloom as a direct result of the implementation of our SEED pillars. We expect the full implementation of several planned Public and Private Sector projects that should spur construction activities. The Public Sector projects include, but are not limited to, the New Basseterre High School, New Climate-Smart JNF General Hospital, NHC Climate-Smart Homes Housing Programme, Basseterre Desalination Plant, and Road Improvement Projects. In 2024, my Cabinet approved the funding necessary to expedite the construction of new concrete roads in residential areas. Contracts have already been signed and work has commenced in areas such as Boyds View, Shadwell Development East and West, Race Course, Rawlins and White House Gardens. Increasing the pace of installation of roads in residential developments will remain a high priority for our Labour Administration and we have endorsed a three-year plan presented by the Public Works Department (PWD) to have most of these roads constructed. As construction activities are mobilized, we expect that 90 percent of the workforce will be local practitioners, adding significantly to domestic employment in 2025 and beyond. Other Private Sector activities that will help to drive construction also involves efforts to reinvigorate the Kittitian Hill and Christophe Harbour projects. In 2025, we also expect work to commence on the construction of Hotel Indigo and the Performing Arts Centre.

Housing and Human Settlements

28. Madam Speaker, I am pleased to report that after a period of public sensitization, meticulous planning, the construction of two demonstration homes, and finalizing financial and

logistical arrangements, our climate-smart homes initiative with East Coast Housing Development Limited is ready to move into full-scale construction. Following the Public Sensitization Fair held last year, East Coast Housing made significant adjustments to the original designs based on invaluable feedback from potential homeowners. These changes included increasing the size of the one, two, and three-bedroom homes to better meet the needs of our people. For example, the size of the one-bedroom homes was increased from 450 square feet to 592 square feet, with similar enhancements made to the other models. Madam Speaker, while these adjustments caused unavoidable delays in the shipment of materials to St. Kitts, they also underscore our Government's commitment to listening to our citizens and ensuring that this housing initiative delivers real value. Importantly, despite these upgrades, the original prices remain unchanged: a one-bedroom home is priced at \$111,375, a two-bedroom home at \$213,345, and a three-bedroom home at \$297,000. These prices include essential amenities such as a stove, refrigerator, and water storage tank, reflecting our commitment to providing high-quality, affordable housing solutions. I am proud to confirm that preparatory work has already begun on the construction of the first 100 climate-smart homes at Stapleton, Lodge, Sandy Point, and Newton Ground. The actual construction of homes will commence shortly and continue over the coming months until we fulfil our promise to the people of St. Kitts and Nevis. Madam Speaker, these homes are more than just buildings—they are a symbol of this Labour Government's dedication to improving the lives of our citizens through sustainable, forward-thinking development.

29. Madam Speaker, the National Housing Corporation (NHC) will continue to offer other affordable housing solutions such as the Building Assistance Programme which provides for the construction of homes on the client's land, and the NHC Building Scheme whereby homes are constructed on land owned by the Corporation. I encourage our people to take advantage of these programmes. I also encourage our contractors, tradesmen and other skilled workers to continue to register their interest with the NHC. Over the past year, my Cabinet has worked with the NHC to regularize the situation where some homeowners were without a Certificate of Title (CoT). We are resolving this situation by (i) introducing a new programme where the required six (6) percent stamp duty is waived for NHC clients who

were awaiting their CoTs for an extended period and (ii) granting a moratorium on the payment of property tax of one (1) year, to clear the backlog, after which regular property tax payments will be required. We have also increased the mortgage threshold for the payment of Stamp Duty from \$150,000 to \$300,000. Madam Speaker, these measures reflect this Labour Administration's commitment to ensuring fairness, resolving historical inequities, and providing tangible support for our people as we build a stronger and more inclusive housing sector.

Tourism

30. Madam Speaker, upon assuming office, our St. Kitts-Nevis Labour Party Administration identified the Tourism Industry as a top priority, recognising its vital importance to our national economy. We believe this sector holds immense potential for innovation and inclusivity, with opportunities to drive job creation, expand the creative industry, and sustain the overall upward trajectory of our economy. Over the past two years, we have remained steadfast in our commitment to this vision, diligently advancing our strategy for pandemic recovery and fostering sustainable growth and development within the Tourism Sector. As we roll out our plans for this important Sector, we are already seeing excellent results. Madam Speaker, Tourism remains the cornerstone of our economy which has positively impacted various other sectors including the Transport, Storage and Communication Sectors. The Sector is estimated to grow by 8.2 percent in 2024 and by approximately 3.0 percent per annum over the medium term. In general, the performance of this Sector is linked to the increased airlift into the Federation via the traditional airlines, as well as newly introduced airline services and the intense marketing efforts of the St. Kitts and Nevis tourism authorities. It is anticipated that tourist arrivals will surpass its 2018 pre-pandemic levels in 2025.

31. To enhance our cultural tourism, focus will be placed on celebrating and promoting the historical significance of landmarks, traditions and communities. Efforts will continue to strengthen partnerships with other Ministries as well as local historians, artists and cultural institutions to create an experience for visitors which will lead to a deeper connection with

the Kittitian and Nevisian lifestyle. The development of the Sector will include efforts to further empower communities by providing training and partnerships with local artisans to promote the development of tourism value chains. We are also being deliberate in our thrust to diversify the tourism product to all areas of the islands. In 2025, we will move forward with the establishment of the ‘Caines’ Food Village’ at Caines’ Pasture, St. Kitts. The Caines’ Food Village is a vibrant project designed to promote environmental and cultural sustainability by showcasing the authentic gastronomy of St. Kitts and Nevis. This festive venue will breathe new life into the local area, highlighting the country’s heritage through music, dance, and storytelling, thereby fostering greater appreciation for its cultural traditions. By reintroducing traditional Kittitian delicacies and creating a family-friendly entertainment space, the Food Village will support and enhance local livelihoods while partnering with community tourism businesses to promote sustainable tourism practices.

32. Our destination is steadily advancing to take up its role as a leader in sustainable tourism within the Caribbean. In addition to our people, the environment is a key resource of our tourism product and we are committed to its preservation. This commitment is reflected in our recent signing of the **Glasgow Declaration on Climate Action in Tourism** at the 4th International Conference on Small Island Developing States, held in May in Antigua. Achieving this milestone underscores St. Kitts and Nevis’ pledge to align with global efforts to reduce tourism-related carbon emissions by 50 percent by 2030 and achieve net-zero emissions before 2050. This action is not merely symbolic; it sets the stage for the Ministry of Tourism, in collaboration with international partners, to develop specific strategies to reduce the environmental impact of tourism activities, enhance resilience to climate change, and ensure the long-term sustainability of the island's Tourism Sector.
33. Our dedication to sustainable tourism is met with growing encouragement on the global stage, as evidenced by several recent accolades. The destination was honoured as the Caribbean's Leading Dive Destination at the 31st Annual World Travel Awards, held in Jamaica in January 2024, a recognition that underscores our commitment to marine conservation and the promotion of responsible diving practices. Additionally, in April St. Kitts claimed the prestigious Green Destination of the Year Award at the Caribbean Green

Awards 2024, presented by E-Finity, further solidifying our destination's status as a leader in environmental sustainability within the region. St. Kitts' unique combination of lush rainforests, pristine beaches, and rich cultural heritage earned it a spot as the only Caribbean destination featured in AFAR's Top 2024 Destinations, showcasing the destination's appeal to eco-conscious and culturally engaged travellers. These achievements are complemented by the remarkable success of local businesses like Old Road Rum Company, which won two (2) silver medals at the International Spirits Challenge 2024, announced in August. This recognition not only highlights the quality and craftsmanship of St. Kitts' local products but also enhances the island's global visibility as a destination that offers unique and high-quality experiences.

34. Our destination's stature as a premier Caribbean destination was further bolstered by the arrival of the world's largest cruise vessel – Icon of the Seas – on January 30, 2024. As the first destination on this inaugural revenue-sailing, the call attracted widespread media attention, showcasing St. Kitts' strategic importance in the regional cruise industry. Our Government's strong partnership with Royal Caribbean Group has been instrumental in securing such a high-profile visit, reinforcing our position as a key player in the cruise tourism market. Our destination is actively exploring innovative solutions, such as renewable shore power, to address emerging challenges such as the International Maritime Organization's Carbon Intensity Indicator which came into effect in 2023 and requires ships to improve their energy efficiency in the short term thereby reducing their greenhouse gas emissions. These initiatives are part of a broader strategy to ensure that St. Kitts remains competitive in the global tourism market while contributing to the sustainable development goals of the destination and the region.
35. As mentioned earlier, we are actively engaging investors to reinvigorate Kittitian Hill, bringing new opportunities for tourism and community development to the Capisterre region. At the same time, discussions are underway with investors to redevelop Christophe Harbour, a project poised to elevate our high-end tourism offerings, expand the yachting sector, and create significant employment opportunities. Among these transformative

developments, the introduction of the Ritz-Carlton brand stands out as a monumental step forward for St. Kitts.

36. Madam Speaker, I am thrilled to announce that Ritz-Carlton, a global symbol of luxury and excellence, is coming to our shores. This is not merely the addition of another hotel—it is a statement of confidence in St. Kitts’ future, a catalyst for economic transformation, and a testament to the island’s limitless potential. This world-class development will redefine our tourism product, blending the iconic Ritz-Carlton experience with the unique cultural heritage and natural beauty of St. Kitts. Its impact will be profound: creating hundreds of jobs for our people, opening doors for local businesses, and delivering a significant boost to our national economy. Most importantly, it sends a bold message to the world—St. Kitts is not just open for business but ready to lead as a destination of distinction, innovation, and opportunity.

37. Madam Speaker, we are navigating the complexities of modern tourism with a forward-thinking approach that prioritizes sustainability, innovation, and community engagement. By integrating these elements into our tourism strategy, we are not only enhancing our country’s appeal as a destination but also ensuring that the tourism industry remains resilient, competitive, and aligned with our Sustainable Island State Agenda. This holistic approach positions St. Kitts as a model for sustainable tourism development, where economic growth and environmental stewardship go hand in hand, creating a thriving and sustainable future for the island and its people.

Citizenship By Investment Programme

38. Madam Speaker, in 2024, the St. Kitts and Nevis Citizenship by Investment Programme (CBI) underwent a bold transformation, solidifying its position as a cornerstone of the national economy. The restructuring of the Citizenship by Investment Unit (CIU) into a statutory body with a robust Board of Governors, an experienced C-Suite, and the

establishment of the Office of the Chairman has created a well-aligned framework between the Unit and the Government. This synergy has already borne fruit: streamlined processing mechanisms, increased applications, and record-breaking revenue since the restructuring on 1 October. These achievements showcase the Labour Administration's vision and commitment to maintaining the integrity, efficiency, and global competitiveness of the Programme.

39. Madam Speaker, the restructured CIU has achieved remarkable milestones, including setting a ten-week target for application decisions, implementing a 24-hour response time for applicants, creating a Communication Division to ensure accurate and timely information, and establishing a Task Force to eliminate backlogged files. Additionally, cutting-edge technology now tracks and monitors application processing, ensuring transparency and efficiency. These accomplishments were part of the Thirty Wins in Thirty Days, an ambitious initiative that reflects our Government's determination to deliver swift and meaningful progress. These enhancements are not only proof of the Programme's adaptability but also provide a resounding response to critics who question its management and sustainability.

40. The diversified investment options under the Programme continue to bring tangible benefits to the people of St. Kitts and Nevis. The Sustainable Island State Contribution (SISC) directly supports economic and social development, funding initiatives that uplift everyday citizens while driving economic diversification. The Public Benefit Option (PBO), which has delivered impactful projects such as the Prime Creative Arts Centre, aligns investor interests with the Federation's infrastructural, cultural, and educational needs. Moreover, regulatory amendments reducing minimum investment thresholds in real estate have made this option more attractive than ever, driving a surge in interest. These achievements reaffirm the Labour Administration's strategic approach to leveraging the CBI Programme as a platform for innovation, growth, and long-term sustainability. As we head into 2025, we remain steadfast in our commitment to ensuring that the CBI Programme secures opportunities for citizens and propels us toward our Sustainable Island State vision.

OUR PATH FORWARD FOR INCLUSIVE AND SUSTAINABLE HUMAN DEVELOPMENT

Social Development

41. Madam Speaker, during last year's budget debate, we announced that the Poverty Alleviation Programme (PAP) would evolve into the Livelihood Improvement for Family Transformation (LIFT) Programme. This decision was a direct response to the need to offer opportunities to genuinely empower beneficiaries, while addressing the numerous anomalies that plagued the PAP cash transfer system since it was established in 2018. As promised, the LIFT Programme was launched in June 2024 to provide stronger support to vulnerable families, focusing on empowerment and socioeconomic independence. The Programme will assist families in need by investing more resources into qualifying households, with cash transfers up to a maximum of \$600 per month. Families with a monthly income of under \$2,500 who are not currently receiving food voucher assistance are eligible to receive up to \$600 per month to help achieve greater financial stability. This support programme prioritises five key categories: (1) unemployed heads of families, especially those with children; (2) single-parent households; (3) persons with disabilities; (4) caregivers of children with disabilities; and (5) seniors, particularly those with minimal pension benefits and no other sources of income.
42. An important feature of the Programme is that, beyond the financial aid, LIFT incorporates case management, assigning case managers to help families with personalized care plans, job training, and development workshops. Fostering the personal development and self-sufficiency of participants is key as the duration of the assistance will be limited to nine (9) to eighteen (18) months. The Programme emphasizes transparency, with a digital application process and a structured appeals system to ensure fairness. The Appeals and Grievance Process will allow applicants to contest decisions or report unfair treatment. Madam Speaker, the transition to the LIFT Programme was essential to ensure the long-term sustainability of such a significant

public assistance initiative. As a compassionate Government, we recognise that sustainability is key to ensuring the programme's lasting impact. LIFT is designed not only to provide immediate support, but also to foster resilience, guiding families towards self-sufficiency and contributing to the development of a stronger, more sustainable community for the future.

43. We remain deeply concerned about the challenges facing our youth, particularly as it relates to incidences of violence and crime. To address this, we have provided platforms for young people to voice their opinions and share their thoughts on how to mitigate violence. In March, we hosted the inaugural Student Youth Congress which engaged our young people and solicited their suggestions for reducing crime and violence in the Federation. The two-day Congress, a key component of our Government's strategy to address crime and violence as a public health issue, fostered meaningful dialogue in alignment with Sustainable Development Goal 16 (SDG 16), which seeks to promote peaceful and inclusive societies. In October, youth, particularly students, played a central role as both audience members and active participants during our BUDGET 2025 National Forum. They shared valuable insights on what they hope to see as outcomes of the 2025 fiscal year. Looking ahead to 2025, we remain committed to providing ongoing opportunities for youth to voice their opinions, reinforcing the Government's dedication to good governance and the promotion of a peaceful and prosperous nation.
44. Madam Speaker, we have made incremental steps to achieving the goal of ensuring that Government policies and actions are inclusive and sustainable. With respect to persons living with disabilities we have recently completed the revision of the 2017 Disabilities Policy and the drafting of a Disabilities Bill. We use this opportunity to extend appreciation to the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) which facilitated technical assistance for the completion of both documents. It is anticipated that in 2025 the revised Policy will be approved by the Cabinet and the proposed Bill passed in the National Assembly. The Ministry also intends to advance the review of the draft Ageing Policy and the draft regulations for the operation of homes for the elderly. Both documents will provide a framework that will ensure the rights and protection of our senior citizens whether they are living out their golden days at home or in a seniors' facility.

Education and Skills Development

45. Madam Speaker, quality education and human resource development are universally recognized as key drivers of sustainable economic development and social progress. Our Government will continue to foster the holistic development of the Education Sector to ensure that the objectives of the Sustainable Island State Agenda are fully supported by the education system. To reinforce these sustainability efforts, the Ministry of Education commenced in February the formulation of a National Education for Sustainable Development Policy with assistance from UNESCO. Policy reform across the Education Sector will focus on sustainability, fairness and equity, aligning educational objectives with the modern-day needs of the labour market, and enhancing school safety. Further, through the Education Planning Division, work is ongoing to introduce an Equity Policy to enhance the effective management of resources within the educational system, including addressing the need for a more equitable distribution of qualified teaching staff among our schools. The Division is also undertaking a review of secondary school graduation criteria, to among other things, monitor and evaluate the effectiveness of current graduation criteria in meeting labour market needs and higher education matriculation.
46. Madam Speaker, the prospects for the continued integration of digital solutions in the teaching and learning environment are indeed promising. We have successfully deployed digital devices for use by students and teachers across the school network. We will continue in 2025 to introduce other important digital solutions to enhance the teaching and learning environment. In terms of our Technical and Vocational Education and Training (TVET) institutions, the 2025 Budget will facilitate significant upgrades at Advanced Vocational Education Centre (AVEC) including the integration of immersive simulators such as a welding simulator and painting simulator which utilize Virtual Reality technology to simulate real world training experiences while promoting the efficient use of resources. This technology is designed to shorten the learning curve and enhance operators' skills to dramatically increase productivity, decrease energy consumption by 50%, reduce waste of consumables, and wear on real equipment, and reduce accidents. In 2025, upgrades to AVEC will also include the outfitting of smart classrooms to enhance the teaching and learning experience.

47. Madam Speaker, as I speak about TVET, it is important to emphasise the priority our Labour Administration is placing on skills development at this critical juncture. We have recognised that for St. Kitts and Nevis to achieve its vision of a sustainable island state with maximised employment potential, TVET must be given greater prominence within both the Education Sector and the wider community. Over the past several years, the St. Kitts and Nevis TVET Secretariat has worked tirelessly to establish the necessary mechanisms to manage and enhance our national TVET systems effectively. The goal is clear: to ensure that our country is equipped with the certified, skilled artisans needed to drive the sustainable growth of our economy. I am proud to report that the TVET Council is now well-positioned to certify our workforce in new and emerging vocations across key sectors, including the blue, green, orange, and digital economies. With Photovoltaic (Solar) and Electric Vehicle training on the verge of starting at the Clarence Fitzroy Bryant College (CFBC) and AVEC, St. Kitts and Nevis stands to be on the cutting edge for training and certification in these two areas. This will ensure that the country has the requisite skilled and certified workforce for its transition to greater use of renewable energy sources and technologies thereby advancing our path forward under the renewable energy pillar of the Sustainable Island State Agenda.

48. The partnership developed with Green Solutions International provides expanded opportunities for nationals to be trained and certified in these key areas. In fact, the CFBC in collaboration with Green Solutions International SKN Incorporated (GSI) a transformative partnership to establish the Caribbean Centre of Excellence in Research, Innovation and Workforce Training in March of this year. The Centre will focus on bridging the skills gap and fostering lifelong learning in the renewable energy industry. It will also drive research initiatives and provide a platform for professionals, entrepreneurs, start-ups and established businesses to collaborate and innovate to address national and regional challenges. This pioneering initiative, funded by the Global Environment Facility (GEF) Small Grants Programme, will help to position the CFBC as the regional hub for training in solar PV installation and electronic vehicle (EV) maintenance and repairs, filling a significant gap in the region as no other nearby institution offers similar comprehensive training and services. The strategic alliance establishes the CFBC as a regional leader in sustainable innovation and skilled workforce development and ensures

that CFBC's path forward is effectively aligned with the Government's green and diversified economic agenda.

49. Further, with the drive to reduce the national food important bill, the TVET Council is strategically placed to provide the highly skilled, competent, and certified workforce. The certification process in collaboration with CFBC is poised to ensure a steady flow of skilled professionals equipped with the expertise to effectively drive local food production and provide the management expertise within the Agriculture Sector. The TVET Council is also ideally positioned to serve as the catalyst for advancing the development of the creative economy. This is being done through a focus on the establishment of occupational standards to certify nationals operating in the creative space. The TVET Council continues to collaborate closely with regional partners to establish regional standards to ensure that skilled artists and artisans will be able to gain recognizable certification in this highly lucrative and evolving sector.

Sports, Creative Economy, and Small Business Growth

50. Madam Speaker, when we invest in sports, arts, culture, and entrepreneurship, we are not just fostering individual talents—we are empowering communities and driving sustainable growth that benefits everyone. In the area of sports, we are prioritising facility upgrades, the promotion of sports tourism, and the enhancement of school sports programmes, while forging solid partnerships to provide athletes with training and exposure opportunities. A major milestone for 2025 will be the completion of the new track at the Kim Collins National Stadium, along with long-overdue renovations to the main stand and facilities. Additionally, we are committed to promoting health and development through physical activity by introducing Sport Nurseries in communities, using sports as a transformative tool for youth and social advancement.

51. In the Creative Economy, the recently launched Creative Arts Fund will support grassroots initiatives and professional career development for creatives. The establishment of the Creative Arts Centre and the Creative Power Arts Convention will provide platforms for artists to

showcase their work, build networks, and access resources. Meanwhile, our focus on entrepreneurship and small business development will transform Micro, Small & Medium Enterprises (MSMEs) into thriving enterprises by equipping entrepreneurs with essential skills through a comprehensive three-month workshop series, providing import duty concessions to reduce costs, and reforming policies to foster business growth. Madam Speaker, in 2025, the Ministry will continue to champion the Sustainable Island State Agenda by driving innovation, promoting health through sports, and creating opportunities for entrepreneurs and creatives to contribute meaningfully to national development. These initiatives reflect our Government's strong focus on empowering our people and building a prosperous, inclusive future.

Healthcare

52. Madam Speaker, ensuring the health and well-being of our citizens remains a cornerstone of this Government's vision, and as we continue to advance towards a healthier, more resilient nation, we are making significant strides in transforming our healthcare system to meet the evolving needs of the 21st century. Madam Speaker, our commitment to establishing the new climate-smart Joseph N. France General Hospital moved closer to realization with the signing ceremony that took place on May 2, 2024. The ceremonial signing formalized the collaboration between the Government of St. Kitts and Nevis and the Overseas Engineering and Construction Company, a prominent construction firm headquartered in the Republic of China (Taiwan), for the construction of the new facility. More recently, in September this year, the land was cleared to begin soil testing and other essential environmental assessments, marking another crucial milestone in the project's progress. This groundbreaking initiative not only aims to enhance healthcare accessibility but also integrates climate resilience into our healthcare infrastructure. Further, by creating a collaborative health ecosystem that includes partnerships with nearby educational institutions and private healthcare facilities, namely the University of Medicine and Health Sciences and Ross University, we are redefining the healthcare landscape in our region. Our vision is to establish a beacon of excellence in the region that will foster research and

stimulate investment opportunities. Our comprehensive approach ensures that we are not only responding to the immediate health needs of our citizens but also preparing for future healthcare challenges, thereby safeguarding the health of our people for generations to come. It is our intention that this hospital will elevate the quality of the health care services offered to the people of our Federation. We are in a new era of technological advancement and so we must modernize our medical infrastructure, procedures and services. We also envision that the smart hospital will attract patients from neighbouring islands that can in turn expand the potential for developing a viable medical wellness industry in the Federation.

53. Madam Speaker, we are investing in state-of-the art equipment to ensure that our people have access to contemporary diagnostic services at the JNF General Hospital. The new Magnetic Resonance Imaging (MRI) facility is nearing completion and we aim to have it operational by the first quarter of 2025. This would mark a major step forward in advancing medical diagnostic capabilities within the Federation. In addition to the MRI facility, the procurement of a state-of-the-art 128-slice computed tomography (CT) scan machine is another major enhancement. The CT scan, equipped with a cardiac injector to diagnose cardiac disease, will significantly expand diagnostic services that are essential for improving health outcomes. The Ministry of Health is focused on having this equipment installed and operational by the end of this year. These developments reflect our Labour Administration's commitment to modernizing healthcare delivery in St. Kitts and Nevis. The introduction of MRI and CT scan services will enhance the ability of our health care system to diagnose and treat complex medical conditions, aligning with the targets under SDG 3: Good Health and Wellbeing. These investments in health care infrastructure also represent a crucial step towards creating a more resilient and sustainable health system, for the benefit of current and future generations.

54. I am pleased to inform, Madam Speaker, that the JNF General Hospital is also now equipped with two (2) colonoscopes and two (2) esophagogastroduodenoscopes (EGDs), marking the first time that the State manages such equipment without relying on external private service providers. This acquisition will enhance the hospital's ability to perform colon cancer screenings, the third leading cause of cancer deaths in St. Kitts and Nevis after prostate and breast cancer. Additionally, the equipment will support diagnostic investigations for conditions such as rectal and oral bleeding, abdominal pain, and other ailments. Madam Speaker, these

essential tools were purchased by the St. Christopher and Nevis Social Security Board as part of its Corporate Social Responsibility initiative, demonstrating the Board's ongoing commitment to improving healthcare in the Federation. To ensure the proper care and usage of this vital equipment, hospital staff are receiving specialized training. Protocols have been put in place to ensure the structured management for the maintenance of these tools, ensuring their longevity and proper function in delivering critical healthcare services.

55. Earlier this year, the Ministry of Health deployed four (4) new triage officers at the JNF Hospital's Accident and Emergency Department to improve patient assessment and reduce wait times. The additional triage officers have helped to streamline patient intake, enhance efficiency, and ensure prompt care in emergencies. The JNF General Hospital now boasts the shortest emergency room wait times within the OECS, a testament to the Government's efforts to improve health care infrastructure and service delivery.

56. Madam Speaker, as both the Prime Minister and Minister of Health, I want to personally assure the people of St. Kitts and Nevis that we are relentless in our commitment to maintaining and elevating the standard of healthcare across the Federation. In 2025, we will take bold steps to enhance our healthcare infrastructure, starting with the demolition and reconstruction of the Basseterre Health Centre, which is long overdue for a major upgrade. Additionally, completing the construction of the new St. Peter's Polyclinic will be a top priority, ensuring that our health sector continues to evolve and meet the growing needs of our people. These initiatives are just the beginning of our comprehensive plan to build a healthier, stronger nation for the future.

CROSS-CUTTING ISSUES FOR ACHIEVING AN INCLUSIVE SUSTAINABLE ISLAND STATE

Law and Order and Citizen Security

57. Madam Speaker, as I turn to matters of national security, I wish to extend heartfelt sympathies to the families who have endured the tragic loss of loved ones due to violence and crime over the past year. Let me be clear: even one homicide in our country is one too many. While our law enforcement agencies have made commendable strides in reducing crime in other areas, the persistent challenge of gang activity continues to cast a shadow over our society. This issue demands urgent attention and a united front. It is imperative that we adopt an all-of-society approach, engaging communities, families, schools, civil society, and law enforcement to address the root causes of this complex problem. Together, we must foster resilience, create opportunities, and dismantle the conditions that allow gang activity to thrive.

58. On September 6, we launched the 90-Day Campaign against Violence and Crime. The initiative was founded on the principle that crime and violence can no longer be seen just as a law enforcement issue. There are also public health concerns that are affecting the well-being of our people and communities. These must be addressed from a holistic perspective if we are to find and treat the root cause and create long-lasting positive change. Our Administration has accepted the view that violence shares risk factors with other health problems, such as those related to poverty and substance abuse, which can be mitigated through preventative measures. We now have access to credible data which provides opportunities for deeper analysis of gang activity in St. Kitts and Nevis. This puts us in a primed position to develop targeted long-term solutions. Madam Speaker, my training as a Medical Doctor tells me that we are on the right path. We are encouraged to see such strong interest and representation from political parties, sports associations, church and religious institutions, businesses, law enforcement, social clubs, and other community-based organizations. We are hopeful that this show of support would be sustained until lasting solutions are found. Only through collective effort can we ensure a safer, more secure future for all citizens of St. Kitts and Nevis.

59. Madam Speaker, to assist with the task at hand, a Citizen Security Secretariat has been established to focus on supporting the holistic wellbeing of the individual, whether they be

affected by violence and crime or a range of other issues that could lead to their personal insecurity. This is part of our comprehensive approach to the safety and well-being of citizens, aligning with international best practice. We will focus on what is necessary to secure the individual – ensuring that every citizen, resident, and visitor can live, work, and play in a safe environment.

60. Madam Speaker, I am pleased to report that on December 6, 2024, our Government, through the Citizen Security Secretariat, unveiled the findings of our groundbreaking 90-Day Campaign Against Crime and Violence. The results speak volumes about the progress we are making in safeguarding our nation, with a significant 19% reduction in overall reported crimes and an impressive 66% decrease in firearm-related homicides. During the presentation, the Royal St. Christopher and Nevis Police Force provided detailed statistical insights, highlighting that reported crimes dropped from 306 in the second quarter of 2024 to 247 in the third quarter—a clear testament to the campaign’s impact. Furthermore, firearm-related offenses have also declined, with 13 illegal firearms seized so far this year. Most notably, firearm-related homicides saw a dramatic reduction, with only three such incidents during the campaign period, compared to an alarming average of three per month before the initiative. Madam Speaker, these results reaffirm the effectiveness of targeted, collaborative action and underscore our Labour Administration’s dedication to citizen security and building safer communities across our Federation.

61. Madam Speaker, our Government will continue to prioritize enhancing our Security Forces' skills in forensic crime scene analysis, crime detection and prevention, and equally important, cyber security. This includes expanding our use of artificial intelligence for predictive policing, integrating drones for surveillance, and improving our cyber defences. Investing in technology will enable us to stay ahead of evolving threats and ensure the safety of all citizens. We are strengthening our Closed-Circuit Television (CCTV) network through partnerships with the Government of the Republic of China (Taiwan) and The Cable to achieve island-wide surveillance. In 2025, we will fortify our existing camera systems with fibre-optic cable to increase the quality of image capture. This fortified surveillance network will provide the law enforcement agencies with real-time data, enabling them to monitor and respond to incidents more effectively. An important aspect of

the plan is for the security forces to further bolster the technological capabilities through the acquisition of new drones. These drones will enhance the surveillance capabilities around the clock, allowing for adequate monitoring of large areas. This will tremendously improve efficiency of the security interventions through increased detection and response to criminal activities. Further, in partnership with the United States Regional Maritime Awareness Capability team, we are in the process of establishing a Coastal Radar System. This system will provide critical surveillance of our coastal areas, helping to prevent illegal activities such as drug trafficking and unauthorized maritime entry. The technical survey results have already been completed, and we look forward to implementing this advanced security measure in the coming year.

62. Community partnerships will remain at the heart of our national security strategy. Madam Speaker, we recognize the importance of engaging our youth in positive activities. In July, the Security Forces United Football Club held its second Annual Crime Intervention Summer Soccer Camp, targeting young persons aged 7 to 17 years teaching them the significance of crime prevention efforts. This two-week camp, conducted by international football coaches and supported by the Government of St Kitts and Nevis, the Government of the people Republic (Taiwan), and the local private sector, provided our youth with valuable skills including conflict prevention and resolution, self-discipline, and mentorship. Further, in August, we witnessed the graduation ceremony for over 40 Sea Cadets who have successfully completed the 2024 Summer Sea Cadet Programme, marking an important milestone in their development. The two (2) weeklong camp, held under the auspices of the St. Kitts-Nevis Defence Force and Coast Guard, exposed young persons aged 12 to 18 years to skills in nautical terminology, swimming evolution, drills, first aid, extinguishing agents and fire-fighting, and basic navigation. The participants were also exposed to essential skills such as leadership, organizational skills, self-discipline, team building, respect for self and others, stress management, managing peer pressure, self-esteem and self-confidence. A similar camp was held in April from which 53 Sea Cadets graduated. We will expand our outreach programmes, enhance community policing efforts, and foster stronger relationships with local organizations. By working closely with the community, we can help to address the root causes

of crime and build a safer, more inclusive society, where every citizen's contribution is valued and can contribute to our security efforts.

63. Madam Speaker, our Government takes immense pride in the ELEVATE Programme and its transformative impact on participants and communities. Replacing the troubled Alternative Lifestyle Pathway Programme of the previous Administration, ELEVATE has empowered individuals to turn their lives around, with many now running successful small businesses and actively discouraging at-risk peers from following similar paths. In collaboration with the Department of Agriculture, the “Harvesting Hope” initiative was launched to engage youth in agriculture, marking the start of an empowering journey for participants pursuing skill development in this critical sector. ELEVATE participants have gained life skills and financial literacy training, equipping them with tools for personal growth, professional success, and active contribution to society. The programme’s impact was recently celebrated with the graduation of three former at-risk youths from the Advanced Vocational Education Centre (AVEC), who now stand as symbols of hope and resilience. By offering tailored support—including entrepreneurial skills training, career development, and personal growth opportunities—ELEVATE embodies our Labour Administration’s commitment to rehabilitation, empowerment, and inclusivity. We remain steadfast in fostering a society where every individual, regardless of their past, has the chance to contribute meaningfully to the nation’s progress, building a safer and more sustainable future for all.

64. Madam Speaker, one of the most pressing issues of our time is substance abuse and its devastating impact on individuals and their families. This issue takes a huge toll on any country but impacts could be devastating for small island states such as ours because it robs us of our human resource which is our greatest asset. The mission of this Administration is clear, that is, to prevent substance abuse through education, support, and community engagement. This year, we have outlined a comprehensive strategy that builds on our successes and addresses the evolving challenges we face with regards to substance abuse. Earlier this year, the Cabinet approved a new National Drug Policy. The National Drug Council has already commenced the implementation of the Drug Policy with training of 30 frontline workers through the Universal Prevention Curriculum Core Course. This programme

will equip participants with the skills to identify and address substance abuse in our communities.

65. Enforcement of the immigration laws and controlling our borders will continue to play a central role in the national security strategy. In November 2024, we issued our new digitally read E –passport, the first of its kind in the OECS and CARICOM region. The E-passport helps in the response to the ever-increasing need for heightened security measures in international travel. With the incorporation of electronic chips, e-passports can store biometric information, such as facial recognition data, fingerprints, and iris scans, making them more secure and harder to forge. Not only do e-passports enhance security, but they also facilitate faster immigration processing. They are compatible with automated border control systems, such as E-gates and self-service kiosks. These systems utilize the biometric data stored in the e-passports to authenticate travellers’ identities, further streamlining the immigration process; and significantly reducing the time spent in immigration queues.

66. Madam Speaker, an aggressive legislative agenda is one of the best indicators of good governance within a country. During 2024 alone, our Government passed a suite of legislation aimed at modernizing the legal underpinning for fighting crime, deterring violence and the overall management of the national security system. As a result of our endeavours, the following pieces of legislation were passed into law during 2024:

- ◆ **Firearms (Amendment) Act, 2024**
- ◆ **Justice Interference Prevention Act, 2024**
- ◆ **Offences Against the Person’s (Amendment) Act, 2024**
- ◆ **Anti-Smuggling of Migrants Act**
- ◆ **Immigration Amendment Act**
- ◆ **Voluntary Bill of Indictment Act**
- ◆ **Proceeds of Crime and Asset Recovery Amendment Act, 2024**

67. Madam Speaker, you can see from our legislative programme that we are serious about deterring illegal activity, particularly gang-related crimes, and closing loopholes in our judicial system. With the passage of the Firearms Amendment Act, we have substantially increased the maximum penalty for high-level firearm offences, such as the importation and possession of automatic weapons and offences involving shooting, from a maximum penalty of 15 years to

40 years of imprisonment and a fine of up to \$500,000. It also legislates the increase in penalty for other firearm offences, such as importation and possession of non-automatic weapons, from a maximum of 15 years up to 30 years and a fine of up to \$250,000. With the passage of the Offences Against the Person (Amendment) Act, the penalty for shooting with intent to murder moved from 10 years' imprisonment to a maximum life in prison sentence and a fine of \$500,000. A maximum life sentence also now applies to non-shooting attempted murder, up from 10 years in prison, while shooting with intent to cause grievous bodily harm increases from 20 years to a maximum imprisonment of 40 years.

68. The Proceeds of Crime and Asset Recovery (Amendment) Act will strengthen the country's legal framework for combating financial crimes and recovering assets obtained through illegal activities, disrupting and deterring criminal activities, especially in the face of challenges posed by the island's geographical location. This robust asset recovery structure will also strengthen the legal framework for international cooperation in the fight against money laundering, countering the financing of terrorism and other financial crimes, and empowering the Director of Public Prosecutions to apply for forfeiture and confiscation orders.

69. Over the years, we have observed a troubling increase in smuggling activities, and our Government is resolute in halting this alarming trend. To address this, we have introduced the Anti-Smuggling of Migrants Act, a pivotal measure designed to deter the illicit smuggling of migrants into St. Kitts and Nevis. This Act also aligns our national laws with the international Protocol against the Smuggling of Migrants by Land, Sea, and Air, which supplements the United Nations Convention against Transnational Organized Crime. In tandem, the Immigration (Amendment) Act reinforces these efforts by significantly increasing penalties for those who conceal, shield, harbour, or transport smuggled migrants into our Federation. Madam Speaker, these pieces of legislation are not just legal tools—they are critical safeguards for protecting our borders, ensuring national security, and upholding the safety, dignity, and human rights of every individual within our jurisdiction.

70. Madam Speaker, our Government is committed to reducing crime, enhancing safety, and empowering our people through education. To this end, we are launching a comprehensive cybersecurity certification programme to equip 100 nationals with critical skills in areas such

as network security, ethical hacking, risk assessment, and incident response, with plans to expand the programme to 200 participants in the future. This initiative addresses the growing need for skilled professionals to protect digital infrastructure and aligns with international standards, ensuring our citizens are competitive globally. By investing in cybersecurity education, we aim to diversify the economy, attract technology firms, and create high-paying jobs for our people. Implemented in collaboration with reputable educational institutions and industry experts, this programme strengthens national security, fosters innovation, and positions St. Kitts and Nevis as a leader in digital resilience in the region.

71. I will now turn attention to energy and water, two important aspects of our path forward to building inclusivity and sustainability in our social and economic landscape.

Energy

72. Madam Speaker, access to reliable, affordable, and sustainable, electricity supply, and associated utility services, is critical for achieving the Sustainable Island State Agenda. With the ambitious goal of generating 100 percent of our electricity from renewable energy by 2030 within reach, it is imperative that we continue to make strategic investments in our electrical utility infrastructure to ensure a seamless and uninterrupted transition. We are committed to maintaining continuity in the delivery of quality electricity services throughout this transformative process. To this end, the St. Kitts Electricity Company (SKELEC) has secured the necessary financing to undertake critical infrastructure upgrades that will sustain reliable electricity supply across the island. Over the medium term, SKELEC will enhance its engineering capacity, construct and commission an 18MW dual-fuel power plant, and procure a battery energy storage system to complement its operations. These investments represent a vital bridge, ensuring the stability of our energy supply as we advance towards our renewable energy objectives under the Sustainable Island State Agenda. This forward-thinking approach underscores our resolve to provide the energy security and sustainability that our people and economy demand.

73. Last year, I shared SKELEC’s plans to deploy smart grid technologies through the implementation of an Advanced Metering Infrastructure (AMI) network, featuring a state-of-the-art smart metering system. Madam Speaker, I am pleased to report that significant progress has been made, with the requisite NTRC spectrum license, communication infrastructure, and functional testing procedures successfully completed in 2024. This marks a pivotal step toward modernizing our electricity management systems and enhancing efficiency, reliability, and service delivery for the people of St. Kitts and Nevis. In the first quarter of 2025, the project will progress with the commencement of island wide smart meter deployment and is expected to be completed by the first quarter of 2027. The smart meter devices will help to incentivize energy efficiency and conservation, by providing an energy use monitoring platform that can deliver real time energy consumption information to consumers.
74. Madam Speaker, I want to also commend the work being done by our Energy Unit. In 2024, the Energy Unit made significant strides in fostering sustainable energy practices and enhancing energy security through the rollout of two pivotal initiatives: the Electric Vehicle Transition Policy and Action Plan, along with the Small-scale Distributed Renewable Energy Regulations. These efforts aim to promote clean transportation solutions and empower local energy production through renewable sources. In addition, in partnership with USAID, the Unit commenced the groundwork for formulating a comprehensive grid code. The grid code is essential for streamlining the integration of renewable energy into the main distribution system while enhancing the reliability and resilience of our energy infrastructure.

Water

75. Madam Speaker, the motto of the Water Services Department is, “Water is Life – Every Drop Counts”. This motto embodies the priorities of our Administration for the sustainable management of our water resources. While prioritizing increased water production to meet growing demands, we are equally committed to reducing water losses and unaccounted-for

water. This comprehensive approach is essential as we adapt to the realities of climate change, which has already demonstrated a disproportionate and adverse impact on our water sector.

76. The Water Services Department worked diligently in 2024 to develop new sources of water to provide a reliable and safe 24-hour supply of potable water to consumers. You will recall that with the help of the BEAD St. Kitts Ltd., a viable well was successfully identified in Cayon in 2023. Through diligent development and testing, this well was commissioned in May 2024, delivering a sustainable yield of 435,000 gallons per day—adequately meeting the current demand of approximately 350,000 gallons per day for the Cayon and Keys areas. Madam Speaker, we are immensely proud to have fulfilled this commitment, restoring a consistent 24-hour water supply to the communities of Cayon and Keys.
77. We will not rest on our laurels. Madam Speaker, I am further pleased to report on the progress of the new two (2) million gallons per day Desalination Plant to be constructed at the C.A. Paul Southwell Industrial Site, which is one of our transformative projects under our new Sustainable Economic Expansion and Diversification (SEED) initiative. In July 2024, our Government signed a contract with Royal Utilities 2003 Ltd. for the construction of the new plant. Construction and commissioning of the plant is expected to be completed by the third quarter of 2025 creating many jobs in the construction and operational phases. Once commissioned, this additional water would eliminate the need for water rationing in Basseterre. In addition, plans are well-advanced to engage a specialized company to conduct a Comprehensive Hydrogeological Assessment of the entire island. This critical initiative will allow us to identify new high-probability drill sites, paving the way for the development of approximately four (4) million gallons per day of additional groundwater through the drilling of 10 new wells across the island. Once these wells are successfully commissioned, combined with the Basseterre Desalination Plant, we will achieve our goal of restoring a 24-hour water supply to the entire island. However, Madam Speaker, while we work towards this ambitious goal, I urge all citizens to recognize the value of this precious resource. Let us commit, as a nation, to using water responsibly, practicing conservation, and adopting water-saving habits in our daily lives to ensure sustainable access for generations to come.

Information and Communication Technology

78. 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 decision making, and facilitates the ease of doing business within our Federation. Additionally, digital transformation can enhance worker productivity, which is a high priority for our Government.
79. Madam Speaker, in 2025, the Department of Technology intends to establish the foundation for a Digital Skills Academy within the Government service to encourage public officers to rethink their business processes and incorporate digital tools while encouraging greater collaboration and efficiency. We believe that this will ignite a culture of innovation and creativity across the public service and the country in general. We are also targeting the business community in this regard. Throughout 2024, the Department of Technology in conjunction with the OAS, the SBDC on St Kitts and SEDU on Nevis, has implemented training geared toward moving the operations of small businesses online. The imperative to promote online business operations was a lesson learnt during the COVID-19 pandemic.
80. Madam Speaker, our Whole of Government Technology Strategy and Cybersecurity system are critical parts of the framework to achieve digital transformation. The Strategy has prioritized various activities and programmes for implementation under three main categories: People, Processes, and Technology. In 2024, we reached an important milestone with the creation of the Digital Transformation Unit which would be instrumental in leading the charge forward to the creation of a digital economy here in St. Kitts and Nevis. Further, the deployment of our Whole of Government Technology Strategy is evident in the continual adoption of digital solutions to enhance delivery of various Government services.
81. In accordance with the Digital Transformation Strategy, one of the key outputs for the provision of digital services is the development of a Digital Identity ecosystem with a trusted framework.

This initiative will streamline processes, reduce fraud, and improve efficiency in areas such as delivery of social and financial benefits, electronic commerce, and financial transactions. By investing in our new Digital Identity system, we are establishing a solid foundation for a future where citizens and residents can access essential services, and participate seamlessly in the economy. Our Government through partnerships with the Republic of China (Taiwan) and ICDF contracted the International Integrated Systems Corporation to implement and launch a new Digital Identity Authentication Platform to support the Digital Identity Project. A key component of the new system is the Digital ID Card which will be provided to every citizen. In support of this initiative, our Government will ensure that we implement a robust data protection legal framework, increase our investment in Cybersecurity infrastructure, and establish clear governance frameworks for the Digital Identity system.

Environmental Sustainability

82. Madam Speaker, as part of our fervent dedication to environmental sustainability, our Government has approved a three-phased ban on single-use plastics (SUPs), specifically targeting t-shirt shopping bags and foam containers. Acknowledging the potential challenges for small businesses and consumers during this transition, we pledged to pair the ban with suitable tax concessions to support the adoption of more sustainable alternatives. To fulfil this pledge and ensure **more in your pocket**, we will implement a temporary waiver of the CET (Customs Duty) on approved environmentally friendly substitutes for single-use plastics. This waiver, effective from January 1, 2025, through December 31, 2026, will help businesses offset the higher costs of biodegradable or compostable options. It will also minimise the need for price increases, ensuring that the transition is both environmentally and economically manageable.

83. Madam Speaker, this initiative reflects our Government's determination to achieve a Sustainable Island State through circular economy principles. By encouraging the use of eco-friendly materials and providing financial relief to businesses and importers, we aim to accelerate compliance with this policy while preventing undue economic strain. These measures are designed to give businesses the time and support needed to adapt, ensuring economic

stability while fostering greener practices. Madam Speaker, this strategic action is not just an environmental milestone but a clear demonstration that St. Kitts and Nevis is leading the way in harmonising environmental objectives with economic progress, ensuring a cleaner future with **more in your pocket**, for all.

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

MEDIUM-TERM ECONOMIC MANAGEMENT STRATEGY

85. Madam Speaker, the world is changing and exogenous shocks have become a regular feature of our lived reality as a small island developing state. We therefore are adopting a comprehensive strategy for economic diversification in order to build economic resilience. Our goal is to build an economy that leverages both traditional strengths and new industries, particularly exploiting the opportunities for expanding the services, ICT and renewable energy sectors. In fact, the Sustainable Economic Expansion and Diversification (SEED) pillars outlined in the Sustainable Island State Agenda were identified to promote the transition of our country to high productivity within a service-oriented economy. This, we believe holds great promise for improved macro-economic and fiscal outcomes and improved living standards. Over the medium-term we anticipate that the implementation of major public and private sector projects will stimulate growth in the Construction and Tourism Sectors with spinoff activities in other sectors such as Wholesale and Retail Trade, and Transport, Storage and Communications. The 2025 Estimates therefore outlines the policies, programmes and projects that have been identified to nurture the SEED we have planted. We invite all citizens to join resources with the Government to facilitate sustainable growth and development from which a transformed St. Kitts and Nevis will emerge for the benefit of all.

Medium-Term Fiscal and Debt Outlook and Growth Targets

86. Madam Speaker, with respect to the anticipated fiscal outturn for 2024, based on data available as of October, we are projecting a total expenditure of \$916.5 million, surpassing revenues,

which are estimated at \$768.1 million. This revenue performance reflects a 22.6 percent reduction compared to the 2024 Approved Estimates, mainly due to a decrease in contributions from the Citizenship by Investment (CBI) Programme. However, this outcome is a direct result of strategic decisions aimed at safeguarding our nation's long-term stability and investing in critical priorities. This financial picture underscores the importance of our ongoing efforts to diversify the economy and build resilience against fluctuations in any single revenue stream.

87. Madam Speaker, the expenditure performance reflects our Labour Administration's commitment to investing in the well-being of our people and the future of our nation. Key investments include budgetary support to essential institutions like SKELEC, the payment of an 8.0 percent salary increase to Civil Servants, and the historic implementation of the Government's Contributory Pension Scheme for salaried workers employed after 2012 and all Government Auxiliary Employees (GAEs). Most notably, we have delivered on our long-standing promise to commence pension payments to retired GAE workers, recognizing their invaluable service to our nation. These measures demonstrate our commitment to advancing fairness, inclusivity, and long-term sustainability. We are proud to have delivered on these promises for the betterment of our people, putting **more in your pocket**.

88. Madam Speaker, as we advance our vision of innovation, inclusivity, and sustainability, our Administration remains steadfast in its commitment to prudent financial stewardship. Maintaining the country's debt at sustainable levels has been and will continue to be a priority as we chart a prosperous and resilient path forward. However, in pursuing our Sustainable Island State Agenda, we recognise that carefully considered financial agreements will be essential to unlocking sustainable and inclusive economic growth. Let me assure this Honourable House and the people of St. Kitts and Nevis that any financial arrangements entered into will be done with the utmost caution, ensuring minimal risk and securing the most favourable terms. Our commitment is to keep debt servicing payments manageable while strategically investing in the transformative development of our nation.

At the end of December 2024, the Total Public Sector Debt is projected at \$1.5 billion which represents a reduction of \$57.1 million or 3.6 percent as compared to 2023. The decline was as

a result of the Nevis Island Administration's (NIA's) debt which fell by \$25.8 million or 5.4 percent, the Central Government's debt which fell by \$18.8 million, or 3.0 percent and the debt held by the Public Corporations in both St. Kitts and Nevis which decreased by \$12.4 million or 2.5 percent. The medium-term outlook shows a continued reduction in the Debt-to-GDP ratio. By the end of 2024, the Debt ratio is forecasted to decline from 55.9 percent in 2023 to 53.4 percent; remaining below the 60 percent benchmark that was set for the Eastern Caribbean Currency Union (ECCU) ahead of the targeted year of 2035. All things being equal, the following years project a similar trend with a Debt-to-GDP ratio estimate of 51.8 percent by 2025, 48.4 percent by 2026 and 44.4 percent by 2027. The anticipated downward trend in Total Public Sector Debt positions our Government to seize emerging developmental opportunities in the years ahead, ensuring that we can invest strategically in the sustainable progress of our nation.

89. Madam Speaker, with respect to the performance of the economy, the Ministry of Sustainable Development is projecting real GDP growth of 2.5 percent in 2025 and 3.0 percent per annum over the medium term. The projected GDP growth rate is attributed mainly to the expected increase in economic activity in various Sectors including Agriculture, Construction, Hotels and Restaurants, Transportation, Storage and Communication, and Public Administration. Against this background, the Medium Term Fiscal Framework which spans the period 2025 to 2027 was developed by the Ministry of Finance to guide the preparation of the 2025 Estimates. The Framework establishes the Government's fiscal strategy that would focus on improving the management of Recurrent and Capital Expenditure, cost recovery for selected government services and implementing tax policy reforms to ensure a more equitable and efficient tax system. The fiscal policy priorities will also target public investments such as in renewable energy and water infrastructure which are critical to achieving sustainable socio-economic development. 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 Deficit of \$28.5 million for the 2025 fiscal year and a surplus of \$28.7 million over the medium term. Recurrent Revenue is projected to be approximately \$1.04 billion for 2025 and \$1.05 billion over the medium term. The amount for Recurrent Expenditure would likely reach \$885.0 million for 2025 and an average of \$892.4

million over the period 2026 to 2027. We are also projecting \$209.7 million for Capital Expenditure and Net Lending in 2025 while over the medium term, outlays are anticipated to average in the region of \$104.9 million.

Fiscal Prospects

90. Madam Speaker, today we present for debate in this Honourable House the 2025 Estimates totalling \$1.127 billion with Recurrent Expenditure totalling \$885.0 million and Capital Expenditure totalling \$209.4 million. Madam Speaker, I will now present some highlights of the allocations being proposed for fiscal year 2025.

91. The Ministry of National Security, Citizenship and Immigration continues to perform its role cognizant of its ever-increasing responsibility in ensuring citizen security which is vital in transitioning to a sustainable island state. In 2025, policies will be reviewed to improve efficiency and the revision of the Immigration and Citizenship Acts will be prioritized to ensure relevance. In support of the efforts of this Ministry, a Recurrent Budget of \$85.6 million has been proposed for 2025; an increase of 7.9 percent when compared to 2024. Investment will continue to build critical security infrastructure, and procure equipment and supplies totalling \$10.1 million. Major initiatives that will be supported include the Safety and Security Improvement Program, the Refurbishment of Police Stations, the Closed-Circuit Television (CCTV) Surveillance and Traffic Management System, the Relocation of the Traffic Department, the Purchase of Vehicles and Equipment for Fire Services, the Demolition of the existing Fire and Rescue Services Facility, and the Disaster Resilience Improvement Project.

92. Madam Speaker, we are proposing that the Ministry of Social Development and Gender Affairs receives an allocation of \$41.7 million for its Recurrent Expenditure representing a 1.2 percent increase when compared to 2024. A total of \$2.0 million is proposed in support of capital projects which include the Upgrade of Community Centres, Construction of the

New Administration Building for Social Development and Gender Affairs, and the New Horizons Upgrade and Enhancement Projects.

93. To achieve the stated objectives for the Agriculture Sector, a total of \$19.4 million is proposed for the Ministry of Agriculture, Marine Resources and Fisheries to facilitate Recurrent Expenditure, a 4.8 percent increase when compared to 2024. Capital Expenditure totalling \$14.9 million is proposed representing a 58.7 percent increase when compared to the resources allocated in 2024. The investment will continue to facilitate the Upgrade of Small Farmers Machinery Pool and Agricultural Mechanization; the Bayford's Livestock Centre of Excellence; the Agricultural Support Project; the Greenhouse Villages and Storage Facility; the Purchase of Equipment for the Veterinary Laboratory; Cannabis Research and Development, the Rehabilitation of Old Road and Dieppe Bay Fisheries Complexes; and the Improvement of Fisheries Management Project, as well as the Pest Control Programme. Efforts to foster collaboration with private sector partners will be pursued.
94. Madam Speaker, the Ministry of Tourism, Civil Aviation and International Transport will prioritize sustainable practices across all tourism operations focusing on conservation, renewable energy and responsible tourism development. Cognizant that diversification within the Sector is critical to its appeal, in 2025, our Government will properly establish the Eco-Park as a Unit under the remit of the Ministry of Tourism. This will allow for renewal in its operations and maintenance of its environment for the benefit of citizens, residents and visitors. Recurrent Expenditure totalling \$53.3 million is proposed for 2025; a 92.7 percent increase when compared to 2024. To complement the identified strategic actions, a total of \$10.2 million has been proposed for capital investment. Major initiatives such as the Coastal Erosion Mitigation and the South Frigate Bay Beach Enhancement will continue to provide improved beach and social amenities. Work is expected to commence on the Refurbishment of the Pelican Mall – Phase II and the Caines' Food Village Projects in 2025.

95. As it relates to the Ministry of Public Infrastructure, Energy, Utilities and Domestic Transport, a total of \$25.6 million is proposed under Recurrent Expenditure representing an increase of 6.0 percent when compared to 2024. These resources will be used to facilitate the recruitment of critical technical personnel to further strengthen the capacity of the Ministry. In 2025, significant investment will continue to improve access to resilient public infrastructure and utilities. To this end, a total of \$79.1 million is proposed for Capital Expenditure representing an increase of 28.2 percent when compared to 2024. These resources will support the implementation of high impact projects such as, the Construction of the Coastal Area Revetment as efforts will commence to stabilize the Fortlands cliffside; the Road Improvement Project which continues to facilitate access to new communities; Slope Stabilization; Well Drilling and Extension of Water Lines; the Construction of Reservoirs; and the Construction of the Basseterre Desalination Plant. Resources will also be budgeted to procure additional heavy equipment for the Public Works Department with particular attention given to the upgrade of equipment at the Quarry.
96. It is proposed that in 2025 the Ministry of Education be allocated Recurrent Expenditure totalling \$107.5 million; an increase of 10.5 percent when compared to 2024. In reference to Capital Expenditure, it is proposed that the Ministry of Education be allocated \$12.9 million; an increase of 21.9 percent when compared to 2024. These resources will support the continued efforts to ensure that our schools are safe, secure and conducive to learning. Major initiatives that will be pursued in 2025 include the Upgrade of School Bathrooms, the Reconstruction of the Joshua Obadiah Williams Primary School, the Construction of the New Basseterre High School, the Secondary School Electrical Upgrade – Phase 1, the Washington Archibald High School (WAHS) Bathroom, Roof and Window Renovation and the Advanced Vocational Education Centre Enhancement Projects. The Ministry will also continue efforts to enhance the information technology connectivity in schools through the Enhanced Education Network Project and undertake the purchase of additional furniture for the various schools and a school bus to ensure the safe transport of our children to and from school.

97. Madam Speaker, the Ministry of Health is cognizant that it must remain agile and strategic as it charts the course forward to modernize the Health Sector. The provision of quality secondary health care requires that critical specialists and other medical personnel continue to be recruited to provide the services required. In support of these efforts Recurrent Expenditure totalling \$86.8 million is proposed for the upcoming year, reflecting a 9.5 percent increase when compared to the 2024 Estimates. A total of \$17.6 million has been proposed for the 2025 fiscal year to continue capital investment in a number of projects including, the Construction of the St. Peter’s Health Centre, the Health Sector Improvement, Purchase of Medical Equipment and the Construction of the New Smart Hospital Project.

Fiscal Measures and Other Strategic Interventions

98. Madam Speaker, the experiences of the past year have made it abundantly clear that reforming our Citizenship by Investment (CBI) Programme was not only necessary but the right and timely decision. As we have seen elsewhere, failure to address vulnerabilities in such programmes can have dire consequences. Other small island nations, with similar citizenship programmes, have faced the devastating loss of visa-free access to Europe and other territories, due to lax oversight and mismanagement. Our Government took decisive action to reform our CBI Programme, ensuring its compliance with international standards, safeguarding St. Kitts and Nevis’ reputation, and protecting the precious benefits of visa-free travel for our people. Significantly, our CBI programme ranks #1 in the world for 2024.

99. These reforms also highlighted the need to diversify our economy, which had become overly reliant on a single industry—the CBI Industry. Madam Speaker, we remain resolute in our efforts to recalibrate our fiscal strategy, prioritising sustainable revenue generation and prudent expenditure control to secure long-term economic stability. Diversification is not just an aspiration—it is a necessity to build resilience and reduce vulnerability to external shocks.

100. To this end, Madam Speaker, we will implement a robust strategy to enhance tax compliance and ensure that the Government collects the revenues required to support the

programmes and projects outlined in the 2025 Estimates. The National Audit Office confirmed that at the end of 2023, total arrears amounted to \$160.9 million, with approximately \$131.8 million due for collection by the Inland Revenue and Customs and Excise Departments. Addressing this issue will involve a mix of administrative reforms and efficiency measures, designed to close loopholes, curb tax evasion, and establish a culture of accountability. Through these measures, we will strengthen our revenue base while staying true to our vision of innovation, inclusivity, and sustainability.

101. The Government agrees with the Director of Audit that greater effort is needed to collect the substantial arrears in revenue. Our attempts to support this revenue collection drive will be supported by the reinstatement of a functioning Income Tax Appeals Commission and a Property Tax Valuation Review Board. This will add support to the work of the Inland Revenue Department and sharpen the mechanisms to ensure that taxpayers are informed of their rights, obligations and the various appeal procedures and penalties for non-compliance with the relevant tax legislation. The expected outcomes of reactivating these two boards are that taxpayers across St. Kitts and Nevis will have access to all levels of tax appeals specified in the law, more timely resolution of income tax and property tax disputes, increased compliance with the requirements to pay income tax, and house and land tax. It is hoped that this will help to build the confidence of taxpayers and the general public in the tax system and encourage taxpayers to honour their legal obligations to pay their taxes when they become due.

102. Madam Speaker, this Labour Administration believes that there is scope for creating a tax system that is based on equity and efficiency. This will feature prominently in the tax reform initiatives that would be pursued over the medium term, starting in 2025. Special attention will be placed on the administration and collection of taxes by revenue agencies in order to improve effectiveness and overall performance. Our initial assessment also suggests that it would be beneficial for our tax authorities to adopt more efficient and modern institutional arrangements in their operations. For example, our research has revealed that in order to maintain a fair tax system, Amendments would be required to the VAT Act to modernise it and ensure equitable contributions across all sectors including the

rapidly growing digital economy. Further information on this and other aspects of the comprehensive tax reform programme will be forthcoming as part of our consultation with economic partners and the general public during 2025.

103. Madam Speaker, reports from our revenue collection agencies, such as the Inland Revenue Department, indicate that we have achieved record tax collections across various tax groups, even as we work to address the arrears previously mentioned. This success has been bolstered by the launch of Inland Revenue Department's new and modernised tax administration system—SMARTS (Smart Modernised Administration for Revenue and Taxation System)—which is now live and providing simplified, efficient services to taxpayers. With online tax filing and payment, real-time updates on tax transactions, enhanced security and data privacy, and easy access to tax forms and documents, SMARTS is revolutionising the way our citizens interact with the tax system. Likewise, the Customs and Excise Department is working diligently to streamline and digitise its services, further enhancing efficiency and ease of use for the public.

104. As the Minister for National Security, I want to emphasize the Government's commitment to also strengthen border security with the implementation of an Electronic Travel Authorization (eTA) System in fiscal year 2025. As we strive to secure our borders and facilitate safe, seamless travel, it is imperative that we embrace modern solutions that align with global best practices. An Electronic Travel Authorization (eTA) System is a digital tool that allows travellers to seek authorization to enter a country through designated ports before their arrival. This initiative is expected to boost the local economy which thrives on tourism activities by facilitating ease of travel to St. Kitts and Nevis.

105. Madam Speaker, the rapidly changing global landscape requires us to adapt and innovate to ensure that our borders remain both secure and accessible. The implementation of an eTA system in St. Kitts and Nevis will no doubt provide a modern and efficient solution to achieve this important balance of security and accessibility. With this system, we can create borders that are secure yet welcoming and protective but open to global opportunities. We therefore look forward to the full operationalization of the eTA system at our ports of entry in 2025.

106. Madam Speaker, social security is a fundamental pillar of economic security and social stability for our people. It provides support during times of need and ensures dignity in retirement. However, population ageing and increasing longevity is placing financial pressure on social security systems globally. The Social Security Board (SSB) has been making strides in diversifying its revenue streams as its portfolio includes short-term bank deposits, Government T-Bills and Bonds, equities and real estate.

107. To preserve the financial balance of the Social Security Fund and protect intergenerational equity, the Social Security Board will embark on a comprehensive reform of the system. At this stage, the Board has presented a set of recommendations for reform, which are still under consideration and have not yet been finalised. These recommendations include the following:

- ◇ Increasing Pensionable Age to age 65;
- ◇ Increasing the number of contributions to qualify for aged pension from 500 to 750 contributions);
- ◇ Method of calculation, i.e., using a contributor's best 7 years instead of the best 3 years out of the last 15 years;
- ◇ Maximum Pension of \$3,900 (60% of \$6,500), which would be in line with that of other regional states;
- ◇ Maternity Benefit consideration to increase to 14 weeks in line with recommendations from the International Labour Organization;
- ◇ No pension for contribution avoiders; and
- ◇ Introducing Unemployment Benefit.

108. To continually enhance the socio-economic well-being of our workers, our Government moved to enact pivotal legislation to increase the minimum wage effective January 2024. We also made important amendments to the labour legislation to exempt minimum wage earners from paying the Housing and Social Development Levy, providing critical financial relief and better safeguarding the livelihoods of the lowest-income workers. This

underscores our dedication to improving the economic welfare of citizens and advances our efforts toward Sustainable Development Goal 1: No Poverty.

Jobs: Building Opportunities for All

109. Madam Speaker, in a small island developing state like ours, creating jobs is not just about economic growth—it is about strengthening stability, reducing poverty, and building resilience against external shocks. This Government has worked diligently to foster an environment where job creation thrives, ensuring opportunities for our people across multiple sectors. As of June 2024, the monthly average number of jobs in St. Kitts and Nevis reached 26,559, reflecting a 0.6% increase compared to the same period in 2023 and marking the highest number of jobs recorded since before the pandemic—a clear testament to our dedication to empowering the workforce. In 2025, the job market is set to expand even further with opportunities in agriculture, including the launch of the TABASCO® Hot Pepper Project; in construction, with major projects such as the new Basseterre High School, the new JNF General Hospital, the Climate-Smart Homes Initiative, and hotel developments like the Ritz-Carlton. Additionally, with over 1 million cruise tourists expected and increased airlift from regional and international markets, tourism sector jobs will continue to grow. Furthermore, our cybersecurity certification programme, which will initially equip 100 nationals with critical digital skills, expanding to 200 participants in the future, will create opportunities in the digital economy as part of our digital transformation strategy. Madam Speaker, this Labour Administration is committed to ensuring that our people not only find work but thrive in sustainable, high-quality jobs that contribute to the growth and prosperity of our Federation.

Cost-of-Living: Easing the Burden on Our People

110. Madam Speaker, this Government is acutely aware of the rising cost of living and the significant challenges it presents to our people. That is why, throughout 2024 and even earlier, we have implemented and continue to deliver a comprehensive suite of measures to ease financial burdens and ensure **more in your pocket**, especially for essential goods and services. These measures include the Independence 40 Resets for housing, water, and electricity arrears; the unprecedented payment of two CBI Dividends to our people—the first time in the history of the St. Kitts and Nevis CBI Programme; an 8% salary increase for Civil Servants and Pensioners; multiple workers’ bonuses; and the historic implementation of pensions for Government Auxiliary Employees (GAEs) for the very first time. Additionally, we delivered a 39% increase in the national minimum wage, a 37% increase in pension payments, and a 16% increase in the minimum age pension. Madam Speaker, we have also provided significant subsidies to cushion the costs of essential utilities, such as the Fuel Variation Charge (FVC) for residential customers, Liquefied Petroleum Gas (LPG) (commonly referred to as “cooking gas”), and the Fuel Excise Tax. These initiatives reflect a government that cares deeply for its people—a government that is working tirelessly every day to reduce the cost of living, despite external challenges like global conflicts and economic pressures beyond our control. Madam Speaker, we are committed to ensuring that no citizen is left behind as we navigate these turbulent times together.
111. In this regard, a Cost-of-Living Task Force was established in 2023 to analyse the situation and provide evidence-based strategies that could further reduce the cost of living for our citizens and residents and seek to more proactively manage external shocks that could negatively impact the affordability of imported goods and services.
112. Madam Speaker, this Labour Administration has honoured its campaign pledge to increase the national minimum wage to \$500 per week, placing **more in your pocket**. On January 1st this year, our Government raised the minimum wage from \$360 to \$430 per week, with a further increase to \$500 per week scheduled for July 1, 2025. Alongside these wage adjustments, we are taking additional steps to ensure a balanced and equitable labour environment. These include the establishment of a National Productivity Council to implement a productivity matrix and the commencement of a comprehensive review of the

Labour Code, Labour Laws, and related legislation to promote the empowerment, protection, and rights of workers. At the same time, we recognize the challenges faced by micro and small businesses, particularly in managing the increased costs associated with higher wages. To support their sustainability, we will prioritise these businesses as primary beneficiaries of the STEP Programme, ensuring they have access to resources that help them adapt and thrive amid these changes.

113. Madam Speaker, our Government is serious about enhancing affordability and building economic resilience for our people, ensuring **more in your pocket** as we advance our Sustainable Island State vision. I am therefore pleased to announce that the Building Materials Reset Programme will be extended for one more year, up to December 2025. This Programme effectively expanded the First-Time Homeowners Programme to include duty free concessions and a reduced VAT rate of 13 percent on building materials for new construction and renovation of existing homes up to a value of \$500,000. I urge all first-time homeowners to utilize this programme as far as possible to ensure the achievement of your own.

114. Madam Speaker, our Government is dedicated to easing the financial burden on our people. I am pleased to announce a significant measure to provide immediate relief. For the first six months of 2025, the Value Added Tax (VAT) will be reduced from 17% to 13%. This **VAT Relief Holiday** will ensure **more in your pocket**, empowering families to better manage their expenses while maintaining their quality of life. To safeguard these savings, our recently passed Consumer Protection Act, and other relevant laws, will allow for strict monitoring of businesses to prevent price gouging or unfair practices. This Government remains purposeful and unyielding in our commitment to fairness, affordability, and protecting the interests of all citizens.

115. Madam Speaker, as part of our broader strategy to tackle the globally high cost of living, I am proud to announce the launch of the **Budget Boost Wallet**. This initiative will provide direct financial relief to eligible individuals earning \$5,000 or less per month, by offering \$250 per month for the first six months of 2025. These funds can be used for essential expenses, including groceries, household items, and utility bills. This programme will inject

over \$33 million into the hands of our people over six months, ensuring **more in your pocket** to help meet daily needs and reduce financial stress. This is not just a programme of assistance; it is a statement of our Government's firm commitment to prioritising the well-being of our citizens and ensuring that no one is left behind.

116. As a caring Government, we believe it is only right to give back to you, the people, to help ease the burden of rising living costs and put **more in your pocket**. That said, Madam Speaker, I must also implore our citizens to adopt prudent financial practices wherever possible. This includes budgeting wisely, saving diligently, investing strategically when opportunities arise, and making informed choices—from the supermarket shelves to online retail stores. While our Government is committed to supporting our people during these challenging times, we cannot do it alone. Together, we must adjust and adapt to the realities of global inflation and the high cost of living, building resilience as a nation.

CONCLUSION

117. Madam Speaker, at this juncture, a number of essential questions come to mind which we must contemplate as stakeholders in the development of our Federation. In a world of increasing uncertainty and exogenous challenges, we must continually seek to expand and diversify our economy and reduce our reliance on any one industry. This is an important tenet for our Sustainable Island State Agenda which identifies Sustainable Industry as one of its strategic pillars. We must continue to collaborate with all stakeholders to explore opportunities that will allow us to diversify our economy by increasing the production of goods for export and expanding the Services Sector. I want every citizen and resident to therefore wholeheartedly embrace our Sustainable Island State Agenda. We must individually and collectively seek to discover the specific actions that would enable us to actively contribute to the achievement of our goals in the shortest time possible.
118. The current trends in Government expenditure also present a good opportunity to build consensus on the appropriate size of the Government and its expenditure patterns. It is time

for us to have a serious conversation about sustainable financing for Government operations, the magnitude of the wage bill, public assistance and extent of the Government subsidies. Another important issue for us to contemplate as we plan for the new fiscal year, is what will it take for us here in St. Kitts and Nevis to not only achieve the growth numbers that have been estimated by the Ministry of Sustainable Development but also how do we double that growth? We must set our sights higher and reach for the stars. How can we work together to raise the bar and at least double the three (3) percent projected growth rate to six (6) percent over the medium term? Furthermore, it is acknowledged that the Public Sector continues to play a significant role in contributing to growth in the domestic economy. The Statistics Department confirms that Public Administration directly contributes approximately 10 percent to GDP annually. This suggests that there is room to promote private sector development so that private enterprise can contribute more and is firmly established as the primary engine of growth in the economy.

119. Madam Speaker, our Labour Administration believes that small and medium sized enterprises are key to the expansion that we seek in the Private Sector. In addition to the work currently being undertaken by the Ministry of Small Business and Entrepreneurship, the St. Kitts-Nevis-Anguilla National Bank recently launched its “Banking on Small Business” programme designed to provide concessionary, tailor-made business flex loans to entrepreneurs. I must commend the Bank for this important contribution. This type of investment aligns with our transformation plan to encourage a greater share of private sector involvement in the economy. I also commend the St. Kitts-Nevis-Anguilla National Bank for partnering with the Eastern Caribbean Partial Credit Guarantee Corporation (ECPCGC) to foster an important avenue for improving business access to financing. Through this partnership, businesses can qualify for up to an 80 percent guarantee to secure financing. There are three Guarantees available: (i) Classic Guarantee – Maximum Loan Amount \$300,000, (ii) Working Capital Guarantee – Maximum Loan Amount \$200,000, and (iii) Start-Up Guarantee – Maximum Loan Amount \$100,000. I therefore encourage other financial institutions to partner with the ECPCGC and at the same time, challenge all our MSMEs to investigate and capitalize on this initiative to transform their business and by extension, the economy.

120. Madam Speaker, in our short existence as an independent Nation, we have developed meaningful and proven systems that have served us well. These would include our CBI program, our Universal Education System and our Social Security System. Looking ahead, it would be important for us to continue to adopt sustainable Public Financial Management policies and practices that would promote innovation and inclusive growth without eroding the tax base. I would be one of the first to admit that reshaping an economy is no easy task, but the future of our country will depend heavily on our ability to successfully implement our Sustainable Island State Agenda. I firmly believe that this is within our reach. Let us go for it, together!

121. Madam Speaker, please allow me to extend heartfelt thanks to the many men and women who dedicate their service to the building of our Nation. Special thanks to the staff of the Ministry of Finance for their hard work and commitment to ensuring that we can consistently present a credible budget within the timeframe set by our Constitution. Today, I have provided you with the highlights of the economic affairs in the country and the plans, programmes and projects that we have carefully determined to pursue in order to move us forward to the attainment of our developmental goals. My Parliamentary colleagues on this side [Government side] of the House will provide much more details on our plans for 2025 and beyond. I therefore invite you to stay tuned for the full debate over the next few days.

122. Just over two years ago, on August 13, 2022, I stood before this nation for the first time as your Prime Minister during the swearing-in ceremony of our Cabinet. On that day, I gave you my personal guarantee: that I would always be honest with you about the challenges we face and the opportunities we must pursue together. Madam Speaker, good people of St. Kitts and Nevis, **I stand here today to reaffirm that promise and to declare with confidence that the state of our economy is strong—and growing stronger every day under the leadership of this St. Kitts-Nevis Labour Party Administration.** You entrusted me and my team to lead this great Federation, and together, we have delivered—and we will continue to deliver—for every citizen, every community, and every generation. Whatever challenges may come—whether man-made or natural—we will face them as one people, together, proud and strong. Together, we will overcome every obstacle, build upon

every success, and shape a future that is brighter, more inclusive, and more sustainable than ever before. Madam Speaker, our journey is far from over, and our best days are yet to come.

123. I remain the humble Servant of the people.

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