



Health and Security

- Pillars for Sustainability



Budget Address

2023/2024
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Hon. Philip J. Pierre
Prime Minister

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Health and Security – The Pillars for Sustainability

Introduction

Mr. Speaker, as I deliver my 2023/2024 Budget Address, we as a country have good reasons to celebrate because of the economic gains we have made notwithstanding the external challenges and concerns about citizens' security. In my maiden address last year, I reminded this House and the people of Saint Lucia of who we are, and what we stood for. Mr. Speaker, we have remained true to the principles that have shaped - who we are and what we stand for, and have served us well: inclusiveness, accountability, equity, meritocracy, and the rule of law. These principles, thankfully, have enabled us to protect the people of Saint Lucia from the tidal wave of corruption, wastage, and inefficiency, which had threatened to destroy our country until redemption day, July 26, 2021.

Mr. Speaker, in planning for the growth and sustainability of our country there are certain foundational imperatives we must get right. The challenges of the day have informed the strategic choices of my government. Choices that seek to secure a better life for our people. The strategic choices for the 2023/2024 budget will focus primarily on three areas: health, national security, and economic sustainability, the theme for this year's budget.

Mr. Speaker, as a government, our first responsibility is to ensure the

safety of our people and their access to quality and affordable health care. The growth of a nation can only be powered by its people, who must be in good health if they are to be productive citizens.

The ugly face of violent crime has been visited upon us, and while it is mainly localized, we cannot ignore the danger of contagion. This is why we must address it swiftly and decisively. We have and will continue to empower law-enforcement with tough legislation in the battle against crime. As a society, we need to do more to discourage the glorification of crime and to help our people develop respect for human life. Crime must not be allowed to find fertile ground in our homes, places of business, and recreational spaces. We must be of one mind in the fight against crime otherwise it will, before long, destroy all of us.

Mr. Speaker, as it relates to health care, the neglect and wastage of resources in the provision of health care during the last administration has left this government with a mammoth task. The citizens of this country deserve a much better health care system, and this government has committed itself to ensuring they get it. Our primary and secondary health care systems will all be improved over time. High on the government's agenda is the completion of St. Jude Hospital and improvements to the operations and provisioning of OKEU Hospital. Our success in pursuing these strategic choices will require sound and prudent management of the country's financial resources and contributions from everyone. Already, we have been experiencing improvements in the country's fiscal position arising from initiatives

we took last year. We shall in 2023/2024 continue with some of these initiatives, while we adopt new and innovative ones.

Mr. Speaker, the economic signs are clear: our country is on a growth trajectory and every effort is being made to keep it so.

Mr. Speaker, we must be reminded that it was this government who was tasked with the handling of the Delta and Omicron variants and the full reopening of the country, having dispensed with all Covid protocols. And it was this government that had to grapple with the global effects of the Ukraine War, inflation, supply chain issues, and more importantly the human and psychological fall-out from the Covid virus on our people.

As if the challenges were not enough, we had to deal with inflationary pressures from outside driving food and fuel prices to very high levels. The price of crude oil reached a high of \$123 per barrel, the second highest on record.

Not to be outdone by the external negative influences, the last administration embarked upon a reckless accumulation of unnecessary debt, leaving the majority of Saint Lucians feeling marginalized. This was the environment we inherited on July 26, 2021.

Mr. Speaker, the economy was in reverse with a contraction of over 20%, and nearly \$4 Billion in debt. Investment was at a standstill with

not one hotel built in five years. Mr. Speaker, the cancer of corruption was spreading and spreading fast into our institutions. Over \$300 million was spent on St. Jude Hospital with no hope of a reprieve for patients housed in deplorable conditions in a stadium. An airport overpriced and oversized, threatening to engulf the country into a further \$1 Billion of debt. The country's socio-economic dashboard was flashing, life-threatening danger ahead.

Mr. Speaker, eighteen months later, we are experiencing a well-spring of economic growth, unemployment is trending in the right direction and there is a renewed feeling of hope in the country. We cannot, now, allow this renewal to be dampened by threats to our citizens' security; we must, therefore, fight to keep our country on track and continue with the transformation that has begun. We have the people to do it. This budget will seek to reinforce those pillars for the continued renewal and transformation of our country.

Mr. Speaker, this government continues to be guided and inspired by the philosophy and values of the founding fathers of our great party - the St Lucia Labour Party - to open doors of opportunity for every Saint Lucian, irrespective of their social and economic standing in the society. Our party originated from the bosom of the labour movement and has consistently served the best interest of the workers in this country.

We must continue to build a society where free enterprise can flourish. And that the rights of workers are protected, and they can get a fair

day's wage for a fair day's work. We must build a society where meritocracy and inclusion are valued and embraced as basic principles for progress and development.

Mr. Speaker, to ensure equality and fairness, the Minimum & Equal Wage Commission is currently formulating a livable wage for workers in Saint Lucia. All sectors including the private sector will be consulted, and an appropriate announcement will be made soon.

Mr. Speaker, we expect to commence negotiation with public officers in an amicable and realistic environment at the earliest possible.

Mr. Speaker, this government continues to build and gain the trust of the people by delivering on its promises. In my last budget, we promised and delivered:

- Paid Facilities Fees for 24,000 primary and secondary school students;
- Procured 10,000 electronic devices for students under the one-laptop per-child program;
- Made available 1200 MIFI devices to households to assist students with distributed learning;
- Paid CXC Maths and English fees for all secondary students;
- Secure low-cost ICT services for income households at \$20.00 per month, for 5000 households;

- Provided bachelor's degrees scholarships in keeping with the policy of one university graduate per household;
- Allocated \$7 million to the Home Care Program to secure care for the elderly;
- Provided an additional \$10 Million to the Ministry of Equity, to provide social assistance to the needy;
- Subsidies the price of fuel, flour, and rice;
- Paid \$18.3 million in back-pay to public servants during the fiscal year.
- Paid severance of \$4.4 Million to 47 former employees of LIAT (1974) LTD;
- Paid long outstanding termination benefits to 196 former employees of Majestic Industries LTD (\$10,000 each)
- Paid Government pensioners a one-off payment of \$500 each last year;
- Effective January 01, 2023, all workers earning up to \$25,000 annually pay no income tax. Over 10,000 workers pay no tax on their income;
- A 4.2% increase for NIC pensioners;
- Paid \$800,000 in flood relief to households affected by the November 6 weather event;
- Launch the MSME Loan-Grant Facility of \$10 million in grants and loans to micro, small, and medium businesses.
- Launch the Youth Economy was launched providing training, marketing, finance, and mentorship to youth entrepreneurs;

- Provided \$1Million to re-instate the Distress Fund

International Economies

Mr. Speaker, as an open economy, we are unavoidably affected by what takes place in the international community. Therefore, in preparation for this budget, we remain mindful of events and developments taking place in the wider environment.

Mr. Speaker, despite the re-opening of the larger economies, global economic growth was estimated to have fallen sharply from 6.2 percent in 2021 to 3.4 percent in 2022. This global economic decline has been occasioned by the war in Ukraine, the Covid-19 lockdowns in China, and more recently the dramatic collapse of a few significantly-sized banks.

Mr. Speaker, the attendant consequences of some of these global events brought with it unprecedented levels of inflation in 2022.

Mr. Speaker, we also witnessed coordinated monetary policy tightening by major Central Banks in their fight to curtail rising inflation. The rise in interest rates over a short period has had the effect of eroding the balance sheets of many financial institutions, with the threat of contagion within the international financial system.

Mr. Speaker, growth in our major tourism source market, the USA, has slowed from 5.9% in 2021 to 2% in 2022. The rise in headline inflation

prompted the Federal Reserve to increase interest rates seven (7) times bringing it to a high of 5% in March 2023, the highest level in 15 years.

Notwithstanding those interest rate rises, inflation in the US remained stubbornly high averaging at 8.1% in 2022 and peaking at 9% in June of that same year.

Mr. Speaker, the encouraging news though is that the growth in jobs in the US in 2022 was 4.5 Million, the second strongest on record.

Mr. Speaker in the case of Canada, an important tourist market, its economy proved resilient in 2022, registering a growth rate of 3.5 percent in 2022, though lower than that in 2021 (5%).

The United Kingdom's economy grew by 4.1 percent in 2022, a decline from 7.6 percent in 2021. However, the UK economy remains the only major advanced economy that has not fully recovered to its pre-pandemic level. Amid political uncertainty, fears of a recession, and runaway inflation, the British pound fell in value to its lowest level in decades in late September, approaching parity with the US dollar, until a partial recovery in 2023.

Regional Economies

Mr. Speaker, I now, come to the regional environment. The CARICOM region experienced a more vibrant pace of economic recovery from the COVID-19 pandemic. Estimates show that most CARICOM territories

recorded positive economic growth rates in 2022 driven by strong performances in Guyana's emerging energy sector and the continued rebound in tourist arrivals in tourism-dependent economies since the lifting of COVID-19 restrictions. Guyana, Saint Lucia, and Barbados recorded the highest growth rates, and Saint Lucia recorded the second-highest growth rate after Guyana.

Domestic Economic Situation

Mr. Speaker, I am sure you have heard the rumormongers and the prophets of doom that the economy is in a state of decay and facing economic ruin.

The opposition predicted financial chaos with a government unable to pay its debts and public servants' salaries. Mr. Speaker, of course, disappointingly for them, none of this has happened, even in a difficult external environment of global inflation, war in Ukraine, Covid, and rising international political tensions.

Notwithstanding a challenging external environment, I am pleased to report that the economy of Saint Lucia is projecting real GDP growth of 18.1% in 2022. This is following a growth of 12.2% in 2021. Mr. Speaker this 2022 performance was reflective of strong performances in all sectors of the tourism industry, and growth in manufacturing and the agricultural sector of 11.4% and 9.8% respectively.

The developments in the accommodation sector and restaurant sub-sector were the largest contributors to the 2022 real growth of 18%.

The accommodation sector grew by 58.5% and contributed 18.2% to the total GDP. Of the 18.2% growth recorded in 2022, 10.8 percentage points were from accommodation and food services. Tourism grew by 58%. Stayover arrival of 78.7% while cruise arrivals increased by 273.8 %. These developments were due to the removal of all COVID protocols in September of 2022, growth in the number of cruise passengers, and strategic and targeted marketing initiatives in North America and the UK.

The second largest contributor to growth was wholesale and retail activity. This sector grew by 23.7% and contributed 10.6% of the total real GDP. Growth in the sector represented 2.52 % of the 18.2% growth.

Telecommunication services were the third largest contributor to the 2022 GDP growth. This sector contributes 4.4% of total GDP and grew by 36% and represents 1.58 % of the 18.2% growth that came from this sector.

Manufacturing was the fourth largest economic sector. That sector grew by 11.4% in 2022 following 4.2% growth in 2021. The 11.4% growth was the highest growth since 2007. The sector's contribution to GDP was 3.4%.

Agriculture was the fifth largest sector. The sector grew by 9.8% following declines in 2021 and 2020. Its share of GDP was 1.6%.

Mr. Speaker growth in the economy in 2022 brought lower unemployment with further reductions projected for 2023. The latest unemployment rate in December 2022 was 19%, with youth unemployment at 25.9%, both being the lowest since 2010.

Mr. Speaker, we remain committed to driving overall unemployment and in particular youth unemployment **down** to single digits before the end of this parliamentary term.

Mr. Speaker, the improvement in the performance of the economy has enhanced the government's fiscal position, which enabled the continued provision of financial relief to individuals, particularly within vulnerable and low- income groups, to assist them in mitigating the impact of inflation.

Mr. Speaker, our overall revenue performance also increased driven by the expansion in domestic economic activity and elevated imported prices.

There were moderate increases in current expenditure, but the overall deficit declined from \$287.6 Million or 5.5% of GDP in 2021 to \$17.3 Million or 1.5% of GDP in 2023.

Following three consecutive years of deficits the primary balance returned to a surplus of \$82.4 million or 1.3 % of GDP. While the

current balance improved from a deficit of \$139.1 million or 27% of GDP to a surplus of \$12.6 million or 0.2% of GDP in 2023.

Mr. Speaker, there was a deceleration in the total stock of Public Debt, with the country's Debt/GDP ratio down to 69.8% in 2022 from 85.9% in 2021.

Mr. Speaker, the government mindful that the upturn in economic activity may not have been felt by the vulnerable, increased the Public Assistance budget by \$ 5 million to \$25.9 million for the year 2023. This figure represents the highest allocation to those most in need.

Mr. Speaker, notwithstanding the increases in allocation for public assistance, the St. Lucia Social Development Fund (SSDF) distributed over \$17 million in social intervention programs.

Downside Risks

Mr. Speaker, while the domestic economy is showing positive signs of growth, there are some downside risks that we need to guard against.

These include:

1. Supply chain issues and increasing freight cost.
2. Prolonged and escalated war in Ukraine.
3. Monetary policy tightening by central banks and rising interest rates.
4. Natural disasters
5. Volatility in crude oil prices.

Fuel Prices

Mr. Speaker, it is necessary to inform the public of the true picture about fuel prices and their impact on the Saint Lucian people.

Mr. Speaker, I need not remind members that Saint Lucia is not an oil-producing country and therefore has no influence over the price of imported petroleum products. It is for this reason, the government is committed to exploring the use of renewable energy to reduce Saint Lucia's reliance on imported petroleum products.

Mr. Speaker, the increase in global demand for oil, triggered by the increase in global economic activity as countries emerge from the COVID-19 pandemic, drove the price of petroleum products upwards.

In Saint Lucia, during 2022 the average cost of the imported prices of gasoline, diesel, and liquefied propene gas (LPG) was up on the previous year by 43.3 %, 83.7%, and 65.3% respectively. The government has continued to apply the modified market pass-through mechanism in its pricing of petroleum products.

Mr. Speaker, the government in 2022 forgone approximately \$40 million by subsidizing LPG (cooking gas) under the modified pass-through mechanism.

Mr. Speaker, despite our best efforts to cushion the rising imported cost of petroleum products, through lower excise taxes, the retail price

of fuel ranged from \$13.95 to \$17.95 per gallon in 2022.

Mr. Speaker, for those who choose to ignore the efforts of the government in protecting the consumer at a time of rising imported fuel costs, the excise tax in 2022 reached a low of (44cents) per gallon, and in the 3 weeks ending July 2022, it was (\$1.00) per gallon, the lowest since the modified pass-through mechanism was adopted in 2009.

During 2022 the excise tax on diesel was negative for the greater part of the year. Mr. Speaker, these negative excise rates mean the government was paying the importers of fuel, Sol and Rubis, 44 cents and \$1.00 per gallon to ensure that the importer's legally stipulated margins were secured.

Mr. Speaker, in the case of cooking gas the protection provided by the government to customers was even more significant. The subsidy on the 20-lb cylinder rose from an average of \$10.84 in 2021 to \$19.43 per cylinder in 2022. In July 2022, the subsidy reached a high of \$30.39 per cylinder.

Mr. Speaker, this is the real picture of the government's assistance in shielding consumers from the high imported cost of fuel, which is contrary to the misinformation peddled by those who have made misinformation their staple for communicating with the public.

Mr. Speaker, we noted and addressed the downside economic risks and challenges that confronted us, and in doing so managed to maintain economic stability and protected the livelihoods of our people.

Mr. Speaker, I now move briefly, to some of the sectors and will allow Ministers to provide details during their presentations.

Education

Mr. Speaker, my government remains committed to the philosophy that education is the path to escaping poverty and experiencing a fulfilling life. This is why we encourage and promote life-long learning and the joy of learning at a very early age.

The Ministry of Education has embarked upon a transformational approach to improving our education system so that it is inclusive, responsive, accessible, and relevant to the needs of the society. This transformational approach has necessitated improvements to the physical infrastructure; use of ICT; special training for teachers; promotion and access to good nutrition, under our school feeding programme, and the enhancement of our children's emotional intelligence.

Mr. Speaker, reforms are taking place at all levels within our education system.

Our goal that every household should have a university graduate has been supported by an increase in the availability of university scholarships, sponsored by friendly countries, in particular, Taiwan, Monroe College, and the Government's University Package of Assistance Programme, for which a sum of \$500,000 has been allocated in this budget.

As it relates to reforms in the Education System, special mention must be made of the growing concern about under-achievement by our boys. To address this problem, a cohort of 30 teachers will receive training in gender- sensitive instructions, in the later part of this year. This, hopefully, should result in a reduction in drop-out rates among boys, particularly after Covid-19.

TVET

The success of the TVET programme continues to meet the needs of students, who are more receptive to learning outside the traditional teaching methods, providing them with the practical learning and skills that are required in the workplace. TVET will remain an integral part of our country's education system.

Social Transformation – Putting People First

Mr. Speaker, this government subscribes to the policy of poverty reduction, a goal embedded in the United Nations Sustainable Development Goals. Our philosophical position is grounded in the sentiments of the quote “good economics begins with a general concern

for people”. Hence the reason Mr. Speaker why the government through the Ministry of Equity continues to develop strategies that seek to improve the quality of life for the most vulnerable. Thousands of Saint Lucians continue to benefit from Public Assistance, Child Disability Grants, Education, Housing Assistance, Homecare Support, and crime and violence reduction initiatives.

Mr. Speaker government has made available \$25 million for the Public Assistance Programme, the largest ever contribution to the vulnerable in our society. While the government continues to deliver social assistance, we believe that we must try to empower people and build resilience toward sustainable, independent living. A Graduation Strategy for Social Assistance Programmes has been developed to ensure support for people transitioning from social assistance or dependency to independent living.

The Youth Economy

Mr. Speaker, in my maiden Budget presentation last year, I explained this government’s vision of an economic space for the youth of Saint Lucia. I stated that the Youth Economy was aimed at transforming hobbies into entrepreneurship and skills into businesses by providing finance, training, mentorship, and marketing support for young people to establish and grow their businesses.

Mr. Speaker, the Youth Economy has now been established as the Youth Economy Agency (YEA) and has opened its doors for business

on 3 April 2023. This government has to date injected \$4 million into the Youth Economy for the provision of soft loans and grants to young persons with interests in sports, music, entertainment, designing, the creative economy, cultural activities, digital economy, arts, agriculture, the blue economy, and agro-processing.

Mr. Speaker, the Agency will operate on the principles of accountability, flexibility, and agility to avoid bureaucracy and asset-based collateral, which has often frustrated young persons in search of capital for business start-ups and expansion. The Agency will attend to the special needs of rural and urban at-risk youth for their integration into the economy and to reduce the high incidence of youth unemployment.

Mr. Speaker, this new business facilitation agency has generated widespread interest from development agencies and governments, both regionally and internationally. Since opening its doors in early April, the Agency's website has received 7,000 visitors; over 800 followers on social media platforms, and over 150 walk-in visitors to the YEA office.

Mr. Speaker, in that short period 192 applications for grants and 75 applications for loans have been registered with the Agency. From the 192 grant applications:

- 11 grants have been issued, amounting to \$55,000.00
- 39 applications have been processed and approved for disbursements.

- 50 applicants have been contacted to arrange reviews and consultations, and new applications are being received daily.

From the 75 loan applications:

- 40 applications have been reviewed, with an average loan request of \$30,000.00.

Mr. Speaker, the government is confident that the new Agency will be true to its mandate and will facilitate numerous business opportunities and bring renewed hope to our young people, as they pursue their dreams in different areas of endeavor.

Tourism

Mr. Speaker. The tourism industry has been the main driver of our economic growth and the management and performance of the industry account to a large extent for our economic viability.

Mr. Speaker our first objective must be to build a sustainable and resilient tourism industry.

In this regard, we will during this year enact a new Tourism Development Bill, which seeks to harmonize the legislative framework for the Tourism Industry.

The Bill has now been finalized and harmonizes the legislative framework for the Tourism Industry by repealing existing tourism incentives legislation – Tourism Incentives Act, Tourism Stimulus and

Investment Act.

This Bill is the product of extensive benchmarking both regionally and internationally, and several rounds of consultations with key Government Agencies, the private sector, and other stakeholders in the industry and aims at establishing a single but comprehensive legal framework. This strategic policy direction is expected to create an environment that will enable development, growth, resiliency and sustainability in the tourism industry.

Our second objective is to ensure that the benefits of tourism accrue to as many as possible. We must create a framework for the growth of the industry that allows for more Saint Lucians to participate and own the industry. The new Tourism Development Bill will provide significant incentives and concessions across all sectors and will no longer be limited. It means, now, that the sectors most Saint Lucians are likely to own will receive the necessary support to flourish.

We have reoriented the community tourism concept from a village notion with franchises to one of community involvement with partnerships with Saint Lucians and communities. The overall objective of Community Tourism is to remove barriers to ensure local economic development through local inclusion and local investment, and to develop sustainable community-based tourism activities that ensure the socio-cultural authenticity of host communities are

respected.

Mr. Speaker when we assumed office the Community Tourism Programme had no office or staff, no processes in place, and no community consultations. We have decided and I am again pleased to announce, that we are seeking an amount of USD 3 million from the CARICOM Development Fund (CDF) to support the communities which were not included in the initial “pilot” communities – Micoud; Marchand, Serenity Park, Minor Basilica, Dennery, Morne Lay By, Belle View, and Pierrot.

Our third objective is to build a destination that provides not only a spectacular landscape but more meaningful and quality experiences. For that reason, three signature programs were launched in 2022 – **The Collection De Pepites** (a collection of villas, hotels, and bed and breakfast with rooms ranging from 4 to 35 providing unique experiences of food, culture, and entertainment), the national **Kabawe Krawl** (a culture bar hopping experience for locals and visitors) and **Lucian Links** (a program designed to formally celebrate the diaspora and to further encourage them to enjoy the Saint Lucian product).

Mr. Speaker, this year we will continue to introduce new products that will enhance our standing as a destination. I am pleased to announce that the Saint Lucia Tourism Authority will launch this year the **Saint Lucia Visitor Loyalty Program** which is designed to honor regular and repeat visitors. This will build greater loyalty to our destination and reward persons who are loyal to us.

Mr. Speaker, I am personally delighted to announce that the **Saint Lucia Jazz & Arts Festival (formerly Saint Lucia Jazz Festival)** will start in a few days on May 5th at the renowned Mindoo Philip Park. The Festival had become one of the major events on Saint Lucia's calendar of events and the most anticipated event on the Caribbean's calendar. It is now back!

We are all in eager anticipation of a star-studded line-up. Over the years, the Festival, took on a new dimension with the addition of more side attractions supporting jazz performances aside from main stage events. It is exciting that the Arts component has been maintained. It is the ideal showcase for our creatives and their chance to be on the world stage.

Citizenship by Investment Programme

Mr. Speaker, we witnessed continued growth in the Citizenship by Investment Programme. The Programme recorded a 20% increase in 2021/22 which was a record year. After a long and exhaustive review of the Programme, a number of changes were made to make the Programme more competitive and to yield greater returns. These include adjustments to the real estate minimum investment and adjustments to other fees, including dependent add-on and replacement of certificates of registration (CORs).

This year, we will see further changes to the Programme, which is

expected to deliver greater results. These will include a strengthened footprint in growing markets such as West Africa, the US, and the Middle East through the hosting of conferences and other engagements.

Mr. Speaker, Saint Lucia will always observe the accepted due diligence and accountability in its processes to ensure that the good reputation of our island is maintained.

Culture and Creative Industries

Mr. Speaker, culture and creativity plays a significant role in establishing our national identity, defining who we are and our purpose in this global civilisation.

We have prioritised the implementation of our cultural festivals and increased our allocations to various activities. Our cultural expressions have been energized and there is greater public interest and participation in activities. Of note, Mr. Speaker is the increase allocation given to the St. Lucia Tourism Authority to allow it to better market and promote our cultural activities. The SLTA has also been provided the resources needed to assist in promoting our creatives internationally and to merge destination marketing with our creatives.

This year, Mr. Speaker, we will enact new legislation to facilitate the development of the creative industries, and to enable that sector to take its rightful place in national development.

Citizens Security

Mr. Speaker, the vexing issue of crime, particularly violent crime, is a major challenge that needs to be brought under control. Crime has become such a challenge that it triggered a two-day, 17-18th April, a regional symposium of the Heads of Government of the Caribbean Community in Port of Spain, Trinidad. The declaration following the symposium rightly recognized violent crime as “multi-faceted in nature and its pervasive effects requiring a robust regional response that includes a public health response, and a societal response including family, church, academia, cultural and sporting personalities, minority political parties and the wider civil society”. The call for the involvement of minority parties in this battle against crime is instructive.

Mr. Speaker, of deep concern, is the high rate of illegal exportation of firearms from the United States to the Caribbean region.

Mr. Speaker, crime and violence is becoming normalized in Saint Lucia and the region and needs to be reversed.

That is why Mr. Speaker, anyone who cares about their country should not find any comfort in criminal activity, unless of course, they believe there is some gain to be derived or opportunity to score points from it. And if they do, then they are no different from those directly involved in criminal activities.

Mr. Speaker, in my show of commitment to this cause, I wish to inform you, Members of this House and the Saint Lucian public that I will lead this battle against crime, without fear, favour, or partisan thinking until the scourge of criminality is no more. And I invite my colleagues and civil society to join me in this battle.

Our strategic approach to reversing the rise and any normalization of violent crime will be focused on strengthening law-enforcement and making social interventions.

Strengthen Law enforcement

Mr. Speaker at the Legislative level we have

1. Increased penalties for illegal possession of firearm and ammunition;
2. Enacted the Suppression of Escalated Crime (Police Powers) Act, which gave the police the increased powers of search, arrest, and detention
3. Enabled police with the power to detain suspects for longer periods while investigations are taking place
4. Created a Serious Crime Unit with plans for expansion

Human Resource Development

With regard to Human Development we have embarked

1. The engagement of the Regional Security System to assist our local police.

2. Increased the training vote for the police to allow additional training in crime detection, surveillance and other modern crime-fighting techniques.
3. The additional employment of two probation officers.
4. Regularization of the status of some Police Officers and Bordelais Correctional Officers.
5. Hiring 60 new recruits, ensuring they are properly vetted so that only people of the highest caliber can become members of our police force.
6. Training opportunities for police officers in tactical operations, investigation, human rights and gender sensitivity, emotional intelligence, community policing, treatment of vulnerable persons, crime scene management and anti-gang training.
7. Improving the working conditions and welfare of members of the Police Force.
8. Working to improve morale.
9. Review and upgrading on a strategic plan for the police.
10. Training of Court Prosecutors.
11. Review promotion policy for Police, Correctional, Customs , and Inland Revenue staff
12. Employment of new Bordelais Correctional Recruits

Improvement in Physical Facilities and Conditions of work

1. Construction of divisional headquarters in Gros Islet

2. Repairs to Southern Divisional Headquarters (Vieux Fort Headquarters)
3. Repairs to Police Stations: Canaries, Micoud, Richfond, and Marchand
4. Construction of Custody Suites, a project plagued by administrative delays, I am pleased Mr. Speaker, to inform you that a contract for the construction will be signed this week.
5. Commissioning of the new drug squad building
6. Relocation of various Units to more conducive work environments
7. Purchase of new vehicles, motorcycles, trucks, and bicycles
8. Purchase of special police equipment including drones, x-ray machines, bulletproof vests, and ammunition.
9. Upgrading of the forensic lab and the purchase of a comparison microscope for firearms analysis.
10. Repairs to Bordelais Correctional Facility

Justice

1. Mr. Speaker, last year we began the process of reducing the backlog of cases in the court by introducing the Swift Justice Project, which is expected to reduce the processing time for cases to no more than two years. Unfortunately, Mr. Speaker, for many reasons this project has not achieved the desired results.

Mr. Speaker this year, we have allocated over \$2 million for the project and are already prepared the physical facilities to house the

Courts. It is envisioned that the project will be fully operational this year.

2. Mr. Speaker to ensure that the rights of the accused are protected and justice is served, we have increased the allocation for legal aid and court-appointed attorneys.
3. We will begin the construction of Halls of Justice to house the criminal, civil, and magistrates courts, to eventually alleviate the congestion and poor working conditions presently experienced in some of our court buildings.
4. Consideration will be given to the enactment of legislation for Judge only criminal trials.
5. The completion of the process of the ascension to the CCJ will make appeals to the highest Court more affordable and accessible to all.
6. Establishment of a First District Traffic Court to handle the significant backlog of notices, warrants, and ticket-related offenses.
7. Establishment of the Coroners Court to handle matters relating to death deemed to be unnatural or in the exercise of law enforcement. The coroner will handle inquests and investigations currently before the Court.

8. Expanding the Witness Protection Programme.
9. Establishment of the Sheriff's Office to handle assets subject to writs.
10. Increasing the broadband width at Bordelais to allow for the hearing of more than one case virtually.
11. Repairs to the First and Second District Court.

Rehabilitation

Mr. Speaker the criminal justice system must not be only about punishment it must allow room for rehabilitation, particularly for young offenders who find themselves in the child justice system.

In this regard:

1. An allocation has been made for the commencement of preliminary works, public consultation, and designs for the conversion of the former George Charles Secondary School to a Rehabilitation Centre.
2. A crime and violence reduction project will be implemented to engage vulnerable and at-risk individuals in education and parenting.
3. Strengthening community-based organizations.
4. Establishing mentorship, training, capacity building, and diversion options.
5. Working with the St. Lucia Social Development Fund to establish a Crime Prevention Office to coordinate crime reduction, prevention, and intervention programmes initiated by civil society

groups, non-governmental organizations and government agencies.

6. Creation of a targeted gang intervention plan

A Whole Societal Approach

Mr. Speaker, the fight against crime must be a national effort, with government and civil society groups working together. In this regard, the government will be providing current and future non-state actors and non-governmental agencies involved in crime suppression activities with financial assistance. My government remains encouraged by the societal responsibility that has been shown for the social health of the nation by these groups.

The crime challenge calls for a bold and different approach. In addition to the law enforcement approach, which is very often reactionary, my government will seek to confront some of the social issues that contribute to crime: unemployment, poor housing, inadequate recreational facilities, early school drop-outs, absence of activities that engender a sense of community, and opportunities for conflict resolution.

These factors, though not exhaustive, provide some insight into the myriad of issues that need to be addressed in trying to solve the crime problem.

My government will undertake a series of heavy social interventions,

in areas particularly burdened with crime, and will be drawing on the resources and cooperation of community groups, civil society groups, counsellors, social workers and local businesses. My government will commit to putting the necessary financial resources to support this initiative.

The unprecedented surge in crime and violence in Vieux Fort has necessitated special intervention by the government in consultation with the parliamentary representative, neighboring district representatives and concerned civil society groups.

Elements of the special intervention will include

1. Identification of available land for resettlement.
2. Dialogue with the owners of land in the town of Vieux Fort to empower ownership to empower home ownership
3. Psycho-social support for residents to deal with trauma, urge social recovery, and enhance economic well-being. In this regard, the Government will work closely with the NGO community.
4. The establishment of information desks by specified ministries to provide help and guidance to citizens to access government services. For example, the Ministry of Commerce will establish a presence to assist citizens to access small business loans.
5. Special economic, educational, and sports programmes for at-risk groups

6. Construction of an Administrative Complex and a Cultural Center for the people of Vieux Fort and the south within this term. This will fulfill a promise made to the people of Vieux Fort during the 2021 campaign.

The Vieux Fort Initiative is being designed to foster a sense of security, support, and shared outcomes to foster pride and ownership that can help to build a stronger sense of community.

Saint Lucia Social Development Fund

Mr. Speaker, social assistance is a crucial component of any society, as it provides a safety net for some of the most vulnerable. Through the Saint Lucia Social Development Fund, my government has provided targeted intervention to help reduce poverty and inequality. Several initiatives have positively impacted the lives of hundreds of individuals through projects such as but not limited to, Our Boys Matter, Single Mothers Micro-Enterprise Project, Social Stability Initiatives, and the Basic Needs Trust Fund.

During the year the SSDF engaged in the following activities:

Christmas Stimulus	\$3,236,026.19
Easter Stimulus	\$3,236,026.19
Educational Assistance	\$ 2,008,232.13
Hope	\$1,014,209.00
Short Term Employment	\$ 6,842,026.19
Pre- Hurricane Clean Up	\$1,590,000.00

It is expected that these activities will intensify this year.

Mr. Speaker social assistance is a crucial component of any society. These programmes play a critical role in building stronger, more resilient communities and ensuring that all members of society can live with dignity and respect.

Health

Mr. Speaker, the issue of health care will remain a dominant topic on the development agenda of all countries – small and large. Saint Lucia has had the constant battle of having to divert more of its scarce financial resources to the health of the nation, while its health workers, particularly nurses, continue to seek better opportunities in more developed countries like the UK and the USA.

Mr. Speaker, our health services continue to be challenged in the aftermath of the Covid-19 pandemic. Notwithstanding the challenges, Saint Lucia has experienced gains in key health indicators: higher rates of immunization coverage, improvements in the nutritional status of children, expansion of health and social services, increased life expectancy and improvement to the physical infrastructure. Mr. Speaker, the Minister of Health will provide further details about the challenges and gains in the health sector.

Mr. Speaker, the Ministry of Health has laid out its focal areas for this year:

1. Establishment of a Cancer Registry

2. Establishment of an Elderly Affairs Unit
3. Refurbishment of the La Ressource Health Center
4. Refurbishment of Soufriere Health Center while advancing plans for the construction of the Soufriere Hospital
5. Repairs and expansion of Comfort Bay Home
6. Expansion of Clinical Services at Primary Health Care Centers
7. Enactment of the Food Safety Bill
8. Establish a programme for the retention of health workers, particularly nurses.
9. Launching of the Golden 80 Plus Medical Package.

Mr. Speaker, the government has pledged to pursue a health policy where health care is affordable, accessible, and equitable. The Universal Health Care programme is expected to deliver this policy effectively and efficiently.

In my budget address last year, I promised that we would commence the process for the implementation of UHC. I can inform this house that the process has commenced, and the following has been achieved:

1. A public survey and public education programme has begun; it is expected that the necessary legislation and an extensive communication plan and enabling legislation will be output from the process.
2. A Maternal and Child Health Care Program will be the first stage of services provided.

3. The launch of the Performance-Based Financing Programme (PBF)
4. The registration of the population into the Health Information System to issue a health card to every citizen.

There are significant aspects of the UHC which are already being implemented and they include free medicines for diabetic and hypertension patients.

The Ministry of Health and the Millennium Heights Medical Complex (MHMC) will develop the Castries Multipurpose Health Facility, to include the Castries Urban Polyclinic (CUPC) and the Secondary Care Wing of MHMC. The CUPC will be an urgent care support unit, relieving pressure on the non-emergency at the Accident and Emergency Department of OKEU. The Secondary Care Wing will accommodate low-acuity patients, freeing up bed space at OKEU.

The MHMC will implement a capital programme, to include the installation of a backup generator, mold remediation, upgrading of some of the wards, improvement of the waste treatment plant, and improvements to hot and cold-water systems. A loan of \$23M has been guaranteed by the GOSL for capital works and working capital requirements.

The Millennium Heights Medical Complex embarked on several initiatives to enhance the delivery of patient care services during the

year 2022/2023. They include an oxygen plant, improvements to the main entrance and reception area of the hospital, and the provision of a private entrance for admissions, billings and appointments.

St Jude Hospital – George Odium Stadium

In 2022/2023, the reconstruction of the east and west canopies, improvements to the laboratory areas and improvements to the reception area were completed.

Major equipment including ventilators laboratory equipment and an anesthetic machine were installed at the institution. The government has increased the subvention to St Jude and will finalize discussions with NIC to increase its contributions to the facility.

Mr. Speaker, my government has placed health high on its agenda with a significant allocation being made to it. We intend to spend in this financial year over \$200 million on health care. This excludes the expenditure on the refurbishment of the St Jude Hospital and the outstanding debt on the “ Box” estimated to be over \$50 million.

Land Rationalization and Resettlement

Mr. Speaker, this year the PROUD program will continue to advance the process of land rationalization in the communities of Aux-Lyon, Pomme in Augier, Eau Piquant, Cantonment and Bruceville in Vieux Fort. This program aims at empowering the occupants of government owned lands in unplanned developments, by giving them access to

fully serviced land lots at affordable prices. In most of those communities, the cadastral surveys are well advanced and we expect to transfer title to the occupants within the next year.

Housing

Mr. Speaker, Saint Lucia's housing stock deficit has been worsening by the rising cost of building materials and available and affordable housing lots. My government in this budget has attempted to address the rising cost of building construction by zero-rating the VAT on building materials for the next two years.

The National Insurance Corporation, through NIPRO, will be undertaking a major social housing programme in the Massacre area during this fiscal year. Plans for the programme are currently before the Development Control Authority for approval. This should make available over 100 low-cost lots and houses.

The National Housing Authority has also been in discussions with a major developer to provide a similar quantum of low-cost housing.

The government in its resettlement and rationalization programme will assist households occupying government-owned lands to secure the land title. We will enact legislation to convert Proud into a Statutory Corporation in which land will be vested.

During this parliament, government will pursue an aggressive campaign to reduce the country's housing deficit.

1. The Department of Housing will continue the National Housing Assistance Programme which seeks to provide housing assistance to low-income and indigent households who require satisfying their basic housing needs. 280 households have benefited from this programme. This programme is financed by the Republic of China on Taiwan
2. The National Sites and Service Programme (NSSP), involves the development of State Own Lands and the provision of Service Residential Lots at locations throughout the island. Crown Lands at La Fargue, Piaye, Laborie have been identified for development.

The Minister will give further details.

Commerce and Industry

MSMEs remain important actors in the economic landscape of Saint Lucia, providing the greatest opportunity for the spread of wealth and the creation of employment. Access to finance remains a perennial challenge for this group. The new challenge is the need for these enterprises to embrace modern technologies to remain nimble, efficient, and competitive.

In this fiscal year, the government is making available the sum of \$10

million through SLDB under the MSME loan grant facility. Disbursements have commenced yesterday and grants and loan payments were made in the ratio of 70:30.

As it relates to embracing new technologies, a total of \$115,587 has been allocated in this budget as the government's contribution to the MSME digitization project funded by the OAS and the GOSL. This project is expected to significantly increase MSMEs' capacity to market and sell their products and services online.

Export Saint Lucia continues to provide technical assistance to MSMEs producing goods and services with export market potential.

The strengthening of MSMEs will be a strategic choice if the benefits of the nascent cannabis industry are to be widespread. A taskforce has been established to assist with the development of a cannabis framework and Bill.

Constitutional Reform

Mr. Speaker, Saint Lucia became the fifth country in the region to make the Caribbean Court of Justice its final Court of Appeal. By replacing His Majesty's Privy Council, many Saint Lucians will have the opportunity to access justice at the highest court, a process that was restrictive and expensive to the ordinary man.

The ascension to the CCJ signals our desire to strengthen our

participation in Caribbean regional integration and identify as a country that is autonomous and resolute in determining our country's future.

This journey is not complete. Our Constitution has served us well but will need to be further amended to reflect the hopes and aspirations of our people and respond to the need for the acceptance and celebration of our Caribbean identity.

We will therefore continue to engage our citizens in conversations on and advance work to undertake constitutional reform in this country. The need to make our Constitution truly reflective of the ideals and aspirations of our people will be continued this year. Letters have been sent to potential members to serve on a committee to review Parliament's consideration of the recommendations of the Constitutional Reform Commission Report.

Youth Development and Sports

Mr. Speaker, last year we launched the Youth Economy Agency and the skilled Saint Lucia Web Browser or 758 Skilled App. This year, the Youth Resilience, Inclusive, and Empowerment (Y-RIE) focuses on security and violence reduction and prevention among youth in communities.

Semi-Professional Football League

Mr. Speaker, football is the most popular sport in St. Lucia and given

its popularity, a properly organized semi-professional football league will create meaningful economic activity and sustainable livelihood

We intend to commence a semi-professional football league this year to employ young football players. This league will ensure that players who make the necessary sacrifices can be adequately compensated with the hope of being recruited by international football scouts. The Minister will elaborate further on this new initiative.

Julien Alfred

Julien Alfred has been Saint Lucia's leading athlete for the past five years. In July 2017, she won Saint Lucia's first gold medal at the Commonwealth Youth Games in the Bahamas by winning the girl's U-18 100m dash. In 2022, she was crowned the NCAA Division 1 champion and later that year won the silver medal in the Commonwealth Games Women's 100m finals.

This country has been witnessing the valiant feats and the breaking of records by Julien Alfred. Therefore, we believe that it is imperative that as she graduates from Texas University in June this year, we provide her with the necessary resources to continue her path of high performance. The Ministry has budgeted finances to ensure that she continues to receive the very best training to perfect her craft and hopefully represent our country at the 2024 Olympics.

Mr. Speaker, in recognition of her outstanding achievements the

government has provided Ms. Alfred with a diplomatic passport to facilitate her travel.

Refurbishment to Mindoo Philip Park

The Ministry has been undertaking renovations at the Mindoo Philip Park, still a major recreational ground for athletes and cricketers. These renovations will continue after the opening of the Jazz Festival on May 5, 2023. Several other playing facilities will be refurbished, lighted, and renovated this year.

St. Lucia Development Bank

Last year, we indicated that the St. Lucia Development Bank (SLDB) would be required to play a more significant role in facilitating development and low-cost funding to Small and Medium Size Enterprises. Mr. Speaker, I indicated that to finance its mandate the bank needs to be re-capitalized. The government has kept its promise and already injected \$4.6 million into the capital of the bank, a further injection promised for this year.

Mr. Speaker, I can announce that the SLDB supported by a government guarantee has fully disbursed 5 million Euros allocated for working capital, and Covid-19 support for MSME. The SLDB working with the Ministry of Commerce and Finance is a partner in the disbursement of the CDB-funded MSME of \$ 10 million to that sector.

Mr. Speaker, the SLDB will continue its modernization and expansion

of its operators – while diversifying its portfolio to serve the housing and developmental needs of the people of Saint Lucia.

Agricultural Expansion and Food Security

Mr. Speaker, as the world grapples with the issues of food security and climate change the agricultural sector will continue to play a vital role in the economy providing rural employment, food and nutrition security, and poverty reduction. Agriculture has become more important over the past few years with escalating food prices arising from supply chain disruptions caused by the Covid-19 pandemic and the ongoing Ukraine War.

The pandemic has awakened most countries to the need to place greater importance on food security. In that regard, member states of the Caribbean Community (CARICOM) have agreed to develop a regional food plan to achieve a 25% reduction in the region's food import bill by 2025.

This year, we will continue to aim for import reduction by placing focus on the expansion of livestock production, fisheries, and the targeted-seven crop programme.

Banana Management Unit Project

Mr. Speaker, the Banana Industry continues to provide income security to several families in Saint Lucia. This government has provided much technical support to strengthen the industry and has

facilitated a \$4 million loan for the NFTO through the SLDB. We will continue to support recovery in the banana industry through the establishment of the Banana Management Unit, mandated to enhance the overall performance of the banana industry by improving productivity and quality, and securing market access.

Cocoa Sector Enhancement Project

Mr. Speaker, cocoa has long been identified as an export crop with the value-added potential to generate revenue in the agricultural sector. We will continue to provide the required support to expand cocoa production and to maximize the returns in the cocoa sector through increased focus on the processing of cocoa products, in a suitably structured business model environment.

Value-added through Cassava and Coconuts

Mr. Speaker, cassava and coconuts are two versatile crops with the potential for a variety of value-added products, which can enhance our food and nutrition security, reduce Saint Lucia's dependence on imported foods and enable healthy lifestyles.

During this year, we will provide the necessary support to farmers and agro-processors through the provision of planting material for expanding acreages under coconut and cassava production, and equipment for processors to increase related value-added products.

Honey Production

Mr. Speaker, to expand export prospects for the production of local

honey, we will focus on strengthening beekeeping organizations to enable their viability and sustainability. We will continue to provide technical and marketing support, capacity building, resource and financial management, farm and product certification, branding, and labeling of products.

Seamoss

Mr. Speaker, over the last three (3) years, there has been a dramatic increase in the number of individuals engaged in the planting of seamoss in our coastal communities. Seamoss farming has demonstrated the potential to create employment and contribute significantly to the social and economic wellbeing of communities.

During this year, we will provide resources to the seamoss industry for the enhancement of postharvest quality control, production efficiency, farming area management, farmer training and capacity building, and access to markets, so the industry can reach its true potential.

Aquaponics and Hydroponics Initiative

Mr. Speaker, during this budget cycle, we will establish an Island Wide network of aquaponics systems in schools and a commercially viable system for farmers with disabilities. This will build capacity in soil-less food production systems, improve the productivity of vegetable crops and improve water management in agricultural systems. We believe that this low-cost system of production, which requires little land can enable significant production of some vegetables and fish farming. It

is hoped that the use of technology may attract young entrants to the agricultural sector.

Repair and Maintenance of Fishing Facilities

Mr. Speaker, the fishing industry continues to play a significant role in our strategy for food and nutrition security. In this year's budget, we will undertake improvements, repairs, and maintenance to the Castries, Dennery, and Vieux-Fort fishing facilities. These renovations will include fishing storage facilities and facilities to enable improved health and safety standards for the handling of fish and fish products.

In this financial year, access to the Choiseul Fishing Port will be improved by reducing the current sedimentation which hinders the productivity of fisherfolk in the community.

Mr. Speaker, this project has already secured funding from the Japanese International Co-operation Agency (JICA).

Port Development – Global Ports Holding

Mr. Speaker, a lot has been said since the signing of the MOU for the proposed port development being negotiated between the GOSL and Global Port Holdings (GPH). I can inform this Honourable House that no agreement has been signed by this Government, contrary to the malicious comments and misinformation being made in some quarters. An Agreement will be signed once all the terms and conditions have met the GOSL's long-term objectives for port

development. I am pleased to announce that we are close to doing so. This investment agreement will transform the Castries Harbour and Soufriere Waterfront.

The improvements to Port Castries will include upgrades to Pointe Seraphine to allow for the largest cruise ships, a boardwalk from the Sans Souci Bridge to the Vendors Arcade, a rebuilding, and expansion of the Vendors Arcade, the creation of a parking hub to help alleviate the traffic problems around the city and the establishment of a Fishermen's Village in Bananes. The Soufriere Waterfront will be completely redeveloped to offer an enhanced experience for yachts and visitors. I can assure Saint Lucians that there is no agreement to exclude cruise port development in Vieux Fort. In fact, we are currently discussing various options for the development of cruise tourism in Vieux Fort.

Infrastructure Development

Road Network

Mr. Speaker, for the fiscal year 2023/24 whilst planning for major road projects such as the Choc to Gros Islet Highway Expansion and the Feeder and Agriculture Roads Rehabilitation Project Phase II, we will continue upgrading the road network and continue the maintenance of public assets. Mr. Speaker, while we are not satisfied with progress on the Millennium Highway, work will continue on the West Coast Road Reconstruction project. A contract has been signed for the Anse La Raye Bridge and work will commence during this quarter and the

continuation of the West Coast Road.

A consultant has been contracted to develop the Infrastructure 2030 plan.

Gros Islet Highway Secondary Road Improvement Project

Mr. Speaker, the annoying traffic situation and loss of productivity and traffic congestion on the Gros-Islet Highway and related lost productivity is a direct result of the ill-advised actions of the last government when on March 23, 2015, they cancelled a loan from the Kuwait Fund to re-construct the road.

Mr. Speaker, I said last year we have commenced discussions with the Kuwait Fund and these discussions are at an advanced stage. The Ministry of Infrastructure is presently providing the required updates and documentation to move to the approval process.

Mr. Speaker, the government has re-approached the Kuwait Fund for the Feeder and Agricultural Roads Project approved in 2015 but cancelled by the previous government.

Mr. Speaker, discussions are progressing smoothly and the responses are favourable and a commencement date later this year is anticipated.

Halls of Justice

Mr. Speaker, access to justice is critical to the well-being of any modern democratic society. For some time now, the government has embarked

on a process of consultation with the appropriate authorities for the construction of a Halls of Justice, so the judiciary can operate in an environment conducive to the dispensation of justice.

I am pleased to report that plans are being finalized for the construction of that facility, which is expected to start in the second half of this year. After discussions with the Police, the new location has been changed to the site of the de-commissioned High Court building at the corner of Micoud and Laborie Street.

Mr. Speaker, the project will be built through a Build, Operate, Lease, and Transfer (BOLT) arrangement. An allocation of \$1.5 million has been included in this year's estimates for pre-construction activities.

New Police Northern Divisional Headquarters

Mr. Speaker, the police, also need to operate in an environment that is conducive to high performance. The northern division of the Police Force has been waiting for such a facility for too long. I am pleased to report that early this month work commenced on the construction of the new Gros Islet Police Station under a Build, Operate, Lease, Transfer (BOLT) arrangement with NIPRO for \$35 million, inclusive of furniture, fixtures, and fittings.

New Soufriere Hospital Project

Mr. Speaker, as part of improving the health service infrastructure throughout the country, we will commence preconstruction activity for

the Soufriere Hospital. This level four (4) health facility will allow for overnight observation and short stays for non-critical cases.

Mr. Speaker, in addition to serving the residents of Soufriere and its environs, this facility will supplement our tourism product, given the essential role of Soufriere in the tourism sector. We have allocated \$2 million in the budget for pre-construction activities for the project.

The facility is expected to be constructed through a Design, Finance, Construct (DFC) arrangement, with the proposed location on Sir Arthur Lewis Street in Soufriere town.

New Police Central Headquarters

Mr. Speaker, consistent with the commitment of this government to provide the proper working environment for the Police Force, a new Police Headquarters will be constructed to house the key divisions of police operations in the Capital City of Castries. To this end, an allocation of \$300,000.00 is included in this budget for pre-construction financing for this project. Construction is expected to start in the latter part of this fiscal year.

Mr. Speaker, Vieux Fort Divisional Headquarters has been closed for repairs for a few years now. The initial cost of \$300,000 for repairs and mold infestation treatment at the facility has now escalated to \$2.3M. On April 24, 2023, NIPRO issued a contract to a construction firm to undertake the necessary repairs. Works are expected to be completed in four months.

Custody Suites

Mr. Speaker, a Design Finance Contract (DFC) for \$4.2 million has been awarded for the conversion of the old Police Headquarters building for this holding facility.

St Jude Hospital Reconstruction

Mr. Speaker, in my budget statement last year, I gave an account of what had transpired in the process of reconstructing St Jude Hospital on the site at Augier, Vieux Fort. Unfortunately, for unjustified political reasons, after being delayed for three years, the UWP administration wasted over \$110 million on a “Box” which left the people with no hospital after over \$200 million had been spent since 2010.

Mr. Speaker, I am pleased to report that from 1st November 2022, work commenced on the original buildings to deliver the St Jude Hospital to the people of the south in the shortest possible time. The project is being managed by the Project Management Unit (PMU) within the Department of Economic Development in conjunction with the Department of Infrastructure.

Additionally, the Cabinet of Ministers has appointed a National Hospital Reconstruction Steering Committee to guide and oversee the configuration of the St Jude Hospital Transfer Facility. The initial contracted works for the cleaning, sanitization, and fencing of the hospital facility are close to completion. Refurbishment works have

started on the structures following the granting of approval from the Development Control Authority (DCA).

Mr. Speaker, a Design/Supervision Engineering Firm has been contracted, to assist the PMU team in the process of design, review, and scoping, and to arrive at final costings and contractual arrangements for early completion of the hospital.

Mr. Speaker, \$32.75 million has been allocated in this year's budget to meet outstanding payment for work done on the existing structure "the box".

Private Sector Investment Projects

Mr. Speaker, I am pleased to report that since coming into office this government's policy of transparency and fairness in dealing with investors has been well-received by existing and potential investors in our country.

Mr. Speaker, we have had to re-engage several investors to re-establish their interest and confidence in Saint Lucia through a demonstration of commitment and responsible government. We have witnessed one of the highest levels of investment in recent times and this year promises to be another significant year for foreign and local investment. I wish to highlight some of our major achievements and planned investments for the ensuing year.

Mr. Speaker, we welcomed the expansion of Itelcx (formerly ItelBPO) to Saint Lucia into a newly renovated factory shell. The construction and upgrade of its third facility was completed in February 2022. ISL has been working on a fourth building for this tenant, which will allow for further business expansion and employment this year.

We also witnessed the continued expansion of the BPO/KPO sector as KM2 expanded their operations in Massade and 1-888-GOANSWER is currently expanding into 12,000 sq. ft of new space in the north of the island. Tourism investment

Saint Lucia-owned Ascension International, a new entry in the BPO/KPO space is in the final stages of renovations of their new facility in Soufriere. It is expected that hundreds of jobs will be created from these new investments.

Tourism Investment

TTS Resorts Ltd. (Grand Hyatt)

The construction of the Grand Hyatt in Sabwisha Choiseul will continue this fiscal year. The development boasts a 345-room hotel.

Dreams Resort Spa and Zoetry Wellness & Spa Resorts

Under this initiative, two (2) luxury all-inclusive hotels are currently under construction and will be branded as “Dreams Resort Spa” and “Zoetry Wellness & Spa Resorts” with 250 and 80 rooms, respectively.

Courtyard Marriott (Pointe Seraphine)

The construction of a nine 9-storey business hotel at Pointe Seraphine, will continue during this upcoming fiscal year. The facility of 140 rooms is expected to be opened next year.

Cas En Bas Beach Resort (Lucian by Bespoke Hotel)

A 90-unit hotel is expected to be completed during the year 2024.

Sandals Halcyon

Work is near completion on the expansion of Sandals Halcyon Hotel, which is expected to come into service this year.

Mr. Speaker, for the period January to December 2022, Cabinet approved **thirty-five (35) projects** for tourism incentives pursuant to the Tourism Incentives Act, and the Tourism Stimulus and Investment Act. The total projected investment for the period amounted to **XCD384 million**.

The accommodation sector continued to attract the highest level of investment accounting for **XCD 341.6 million** or approximately 89% of total investment. When these accommodation projects are completed 262 new rooms will be added to Saint Lucia room stock.

The Hewanorra International Airport Redevelopment Project

Mr. Speaker, after extensive research, analysis, and consultation with consultants and SLASPA, Cabinet has arrived at a policy decision for

the preferred Technical Design Development Option for the development of the Passenger Terminal Building, under the Hewanorra International Airport Redevelopment Project.

A scaled-down version of the existing design, to obtain a single structure, by removing components including the elevated roadway - essentially a terminal building with a reduced modified footprint, built on the already constructed foundations, with the deferral or elimination of certain program requirements.

This option, Mr. Speaker, will address the issue of creating fiscal space by curtailing the construction design, to make the project feasible within the available financing, and from all the design options explored, this option appears to be the most prudent.

Mr. Speaker, it is a fact that the true cost of the HIA Redevelopment Project will only be determined after a competitive bidding process for the construction of the airport is undertaken, however, the chosen option because of the size reduction lends itself to cost reductions.

The foundations are substantially completed and the Contractor, namely, the Overseas Engineering & Construction Co. Ltda. S.A. (OECC), has commenced work for the construction of the Air Traffic Control Tower (ATCT) which is in progress.

Mr. Speaker, let me reassure the public that my government expects

the engagements between the contracted parties, which had been thwarted by controversies and disputes in the past, and which brought the project. Note Mr. Speaker that the project has already experienced cost overruns in excess of \$40 million and counting.

Let me assure the public that this government intends to continue the Hewannorra International Redevelopment project in a fiscally responsible and prudent manner that will not cause undue burden to the taxpayers of Saint Lucia.

Blue Bonds

Debt sustainability and financing has become a significant issue. Developing countries are pursuing a path of leveraging their natural assets as a means of funding their development.

Mr. Speaker, as you are aware, we are embarking on the issuance of a blue bond, where the proceeds will be used to support projects which are aimed at achieving UN Sustainable Development Goal 6 (Clean Water and Sanitation) and Sustainable Development Goal 14 (Life Below Water).

Saint Lucia intends to take this opportunity to make its mark on the international capital markets and to signal our Environmental, Social, and Governance (ESG) ambitions to the world.

I am told our proposed bond issuance will be the world's first sovereign

sustainability-linked blue bond. It will be the first blue bond to align with the United Nations Global Compact Blue Bond Guidance, United Nations Environment Programme Finance Sustainable Blue Economy Finance Principles, International Finance Corporation Guidance for Blue Finance, International Capital Market Association Principles, and the United Nations Global Compact Five Tipping Points for a Healthy and Productive Ocean.

Mr. Speaker, Saint Lucia is receiving strong technical support from the UN Global Compact and the Global Green Growth Institute among others to ensure the success of our issuance.

Mr. Speaker, the issuance of a blue bond would ensure the security of our citizens and our marine environment given the immediate threat our nation faces from climate change. We will use these bond proceeds to focus on two critical areas: (1) reducing the volume of untreated wastewater that enters our marine environment, and (2) enhancing the sustainability aspects of the fisheries sector while also encouraging job creation.

Fisheries are also a critical industry in Saint Lucia. We must move from subsistence fishing and move up the value chain to deliver benefits to both the environment and our citizens.

A blue bond would enable Saint Lucia to achieve these two outcomes. It would place us in a good position to build our reputation in the

international capital markets and work with people who are invested in ensuring Saint Lucia's success from both a climate and economic perspective.

A blue bond is critical to help us achieve the strong policy initiatives we have outlined in our Nationally Determined Contribution, National Adaptation Plan, and National Ocean Policy. Following the blue bond issuance, it is expected Saint Lucia will then be able to attract much-needed capital from the private sector. These investors will not just look at Saint Lucia from a returns perspective – they will also look for impact-oriented outcomes to protect our environment.

The Ministry of Finance is already working closely with the Ministry of Agriculture, the Ministry of Education, and the Water and Sewerage Company (WASCO) to ensure we are aligned to deliver a blue bond for Saint Lucia.

Mr. Speaker, we are confident that our blue bond issuance will serve as a template for our neighbours and fellow small-island, big-ocean states and as an exemplar standard in climate mitigation and adaptation.

Mr. Speaker, the exploitation and sustainability of our ocean space as a resource provides an opportunity for growing the economy but in a way that allows future generations to have similar or even better opportunities to benefit from it.

We are, therefore, mindful of the need to harmonize, where possible, and regulate the activities of different sectors and agents who are engaged in the use of this resource, economically or otherwise.

There must be a collaboration between the fishing sector and tourism sector each being aware of how their excesses are likely to affect the viability of the other's use and enjoyment of the resource. For example, over-fishing and its negative impact on the underwater ecosystem undermine the beauty and diversity of sea life and the unique attraction of our seabed. And those who use our surrounding coastline waters for pleasure must also be aware of the damage being done to sea life and the livelihood of our fisherfolk by polluting the waters with harmful waste material. The point being made, Mr. Speaker, is that there is a need for an awareness of our interdependence as it relates to the use of our coastal water and ocean space as a first step, in developing a blue economy.

Mr. Speaker, the awareness of interdependence in the country is also needed among states sharing the same waters, and so my government intends to adopt a collaborative approach with nearby states, in the development of its blue economy.

Insurance/Catastrophic Bond

Mr. Speaker, our island is prone to natural disasters and climate change risk. These weather events can in hours reverse all gains and

growth in our country.

Mr. Speaker from 2007 we have undertaken to insure with the Caribbean Catastrophe Risk Insurance Facility (CCRIF).

With the increase in the severity of natural disasters, my government thinks it prudent to increase and extend our level of insurance coverage.

Mr. Speaker the World Bank has offered us the possibility to utilize and leverage a small portion of our IDA resources under a program referred to as the Catastrophe Deferred Drawdown Option. This option makes available USD 20 million to a country at short notice to respond to a disaster.

Other Caribbean islands have benefited from this insurance coverage and Saint Lucia will express its interest to the World Bank in issuing a CAT Bond to assist our recovery if a disaster strikes.

Sovereign Wealth Fund

It has been the objective of this government to create a multi-generational plan which would safeguard the future of the next generations.

To this end, we are in the process of exploring the pathways to set up a Sovereign Wealth Fund. The Fund once set up would be

characterised by a strong and transparent governance structure, accountability, and robust risk management practices.

Mr. Speaker, I will now outline the measures my government intends to undertake to maintain the gains we have made and to stimulate further growth of the Saint Lucian economy.

The Blue Economy – UBEC Project

The Contingent Emergency Response Component (CERC) under UBEC Project has been triggered, with the primary objective of supporting the capacity of countries like Saint Lucia to rapidly respond in the event of a further eligible crisis or emergency.

Mr. Speaker, under the CERC, Three (3) key areas of focus have been brought to the fore to obtain great strides in food security. These focus areas include: fisheries, livestock, and crop production, and will aim to achieve the following objectives.

- (i) Fisheries: Increased production safety at sea and enhanced food safety sanitation and hygiene.
- (ii) Livestock: Enhance livestock reproduction Breeding Programme, Pasture Development and Improved Nutrition, Arrival Health, and Diagnostics; and Water Security for Life stock Production.

- (iii) Crop production: Improved Agricultural Infrastructure, irrigation, drainage, communal agricultural reservoirs, and protected Agricultural Technology Land preparation services, increased availability of planting materials and farm supplies to enhance productivity and training and capacity building for farmers.

Mr. Speaker, these activities will total approximately US\$ 10 million under the UBEC project and my government is hopeful that this investment will positively impact many participants in these three sectors.

Mr. Speaker, I will now outline the measures my government intends to undertake to maintain the gains we have made and to stimulate further growth of the Saint Lucian economy.

Health and Security Levy

Starting from 1st July 2023, we shall impose a health and security level of 2½% on goods and services except on food items, medicines, selected building materials, medical equipment, and security equipment.

This levy will be implemented to have a minimal inflationary impact, and avoid any additional administrative burden and cost to businesses.

Mr. Speaker, let me be very clear, this levy will not be imposed on any

food items. This means, Mr. Speaker that the cost of food should not change because of the levy unless prices increase overseas. I am urging the private sector to work with the government to ensure that this measure is not used as a basis for increasing the price of food.

We expect Mr. Speaker that as freight charges come down food prices and the price of other imported items will also decrease.

Mr. Speaker to stimulate activity in the housing and construction sector, I propose to **remove** the VAT of 12.5% (zero rated) on the following building materials for two (2) years.

1. Plywood
2. Lumber
3. Steel
4. Cement
5. Galvanize

This means, Mr. Speaker that the retail price of these items should be reduced by 12.5% from July 2023, unless the imported price of these items increases. To ensure compliance government will engage in a price monitoring exercise.

The excise tax on tobacco products will be increased effective May 1, 2023, by 50%.

This new health and security levy is also intended to allow every citizen

to contribute to the pressing needs of the health and security of the nation.

We anticipate that this levy will raise \$33 million per annum to support the much-needed requirements for these two important areas.

Tax Amnesty

Last year, Mr. Speaker, we initiated a tax amnesty programme, offering taxpayers to settle their tax arrears free from penalties, fines, and interest if these taxes were paid by May 1, 2023.

Mr. Speaker, I am pleased to report that many taxpayers accepted the government's offer to settle their tax arrears. However, Mr. Speaker, we understand that some businesses are still recovering from the Covid pandemic and will need to re-invent and re-tool.

I am, therefore, proposing the extension of the Tax Amnesty Programme under the same conditions for businesses and individuals for another year ending May 1, 2024.

Tax Refunds

Mr. Speaker, last year we committed to settling tax refunds. A total of three thousand seven hundred and three (3703) taxpayers were paid a total of \$8.9 million in refunds.

From these payments, 2146 taxpayers received refunds of less than

\$2000 and 1557 received over \$2000.

This year, we intend to accelerate the payment of refunds to taxpayers by proposing the following:

- 1. Allow employers to reduce PAYE deductions for the settlement of tax refunds due to employees by the government.**
- 2. Allow taxpayers the right to offset tax liabilities against amounts due to them from Government.**

Other Tax Relief Measures:

Mr. Speaker, 3169 taxpayers owe \$600 million in taxes, fines penalties, and interest. It must be noted Mr. Speaker that these taxes in the majority of cases have been collected on behalf of employees and the Government of Saint Lucia. In the case of the latter a total of \$175 million in VAT, and related penalties and interest are due on Value Added Tax (VAT) deductions.

Mr. Speaker, you will agree that this amount is unacceptably high and hinders the government's ability to meet its commitments. Consideration will be given to strengthening the government's ability to collect those taxes. As it relates to the following taxes:

1. Hotel Accommodation Tax
2. PAYE

3. Hotel Accommodation Tax (All Inclusive)
4. Other Withholding Tax
5. Value Added Tax

All penalties, interest, and fines will be **waived** if taxes are paid by May 1, 2024.

Mr. Speaker, we hope that businesses that are in arrears will use this opportunity to settle all taxes due to the government by May 1, 2024.

Withholding Taxes - Contracts Below \$10,000

Mr. Speaker effective July 1, 2023, there will be **no** withholding tax on payments on contracts \$10,000 and below. This exemption will apply to musicians and other artists in the creative industries. We will enact new legislation and tax regimes to facilitate the development of the creative industries.

Debt Management

Mr. Speaker, the government will set aside some of the proceeds from the zero interest Covid bonds issued, under the CIP programme, to settle high-coupon interest bonds, ranging from 5 to 7.5%, when they become due in 6 to 10 years. This strategy will reduce the cost of servicing the government's debt.

Renewable Energy Concessions

Mr. Speaker, the threat of climate change is real, and while we are not

in any way material contributors to that threat, we do have a moral responsibility to play our part by reducing our carbon footprint. Commencing July 1, 2023, I intend to place selected PV components in the zero-rated category for Value Added Tax. The cost and installation of a PV system will be allowed as an income tax-deductible expense, claimable over a maximum 2-year period.

Other Relief

Mr. Speaker, our economic policies go beyond revenue generation and are, also, intended to assist those who justly and deservedly require assistance.

Mr. Speaker effective July 1, 2023, I propose the following:

1. A rebate of \$1 per gallon on fuel for all registered fishers. The modality will be finalized after discussions among the representative of the Ministries of Finance and Agriculture and Fishing Co-operatives.
2. A one-off payment of \$600 for government pensioners payable in November 2023.
3. A \$600 increase in the one-time allowance to teachers bringing the amount to \$1100 to be paid in August 2023 to assist in the purchase of teaching materials.
4. An extension of duty rebate on vehicles, which was available to front-line workers during Covid-19, to Customs and Correctional Officers. I propose Mr. Speaker a one-year window for the local purchase or import of these vehicles, which will end on July 1, 2024.

Budget Financing

Mr. Speaker, a summary of the budget financing is as follows

Recurrent Expenditure	-	\$1.264B
Recurrent Expenditure	-	\$ 178M
Capital Expenditure	-	\$ 302M
Principal Repayment	-	<u>\$ 112M</u>
Total Expenditure		\$1.856B
Less Recurrent Recurrent	-	\$1,413M
Capital Revenue	-	\$ 8M
Grants	-	<u>\$ 147M</u>
Total Revenue	-	\$1.568B
Net Financing	-	(\$ 288)M
Represented by		
Bonds, Treasury Bills	-	\$ 32M
Loans	-	<u>\$ 256M</u>
		(\$ 288)M

Please note that any additional borrowing is the reissue of maturing securities and will not increase debt stock

Conclusion

It is unfortunate Mr. Speaker, that in a budget in which my government has been able to achieve such a strong economic figure, including a growth rate of over 18% and a surplus on the major economic indicators increase employment, strengthening social services, I have had to spend so much time and allocate so many resources to the issue of citizen security.

This is one of the saddest contradictions facing us as a government as we prepared this budget. This budget has been presented with a mixture of pride and satisfaction at our economic management laced with sadness and disappointment that our efforts have been diverted, and our results have been marred by the rise in gun violence and organised criminal disruptions in our otherwise peaceful communities.

Imagine Mr. Speaker, how much stronger would be our economic performance had the international and regional news not been carrying stories of senseless murders and gang-related violence in our communities. Imagine Mr. Speaker, how much more we could allocate to our university scholarship programme and the youth economy if so much of our financial resources were not drawn towards strengthening our police services, our courts, and our prison service.

Sadly, Mr. Speaker, there is a small remnant of desperate political

opportunists who have been trying to seize upon the situation in Vieux Fort, in their misguided belief that the infractions of some misguided youth in our communities will open a door to their hopes for achieving political office. They are dancing on the notion that the marked return to economic growth which we announced in this budget will be drowned by their tongue-in-cheek celebrations of every news of crime in this country.

In the early days after the election they were banking on the fact that my leadership would fail. Then they went silent when they sensed the resolve of the people to stand with their government and the tremendous level of goodwill of the population for the government formed by the Saint Lucia Labour Party

Thankfully, Mr. Speaker, these are in the minority. They simply cannot accept that the vast majority of the population simply wants to work with the government to continue the country's recovery from the devastation it suffered between 2016 and 2021.

Mr. Speaker, this government has shown, that despite the voices of the naysayers, we are a government that has kept its promises. We have shown that the promises which we made in the last budget, most have been fulfilled. We have shown that the management of the economy and the management of the country is in safe hands. In this budget presentation, we have shown that we have been able to manage this economy. We have navigated the country out of COVID and around the

new global economic threats which have emerged since COVID. We have restored growth to the economy. We have reduced unemployment. We have provided tax relief and other benefits to workers and consumers.

We have fulfilled our commitments to school children. We have returned their laptops to them allowing them a better chance to participate in the new global economy. We have restored hope and purpose to the young people of this country.

We are thankful Mr. Speaker, and confident that the vast majority of right-thinking Saint Lucians will not allow themselves to be distracted by the agendas of a self-interested minority. We are thankful for their goodwill and support. I invite all Saint Lucians to continue to work with us and to join us in our broad national transformational government.

We invite all Saint Lucians to work with us as we pursue the policy objectives and programmes outlined in this budget. I commend it to the people of Saint Lucia, and I commend it to this honourable house.

I thank you, Mr. Speaker.