



**2020 BUDGET ADDRESS DELIVERED BY
PREMIER AND MINISTER OF FINANCE
HONOURABLE ANDREW A. FAHIE**

**Transformation for resilience and sustainability:
SMART strategies, Empowered People, and Green Development**

November 19, 2019

1. Mr Speaker, a pleasant Good Day and God's Blessings to you and all the people of the Virgin Islands; those here in the Gallery, those listening via the radio and to those viewing online.
2. I move that the Bill shortly entitled the Appropriation Act, 2020 be read a second time as I invite this Honourable House to extend its customary indulgence as I deliver the Territory's 2020 Budget Address.
3. I count it an honour and a privilege to rise for the second time in less than nine months to present a national budget for the Virgin Islands.

Introduction

4. Mr Speaker, before I get in to this Budget Address, I wish to first say all praises be to God for keeping His guiding hands on the BVI, and for reminding us as a Government that we are here working for the people doing His will. I do not take my faith in God as a lifestyle, but a reality because nothing is possible without the hands of God.

5. In standing here today, I pay tribute to our first Premier of the Virgin Islands, Honourable Ralph T. O'Neal, OBE Member Emeritus, who passed away on November 11. I know that we are all grateful to him for his 60 years of service to this Territory. In an unconventional action, I hereby ask all persons to please stand for a moment of silence in remembrance of him.
6. I also recognise the contributions and service of our previous Virgin Islands leaders who served in this Honourable House prior to this Government's tenure.
7. I want to express my appreciation and commendations to our Ministerial team who have brought a fresh perspective, excitement and drive to Government. I wish to thank them for their continued commitment in keeping the BVI afloat. I can say that we all came in with fresh eyes in February 2019, in a time when hope and prosperity were extremely low. Now with recovery on the move, new ideas and focus, I am comforted in the words that God's anchor still holds in the storm.
8. I thank our families for understanding that building the BVI requires long hours. We do love and appreciate you for the unwavering support that you continue to give.
9. I extend thank you to our dedicated members of the Public Service from the Permanent Secretaries to senior, middle and junior Public Officers and to all statutory bodies and their Boards.
10. I wish to especially single out the Financial Secretary and his staff at the Ministry of Finance, who have done most of the heavy lifting in producing two budget plans and supporting documents in less than nine months. I know that this has not been an easy feat, but an important undertaking for the people of this Territory.
11. I would also like to thank the many members of the public who took the time out to provide suggestions formally and informally, and during the several public

consultations held during the past nine months. Your Government is happy that the people of the Virgin Islands can once again speak freely about where we all want to see the BVI. Thank you for being a people who openly reminds us that we are not a perfect Government, but yet encourages us to strive for perfection.

12. It is on all of your shoulders that I stand today, and that we as a Government stand today and that we as a Territory stand every day, in solidarity, as I read this 2020 Budget Address.
13. What you will recognise throughout this Budget Address is that it is about 'back to basics'. It is about engaging and employing the strategies that our forefathers used to build the BVI. They built the BVI with what was in their hands. You may ask what was in their hands? I am glad that you asked. Their faith in God. Their innovative and entrepreneurial spirit. Their persistence to defeat resistance from achieving their goals. And, they did all this working together for one common goal—a better BVI.
14. This Budget Address is about us connecting what we need, with what is in our hands using green and SMART strategies. This address is about getting our people involved in the planning, production, and distribution of success through their entrepreneurial spirits and innovation.
15. More importantly, this budget is not just about money, it is about us being innovative through laws, and the Budget reflecting how the laws will help our people to earn money.

The Starting Point

16. When I presented the 2019 budget in April – eight months ago, I described it as a transitional budget. This was partly because, firstly, more than a whole quarter of the fiscal year had already passed.
17. Secondly, the preparation of a budget is not a simple task. It takes months of work. Ministries must identify their priorities and programmes through strategic planning in a process that involves a lot of moving parts, and then this must be brought together in a fiscal package. Therefore, with a constitutional deadline looming for the passage of the 2019 budget, there was not much that a one-month-young administration could do but to press forward with a budget drafted based on the priorities and programmes of our predecessor. Circumstances simply did not allow this new Government the opportunity to begin out of the blocks with a budget that was tailored to match the mandate appointed to us by the people mere weeks before.
18. Notwithstanding this, your Government dug in its heels and sat down to the task of bringing relief to those citizens who needed it and improving the quality of life for all residents.
19. Suffice it to say, we met a Territory struggling to recover 18 months after being devastated by three back-to-back major catastrophes and with precious little done to help the people of the Territory to get back on their feet, especially those who were most vulnerable.
20. Major revenue-generating infrastructure such as our ferry ports were in shambles and inoperable. Our Public Officers were working in unfavourable environments while hoping for their justly-earned increments to more adequately provide for their families and themselves.

21. In some cases, almost two years after Irma, our children were relegated to half-day school, putting their preparation for life in a fiercely competitive global world at a severe disadvantage compared to that of their peers in other countries.
22. In some cases, we met taps dry, no running water; sewage running onto our streets, blocked ghuts and drains, and open burning of garbage at the incinerator and other temporary sites. We met the Territory operating on a provisional budget of one-third of the 2018 national recurrent allocation due to failure to have an approved 2019 Budget in a timely manner.
23. The tourism industry was facing many challenges. Our taxi drivers, tour operators, food and beverage vendors, and service industries were suffering, largely because relationships with external partners, such as some of the major cruise lines, were allowed to deteriorate.
24. Residents on our Sister Islands were neglected for simple essentials such as banking facilities, among other needs.
25. I have mentioned just a few of these challenges to refresh your mind of what your Government was faced with upon taking office just over eight months ago.

The Operating Environment 2019 into 2020

26. The operating environment of 2019 has provided opportunities as well as threats for the Virgin Islands.
27. On the one hand, the Caribbean Tourism Organization has registered increasing interest by tourists in Caribbean destinations since the latter half of 2018, with a 12 percent increase in arrivals to regional destinations in the first quarter of 2019.

28. But our neighbours – our competitors – are upping their game.
29. Just to give some examples, Barbados is set to host the Caribbean International Tourism Conference from December 11 to 13, and Nevis has been named as the host country for the 10th Tourism Human Resources Conference in May 2020. By that time, St Kitts is expecting a major increase in airlift with both American Airlines and Delta Air Lines extending their existing non-stop Saturday flights to the island from John F. Kennedy Airport.
30. Cayman Islands this month announced that its room stock is now past 7,000 with the condominiums and villas categories accounting for 73 percent of the 1,000 rooms added in the last three years.
31. Recent reports indicate that Grand Bahama Island has already rebounded from the damage caused by Hurricane Dorian last August, and many of its major hotels, marinas and attractions have begun reopening. Cruise ships have started making calls. Grand Bahama will welcome its one hundred thousandth cruise visitor by the end of the year, and the Grand Bahama International Airport is expected to reopen by the end of this month.
32. Other Caribbean destinations have become more aggressive with their marketing. Regional tourism is becoming increasingly competitive.
33. Our financial services industry has been exposed to shocks as well. The likely implementation of a publicly accessible register of beneficial ownership, and the requirement for economic substance will change the landscape in this sector.
34. Already high shipping costs have started to increase. As of this month, shipping companies serving the BVI, and those plying routes around the world, commenced compliance with the International Maritime Organisation (IMO) 2020 sulphur

emissions regulation. This is scheduled to take effect on January 1, 2020. This will obviously increase the cost of food, building materials, and other imports.

35. This is just a snapshot of some of the external environmental factors that we are faced with.

Financial Performance Review

36. Although we have not yet reached full recovery, substantial progress has been made to restore our physical infrastructure, demonstrating the resilience of our people and their ability to revive critical economic activity in the aftermath of the 2017 natural disasters.
37. At the end of 2019, the Ministry of Finance projects that the total size of our economy measured by Gross Domestic Product (GDP) in nominal terms should reach \$1.303 billion. This reflects an increase in growth of between 1 and 2 percent from 2018.
38. The sum approved in the 2019 Budget for recurrent expenditure was \$331.33 million. Total recurrent expenditure, based on estimates, is \$293.45 million. Mechanisms put in place by your new Government constrained unnecessary and wasteful spending resulting in potential savings for the people for the Virgin Islands despite the significant decline in revenues from incorporations of companies. Upcoming legislation such as the Contractor General Legislation will further enhance our procurement policy to ensure value for the people's money.
39. Meanwhile, it is estimated that \$350.3 million of the \$361.8 million budgeted revenues were realised under your Government's astute and prudent management. The projection is for ending the year with a recurrent surplus despite having to deposit \$26.9 million to the Reserve Fund in 2019 to bring our Territory into

compliance with the ratios under the Protocols for Effective Financial Management (PEFM).

40. Income taxes surpassed expectations, drawing an estimated \$51.8 million, which is \$1.3 million more than the amount projected in the 2019 Budget. This is a sign of employment growth, which is an indication of a recovering economy.
41. Prior to our taking office, there were already projections that clearly stated that in the coming years our financial services industry would be faced with some serious and unprecedented challenges. Case in point: up to September, 2019, we recorded a 27.9 percent decline in new incorporations of companies and an 8.7 percent drop in revenue from the Registry of Corporate Affairs.
42. Although the timing infers that this was due to the imposition of economic substance on the financial services industry, other factors such as our rate of recovery, an unprecedented level of uncertainty stemming from BREXIT, increasing regulations, an unstable global macro-economic environment, reputational risk, new competitors, and changing client expectations can all be possible contributing factors.
43. We also cannot forget the likely impact of the anticipation for full implementation of the publicly accessible register of Beneficial Ownership by the end of 2023. The possible risk to our financial services model and revenue collection is still a looming factor that needs to be closely monitored.
44. However, this impact has been cushioned somewhat by the performance of other revenue categories. For instance, hotel accommodation tax is estimated at \$2.68 million, which is \$1.48 million above the sum anticipated in the budget and more than double this revenue category's performance in 2018. Recovery of our tourism industry is on the move.

45. Collection from the Environmental Levy has increased by over 32 percent, which translates to over half-a-million dollars more than 2018. Proceeds from cruising permits are estimated to pass the 2019 approved budget by \$0.9 million to total \$4.3 million. This is in excess of \$1 million more than the actual revenue from cruising permits for 2018.
46. Taxes from international trade is estimated to have jumped by more than \$5 million compared to 2018, and more than \$4 million than what was budgeted at the start of the year. This is largely attributed to the diligence of our hard-working team at Her Majesty's Customs. This has all been accomplished in an environment of heightened demand for goods especially building materials.
47. Despite the challenges in the financial services industry, recovery has steadily continued to the extent that more attention can now be paid to planning for development work which would set an investment friendly platform for a stable, smart, green economy.
48. The reality is that we cannot allow ourselves to be like a flag flapping in the wind. The BVI must diversify its economy with urgency. We must take steps today to improve the revenue generation capacity of our existing engine of tourism, shore up our position in the global financial services market and develop new industries and our productive capacity.
49. Doing nothing is definitely not an option. However, we must proceed with caution with respect to borrowing, even with loan guarantees and lower interest rates. We must be mindful to the extent to which we allow ourselves to be leveraged because it is us, the people of the Virgin Islands, who will have to repay any debts incurred. Hence, our borrowing must be based on our ability to repay.

The Task Ahead

50. Notwithstanding the fact that this Government took office without finding a substantive budget in place, only nine months left in the fiscal year, and the economic challenges mentioned above, your Government has worked hard to stabilise the situation, lay the foundation for a turn around and improve the quality of life of our citizens.
51. The task before your present Government is to right the wrongs we inherited, fix that which is broken, and transform these Virgin Islands into a financially sustainable Territory; to make our people secure, physically, emotionally and economically; and to make our infrastructure, systems and people resilient against any conceivable calamity.
52. Resilience requires being competitive in the global business world, whether it is in our main industries of tourism and financial services, or in any other sectors we lean on to bolster our economy.
53. The role of Government is to cultivate an environment where citizens can thrive and where economic activity can take place. Part of this responsibility includes positioning the Territory to compete in the global arena.
54. Looking ahead for the medium- to long-term, your Government's objective is to make the BVI a financially and economically sustainable Territory; to make our people secure, physically, emotionally and economically, and to develop all-round resilience and competitiveness.
55. To achieve this, your Government will lead the way in fostering the development of robust, efficient and effective value chains and value systems that will strengthen our competitive position in our main industries of financial services and tourism, while

creating opportunities for our entrepreneurs and trained professionals to spread their wings and pursue activities in other areas of business, leading to diversification of the economy.

56. Our aim is to accelerate transformation for resilience and sustainability, embracing SMART strategies and Green Development, and creating opportunities for empowerment of our People.
57. For any good business plan to be successful, you must have the necessary supporting infrastructure, capable human resources, appropriate technology, reliable procurement systems, operational capacity, inbound and outbound logistics, marketing and sales, and supporting services.
58. Your Government will be doing its part and, as far as is possible, will be open to entering into partnerships with the private sector to bring this vision to a reality.

Infrastructure

59. Mr Speaker, good infrastructure is essential for building strong value chains.
60. Over the last eight-and-a-half months, your Government has prioritised the revitalisation of the infrastructure to get our children back into an academic environment. The L-Shaped building of the Elmore Stoutt High School, now renamed the L Adorothy Turnbull building, was completed. The facilities at the Clarence Thomas Limited building in Pasea Estate were upgraded to make it more conducive to teaching and learning. Building-1 of the Bregado Flax Educational Centre was restored with help from Unite BVI and the Cable & Wireless Foundation, while the Enis Adams Primary School was rebuilt through donations.

61. In 2020, we will equip our schools with much needed furniture and equipment. We will focus on replacing and upgrading internet access points, and placing technological devices such as Promethean Boards, digital tablets, laptop and desktop computers in every classroom in both primary and secondary schools.
62. We will also begin the rebuilding of the Jost Van Dyke Primary School and the remaining buildings at Bregado Flax Educational Centre, and we will complete designs for the Eslyn Henley Richez Learning Centre. We will also develop the Elmore Stoutt High School Master Plan and design a building that will house the students presently in the Clarence Thomas Ltd building.
63. Decisive action was taken to recommence ferry operations at West End and to start work on the facilities at Jost Van Dyke. This will continue in the new fiscal year.
64. Work has begun to restore and renovate the Central Administration Complex, now renamed in honour of the first Premier of the Virgin Islands the late Hon Ralph T O'Neal, OBE, to make the facility fit for use by our hard-working public officers. Repair to the roof and replacement of the skylights should be completed early in the first quarter of 2020 and the tender for the vertical glazing is expected by month's end.
65. Restoration of fire stations throughout the Territory continues as well as the purchase of new fire tenders and other needed vehicles for the department.
66. The application of SMART technology to increase energy efficiency and functionality is a priority consideration in the design of all public buildings moving forward. Incentives are under consideration to encourage private property owners to embrace SMART technology and these will be announced shortly.

67. SMART technology is a very broad area with increasing applications that not only encompasses energy saving but includes data collection and analysis to drive informed, effective decision making. As this approach becomes more widely embraced, it will create opportunities for Information, Communication and Technology (ICT) businesses and employment opportunities for trained professionals.
68. As we strive to “Go Green” and foster sustainable development more efficient use of brown spaces must be made to reduce the impact on our natural environment and precious natural resources such as our immaculate beaches and stunning views.
69. Mr Speaker, your Government will be following through on already-announced plans to reduce congestion in the Road Town area and to create a more pedestrian friendly Capital, which will be more aesthetically pleasing. We will be pressing ahead with the construction of a multi-level parking facility at the Festival Grounds venue, and subsequently opposite the Dr D Orlando Smith Hospital, as well as paid parking in central Road Town. Commuters will be encouraged to park and ride using a low-cost “around town” shuttle. Owners of properties in already-brown spaces will be encouraged to consider building multi-level parking facilities as well. This has the potential for them to generate revenue for themselves and to create jobs during and after construction.
70. May I add that designs are in progress for the development of the Market Square. This will add aesthetically to the city and provide more business opportunities for entrepreneurs, especially those in the farming community.
71. Critical infrastructure also includes boosting our hotel room stock so that we can accommodate overnight tourist visitors, which, by the way, is at four percent above pre-hurricane levels of 2016.

72. Your Government will intensify its efforts to bring those properties under the control of the Government, such as Prospect Reef, back into operation. An attractive formula is to partner with large international brands that have a global marketing structure already in place and which are synonymous with high quality service. Invitations for expressions of interest will be going out soon. Your Government commits that reconstruction of a hotel at Prospect Reef must take place during the current term of office.
73. Such a venture, along with the return to service of our major privately-owned local hotels and resorts, will bring us much closer to our desired medium-term room stock target of 5,000 when completed.
74. To accelerate the expansion and upgrade of our room stock, your Government intends to ensure applications for hotel aid tax relief are turned around within three months of the submission of completed documents.
75. Our strong entrepreneurial spirit of Virgin Islanders shone in the aftermath of Hurricanes Irma and Maria as local homeowners opened up their houses to visitors through the AirBNB online service. This provided a lifeline to our tourism industry when major properties were inoperable. The expansion of the hotel stock poses no threat to AirBNB owners since the demand for rooms far exceeds the set targets and the market preferences are diverse. Your Government views AirBNB's as a valuable part of our economic landscape, and contributing positively to the economy.
76. Water is essential for life. Not only do our citizens need a reliable potable water supply, but they deserve it.
77. In early 2020, Expressions of Interest will be invited for the conduct of a complete assessment of the Territory's water network inclusive of purchasing of water meters, upgrading the billing system, and addressing the leakages in the network.

78. In the meantime, improvements are continuing on Tortola and the Sister Islands.
79. Persons on Jost Van Dyke are now receiving water on a continuous basis. In the last few months, the Perot Hill Reservoir in North Sound Virgin Gorda was completed. Residents in the higher elevations of Greenland were provided with water supply for the first time in over 10 years through the installation of a pressure valve at the top of Georgie Hill in Greenland. Upgrades to the infrastructure in Slaney, Thomas Landing, Beef Island and Carrot Bay have improved service to residents in these areas, especially at the higher elevations.
80. The installation of pumps in the Long Trench pump house will provide water on a continuous basis to the residents and businesses in Sea Cows Bay hopefully before Christmas. Installation of a containerised water plant in Sea Cows Bay will further enhance the supply.
81. We have said that the devastation of 2017 presented this Territory with the opportunity to hit the reset button and recast a new future for this Territory taking full account of lessons learnt. Your Government will action this opportunity with the launch of a National Sustainable Development Plan (NSDP) in partnership with the United Nations agency, Economic Commission for Latin America and the Caribbean.
82. When completed the Plan will provide a roadmap for the transformation of this Territory encompassing its economic, social, environmental, physical and climate resilient issues. In the face of climate change this plan will help us to navigate the complexities and uncertainties ahead.
83. You will recall that this Honourable House approved a revised Recovery to Development Plan just a few short weeks ago. In that Plan, we separated recovery from development and assigned the recovery matters to the Recovery and Development Agency in order to allow a more focused RDA to complete the recovery

in the allotted five years. To enhance this further, the RDA will be adding to its complement architects, engineers, technicians and quantity surveyors in preparation of projects for loan funding and execution. Equally important, it places responsibility for the development of this Territory where it rightfully belongs, with the Ministers and the Cabinet of this Territory. The NSDP which will be formulated through extensive stakeholder and public consultation, will guide the development of the Virgin Islands.

Transportation Logistics

84. Mr Speaker, Transportation is a critical element of our value system. The BVI continues to be the number-one Caribbean tourist destination, according to U.S. News & World Report's annual ranking of the world's best vacation destinations. People are longing to visit the BVI. But of what value is this if the logistics are not there to deliver the payoff on their desire?
85. The BVI Airports Authority (BVIAA) has advised that it is in discussion with Caribbean Airlines Limited to add the Virgin Islands to their route network. There is optimism that this will happen in 2020. Silver Airways is set to add their 48 and 72 seater ATR aircraft to the BVI by April 2020. This will significantly increase airlift to and from the Territory and make it more convenient to connect with other destinations. The marketing strategy of these two airlines involves promoting the calendar of events – in the BVI's case, our events such as Emancipation Festival, Lobster Fest, Virgin Gorda Easter Festival and our regattas – to boost their bookings. This will help the BVI to increase our visitor arrivals, providing direct benefits to our hotel, accommodation, and hospitality sectors.

86. To support the growth of visitor arrivals and fill our hotel rooms, particularly with persons with spending power, special visitors' visas will be introduced allowing certain categories of visitors one-week stays. They would be able to purchase these visas at the airport of their departure or here in the BVI, and this would provide another revenue stream for the Territory.
87. Also, to support increasing arrivals, your Government is working on a framework for providing emergency airlift for visitors out of the Territory in times when disasters loom. The fact that we are vulnerable to Hurricanes has been identified as one of the reasons some potential visitors are sceptical to travel to the BVI at certain times of the year, which creates an off-season. They worry about how they will get to safety if a hurricane threat arises. But, if we can assure our visitors that they will be guaranteed airlift capacity and an opportunity to get to safety, they will be more likely to visit our shores.
88. To improve efficiency and traveller experience, the BVI Airports Authority will be switching to the international exchange system by March 2020. This is a common-use platform for printing baggage tags and boarding passes. To ensure more comfort for travellers, the arrival area of the Terrence B Lettsome International Airport will be air conditioned.
89. Additionally, the Airport Police which will be introduced shortly, will provide a better-structured environment and enhance security at our airports.
90. To further increase airlift capacity and improve connectivity with the Mainland USA, priority will be given to infrastructure development, built for resilience, to accommodate larger capacity aircraft at the airport. This will facilitate the arrival and departure of larger capacity aircrafts which are capable of bringing far greater numbers of visitors to our shores.

91. Upgrade and refurbishment of the airports at Anegada and Virgin Gorda are well on track. This includes extending and paving the runway at Virgin Gorda as well as paving of the road way. Also, a variety of infrastructure work is taking place in Anegada including construction of a separate fire hall.
92. These improvements will increase the BVI's share in the global and regional tourism market, increase business for our tourism stakeholders, and support the position of the BVI as an ideal destination for conferences and training. It will also build a solid foundation for our economy for the next 50 years.
93. Mr Speaker, there is a need for proper infrastructure and systems to attract and accommodate visitors so that they can support and grow our tourism industry and our hotels which are coming back on stream such as Little Dix and Mango Bay, just to name a few.
94. The high interest by tourists and tour operators in destination Virgin Islands is an opportunity that must be capitalised upon. The recent visit to the Territory by officials of the Florida-Caribbean Cruise Association (FCCA) and executives from major cruise lines affirmed their confidence in the BVI. This is in addition to the increase in calls by Norwegian, Royal Caribbean, Disney and Carnival Cruise Lines which was the product of your Government, and myself as Premier, directly engaging them at the 2019 Seatrade Cruise Global event in Miami in April, and which increased arrivals for the current tourist season initially by 64,000 passengers. The first half of 2019 saw a 75.9 percent increase in cruise tourist arrivals compared to the same period in 2018.
95. Cruise operators are interested in increasing calls to the BVI and staying at port later into the night – such as until midnight.

96. Mr Speaker. Take a walk with me through Road Town at 9 or 10 pm and imagine the possibilities. Imagine a vibrant Capital. Tourist visitors strolling, visiting the Craft Alive shops and other stores. Bars and restaurants alive with activity. Street food vendors and live musicians making profits. Imagine the opportunities for our providers of goods and services who support these activities from the background. This is not a fantasy; it can be our reality.
97. To capitalise on this, it is necessary to increase the berthing opportunities. Options are being explored at the moment because of the tremendous earning potential that this holds for our people. Additional ships with extended time in port can boost annual cruise arrivals to beyond one million passengers.
98. To further enhance cruise tourism, the lands reclaimed outside of the Administration Complex will be immediately transferred back to the BVI Ports Authority.
99. At this point it is important to point out that in order to boost mega-yachts sailing and remaining in our waters, the Customs Regulations will be amended immediately to allow them to purchase duty free fuel, once they remain in our Territory three days or more. This will be a step in the right direction towards encouraging mega-yachts to make the BVI their home port.
100. Mr Speaker, growth also requires an expansion of our networks and relationships.
101. On the international front, your Government will continue to strengthen and expand our regional relationships in the face of the uncertainty in our international relationships, particularly with the European Union as a result of the turmoil over Brexit. Our membership in CARIFORUM and the Association of Caribbean States are two examples of areas where the Territory will be able to enhance cooperation and partnerships to manage the uncertainties of the future.

102. We are also forging new levels of partnership with the United Nations through its various organs, including the United Nations Development Programme, which was very instrumental in our early recovery. We are very grateful to them. Mr Speaker the United Nations through one of its organs, the United National Development Programme, will be establishing a satellite office in the BVI in 2020; an unprecedented development for an Overseas Territory.
103. In February 2020, in partnership with the BVI Chamber of Commerce and Hotels Association, I will be issuing invitations to the various Chambers of Commerce and business organisations throughout the Caribbean region to meet with your Government to explore opportunities for trade. Many products such as building materials, manufactured goods and food can be sourced from our CARICOM neighbours at competitive prices, if a major reliable shipping route is developed through the region. The BVI wants to pioneer this initiative.
104. The BVI Ports Authority is preparing to conduct a feasibility study on flexible work hours, which will extend the operating hours at Port Purcell to increase the efficiency of loading and unloading cargo. This will lower the cost of doing business through lower storage fees, and importers will be able to pass these savings on to customers.
105. Revenues at the BVI Ports Authority for the first 10 months of the year are up by 39 percent in comparison to the same period last year. In strategically looking ahead towards the enhancement of the aesthetics of the ports facilities and revenue collection a number of requests for proposals were issued which includes:
- Provision of Tug Boat
 - Supply of specialty equipment for port cargo operations
 - Operational Feasibility Study

- Administration Building Design
- Warehouse Design
- Forensic Auditor Services
- Rehabilitation of the International Dock at Road Town Ferry Terminal
- Design/Engineering and Build of an extension of the bulkhead at Port Purcell

106. Our maritime industry is the backbone of our tourism product and our way of life. You would be aware that your Government launched its 'Back to the Sea' initiative to ensure that our people have the opportunity to take their rightful place in this sector. We also have an established position as a Category One shipping registry which allows us to provide a financial services offering with significant revenue potential for the Territory.

107. Mr Speaker, in 2020, the Territory will undertake an International Maritime Organisation audit to maintain this significant status. Your Government is working in partnership with the Maritime and Costal Agency of the United Kingdom to ensure that the BVI is certified as a Category One registry of ships and expand its offering in registration of ships. It is also your Government's plan to develop a similar infrastructure for the aircraft industry and establish an Aircraft Registry.

108. Mr Speaker, our people deserve good roads to drive on. Major infrastructural development in the redesigning of our drains and the road network to build resilience against climate change will be the main focus with redesigning for flood mitigation and building resilience through our drainage structure in 2020 and execution 2021.

109. Since taking office in February, your Government resurfaced a number of roads across the Territory, including the Elevator Hill, Frenchman's Cay, Paraquita Bay, Long

Bay, and many other critical areas in the Territory that were badly damaged and in need of urgent attention. Work on roads and drainage in Georges Northside and Cooten Bay have commenced. The designs have been completed and work should commence in a few weeks. In 2020, the Northside Coastal Defences and road restoration will move into action to include vulnerable areas such as Carrot Bay.

110. On the Sister Islands, work will continue to complete and rehabilitate roadways in Virgin Gorda and Jost Van Dyke, targeting the areas undermined by the storms of 2017. The Nail Bay Road rehabilitation work will commence any day now and is expected to be completed no later than the first quarter of 2020.
111. I am happy that the traffic lights in the city are now functional after being destroyed in 2017. Recovery is on the move.

Environmental Protection

112. Mr Speaker, development is encouraged but this must be done in a responsible way and cannot be allowed to compromise our environment and our people. Consistent with our vision for Green development, the recently appointed Planning Authority Board and other relevant agencies will enforce the building regulations so that reckless construction practices do not continue.
113. The members of the new Board are passionate about their duties and will now be meeting at a minimum of twice per month to ensure that applications for construction and development are addressed in a timelier manner. In three short weeks from their appointment, I am happy to report that they have resolved the major backlog of applications.

114. Mr Speaker, the cleaning up the Territory is all of our business. The Ministry of Health and Social Development has begun a Territory-wide clean-up campaign and a drive to rid our islands of derelict vehicles and metal waste. A comprehensive waste management plan that encourages reducing, reusing and recycling non-biodegradable waste is in the works. Repairs to the Pockwood Pond incinerator are soon to be completed and plans are underway to have a scrubber installed.
115. Citizens are reminded that it is an offense that carries a fine to dispose household items such as furniture, fridges, stoves, etc at the various garbage collection outlets. Enforcement of these laws will be a priority immediately.
116. Mr Speaker, proper management of sewerage is important for protecting our environment as well as the health and safety of residents and visitors.
117. Installation of sewer pumps in Cane Garden commenced in September 2019 and upgrades to secure the system will continue. Work has also begun to improve the pump stations throughout Road Town to ensure that they are functional and that our surroundings are aesthetically pleasing. Efforts are also underway to return the Burt Point Sewerage Plant to operation after it was damaged in the 2017 hurricanes.
118. Your Government remains committed to rectifying the unacceptable and long overdue sewerage problems in the East End-Long Look area. Some just over \$3 million has been made available in this budget for tendering and work on the first phase of this project to commence shortly.
119. Mr Speaker, cognisant of the importance of protecting our natural assets for the benefit of generations to come, your Government is focused on addressing issues relative to the changes in the climate. Amendment to the Climate Change Trust Fund Act will allow for greater access to various types of regional and international funding avenues. Equally, we have been significantly involved in the International Maritime

Organisation's audit of the Class 1 Registry and will introduce legislation to address issues resulting from oil discharge.

120. Additionally, a National Beach Use Policy will be introduced to establish a legal framework that ensures sustainability of our natural resources, more so our beaches, as they are very important to our future economic viability.
121. To further care for our environment, we must push ourselves to go green and to adopt more environmentally friendly options. To demonstrate our seriousness about this, a package of incentives is being worked on which would feature zero tax on the import of clean energy systems such as solar and wind power generation equipment, and hybrid vehicles.
122. This will reduce the BVI's carbon footprint, harness our renewable resources, and save citizens and the Government millions of dollars that are presently being spent on imported fossil fuels.
123. Additionally, the potential exists for citizens who generate their own electricity to earn money by selling excess power back to the power grid. We will also explore options for encouraging motorists to switch from the traditional petrol and diesel to liquefied petroleum gas which is a lot cheaper and more environmentally friendly.
124. I am advised that with serious effort, the BVI can be 60 percent Green by 2030. Technical details are being worked out. A pilot installation at the Youth Empowerment Programme (YEP) building will provide valuable information for the establishment of the framework.
125. As you can see, your Government has set ambitious targets for converting our energy consumption to sustainable renewable energy. There is significant interest from the private sector in this area, and many proposals and partnerships are being considered.

126. In the coming year, your Government will embark on several renewable energy projects that will set this Territory on the road to green and sustainable energy production.

Agriculture and Fisheries

127. Mr Speaker, I will now turn to agriculture and fisheries.

128. In 2019, the Ministry for Agriculture hired a new Director of Agriculture and Fisheries and policy support personnel in the ministry.

129. Steps were taken towards infrastructural recovery at the agricultural stations in Tortola and in Virgin Gorda. Measures for supporting the growth of the poultry industry were also implemented by identifying lands for lease by the private sector.

130. A land swap was performed with the HL Stoutt Community College to facilitate the establishment of the medical marijuana industry.

131. Medicinal marijuana in the Caribbean is projected to be worth \$2 billion and in Latin America the market is estimated to be worth \$14 billion. BVI is moving to tap into this industry and develop to generate millions of dollars in revenue.

132. In 2020 we will continue infrastructural recovery of agricultural stations and take significant steps towards establishing the medical marijuana industry.

133. Emphasis will also be placed on restructuring Crown land designated for farming; drafting of a national food production and land use policy; and reviewing and modernising existing agricultural and fishery legislation.

134. Your Government will support the establishment of commercial farming and fishing enterprises, and active farming and fishing cooperatives; and will explore the possibility of an agricultural and fishery curriculum at the H Lavity Stoutt Community College.
135. We are working on a programme to offer financial assistance to our fishermen and the development of fish processing businesses up to \$100,000. Similarly, the details of how we will deliver our campaign promise to assist farmers with development of private access road and supporting infrastructure to develop their farms is also being actively explored.

Human Resource Development

136. Mr Speaker, I will now touch on our Human Resource Development strategy.
137. Your Government's commitment to the development of our people is unparalleled and beyond question.
138. The first phase of the 'Back to the Sea' Marine Training Programme was launched through the H Lavity Stoutt Community College in August and the second batch of trainees is expected to commence training in January. This programme is aimed at equipping our people for exciting and rewarding careers in the marine sector.
139. Also, the launch of the marine training programme coincided with registration for the 1,000 Jobs in 1,000 Days Programme, which saw over 500 registrants immediately signing up. Participants were exposed to a boot camp to equip them with basic skills for the world of work.

140. Training for interested young adults across the Territory in the installation of green energy systems will kick start in January through a partnership between your Government, the BVI Electricity Corporation and local renewable energy company, aTec. Participants will be at the forefront of the Green Energy industry as it picks up.
141. It is the philosophy of your Government that Virgin Islanders must come first in all development activities. This is consistent with the mandate of the rebranded Department of Labour and Workforce Development. Our people must be equipped to grab the opportunities that will flow as our economy picks up momentum. We must ensure they are able to start and run successful businesses. They must be qualified to lead companies. They must be able to out-bid applicants from anywhere in the world for any job, especially here in the BVI.
142. To prepare our people for success, your Government is conducting research towards the introduction of full Bachelors' and Masters' degrees and certifications on-island in the BVI from internationally recognised, accredited universities through a distance learning model. This will build our capacity for the public and private sectors. But more importantly, persons will be able to obtain or upgrade their qualifications at a lower cost without having to leave their homes, their families and their jobs. They will be able to command the job of their choice and negotiate better wages, while being able to grow professionally. Initially, the fields of business management and law are being looked at and thereafter other disciplines would be considered. Details on this effort will be provided soon.
143. I want to emphasise that this initiative will not compete with the arrangement between the H L Stoutt Community College and Johnson and Wales University in the United States that provides direct entry to Johnson and Wales for HLSCC graduates. The aim is to provide additional options to our people, especially those who are unable to go abroad for extended periods.

144. Simultaneously, we will be reviewing the arrangements through the Public Service to facilitate our public officers being able to pursue qualifications to the Masters' and Doctoral level.
145. In 2019, your Government supported many students by providing educational grants to pursue tertiary education. In 2020, our scholarship programme will be fully re-established since Hurricane Irma, providing funds for supporting students abroad.
146. Mr Speaker, in 2019 some 134 acres of land was transferred to the HLSCC. This is a significant step in shoring up the college's assets as we pursue reaffirmation of our accreditation. Your Government also increased the subvention to the college from \$8 million to \$10 million. In 2020, your Government will continue to support the institution in its 30th year of existence.
147. In the upcoming fiscal year, the Ministry of Education will conduct an educational review and move towards implementing teaching standards. We will also conduct a study on our teacher education system and make recommendations for its re-establishment. We will also equip our schools with much needed resources in reading and other areas. We will fill much needed positions in student support.
148. Mr Speaker, looking forward to 2020, your Government recognises the importance of satisfying the informational, educational, cultural and historical needs of the public. The Library Services Department is therefore looking forward to the reopening of its branches on Virgin Gorda, East End and Anegada with upgraded services. We expect to provide a combination of traditional library services to the public, as well as utilising the latest library technology available which would include the use of artificial intelligence. A review of the previous drawings for a state-of-the-art library facility for Road Town has been commissioned. It is anticipated that we will be able to secure donor funding for this vital project during this budget year.

149. Building a knowledge-based society has to start from early, and education must be relevant to the BVI context. That is why your Government will ensure that our young people, from as early as pre-school age, are taught about tourism, so that they are prepared to thrive in their BVI. We will take steps to have an appropriate curriculum developed in time for the September 2020 school year.
150. Mr Speaker, in 2020 the Territory will be conducting a new census. This is a critical undertaking and I am using this opportunity to make a strong plea for the public to give its full cooperation to the Central Statistics Office and its team of census takers. As we reset the direction of this Territory following the 2017 devastations, we must become a data driven society and make plans and decisions based on solid information.

Support for Youth and Sports

151. Mr Speaker, in the area of youth affairs, in 2019 the Ministry of Education held many successful programmes, including the Gen-Y Factor. Significant support was extended to organisations, such as Youth Empowerment Programme (YEP), in delivering their programmes.
152. In 2020 we will continue the succession programmes run by the Department of Youth Affairs and Sports. We will also reintroduce the Emerging Fellows Award, and we will continue our support of organisations which are doing significant work among young people.
153. Your Government will ensure revision of the Virgin Islands National Youth Policy and Strategic Objectives that will outline and underpin all the work and efforts made on behalf of the development of young people in the Territory. This process will

begin with the young people and their current situation, and will address their current and future needs. Our youth will be consulted at every step of the process and the revised policy will act as a road map for ensuring that our youth are given all the necessary opportunities and supporting mechanisms to ensure positive development. It is hoped that by the end of 2020, the process will be well underway towards providing a comprehensive and future-minded policy with a clear Action Plan to be launched in 2021.

154. Your Government's support for sports was demonstrated in the repair of several recreational facilities. Upgrade of facilities will continue in 2020, especially our basketball courts and recreational grounds across the Territory.
155. In the New Year, your Government will establish a National Sports Council that will manage sports in the Territory. We will continue the restoration of the Multi-purpose Sports Complex, including the air conditioning system. Work will continue apace on the International Federation of Association Football (FIFA) football stadium in East End as this will provide facilities for our sportsmen and women, and allow the BVI to generate revenue from sports tourism.
156. Of equal importance is the recognition of our athletes who achieved a gold, silver and bronze at various international sports competitions. Your Government is committed to recognising these shining stars since they demonstrate that our BVI athletes can achieve at the highest level of competition and fly our flag high. Your Government will be investing in preparing our athletes who will be significantly competing in the upcoming Olympic Games.
157. Your Government intends to introduce legislation to establish a Horseracing Commission to regulate the sport and make it more profitable. A Gaming Commission

will also be established to regulate betting on horse racing and other forms of gambling, but only in designated areas.

158. Many people in the Territory are fans of drag racing but it is unsafe for this pastime to take place on our public roads.
159. Within the next week, we will call a public forum with all our youth and interested persons to turn this into a sport of safety and fun, as it has the potential, if conducted in a responsible manner, to generate employment opportunities and attract revenues.
160. Also, motorsports can then be added to our tourism product. We will discuss sites where Government land is available and turn our fears into opportunities.

Operations – Public Services

161. Mr Speaker, regarding operation of the Public Service, your Government fully supports the ongoing drive to reform and modernise the Public Service to improve the delivery of Government services to the people of the Territory.
162. To complement this thrust, training will be afforded to all of our front-line personnel, especially those who interact with tourists and visitors such as personnel in Customs and Immigration. These are critical points of contact with our visitors and we must ensure that we make positive lasting impressions.

Technology

163. Mr Speaker, essential to modernising public service delivery and increasing efficiency is the application of modern technology such as e-Government. E-Government

services will afford great flexibility and convenience to citizens, especially our Sister Island residents who will be able to transact business over the Internet.

164. The harmonisation and streamlining of Labour and Immigration commenced in June and this includes the linking of the electronic systems. We expect to make significant progress in the digitisation of customer service in the upcoming year as relevant legislation is passed and implemented.
165. We have completed the Work Permit online system with the exception of the payment portal, the details of which are being worked out. We are now finalising the relevant legislation to ensure protection of user information and to meet international standards. Scanning is ongoing so that historical data can be loaded to the system and we expect to officially launch and commission the system in short order. We are now getting ready to launch Phase Two of this project in 2020, which is the workforce development component – the Job Board.
166. We are working to be able to install the Advanced Passenger Information System to strengthen our borders, but while discussions with the Foreign and Commonwealth Office and CARICOM are being finalised, we are well on the way with the signing of the contract with a Canadian Company to have a Border Management system in place. This signing should be completed by the end of the month for works to begin flowing into 2020 with completion in early 2021. The Advanced Passenger Information System will be connected to the Border Management System once completed.
167. We must create a labour market which is conducive to economic growth, investment and employment creation that will be characterized by improved skills, equity, sound labour relations, respect for employment standards and worker rights and due respect

to those who help to create economic opportunities while protecting our borders and preserving our natural resources for the benefit of all.

168. Technology and innovation are key to the continued success of financial services as well as in the wider economy. In this regard, the Cabinet will be shortly approving the Territory's first National Information, Communication and Technology (ICT) Policy, Strategy and Implementation Plan.
169. The ICT Plan has set the following vision for the Territory: Agile BVI - Connected, Resilient, Smart. This Plan, when implemented, will allow the Territory to leverage ICT to foster innovation, diversify the economy and expedite the Territory's transformation into a digital economy.
170. Mr Speaker, embracing the vision for the development of the Territory and the role of technology in this regard, only last Friday, one telecommunications provider, after meeting with the Premier, agreed to immediately double broadband speeds for customers and to lower its prices. The challenges our citizens and business community face with the reliability of Internet service must be overcome, even if it means inviting new players into our market.
171. Another significant lesson of the great hurricanes of 2017 is that we must guard and protect our information, which will become our history and our legacy. The information and history of a nation belongs to its people. For that reason, I requested that responsibility for this important national treasure be transferred to the Premier's Office. As we prepare to temporarily relocate from the Honourable Ralph T O'Neal Administration Complex, the issue of the protection, preservation and management of our records and archives must be immediately addressed as they have to be moved.
172. In this budget year, your Government will be initiating the establishment of the National Archives to ensure that the history of the administration of this Territory is

available for future generations. In the meantime, interim arrangements will be made to protect our records and archives.

173. And on the topic of documents, the commitment to have all our Government documents and forms published in both English and Spanish will be kept.

Marketing and Promotion

174. Mr Speaker, in marketing and promoting the economy and as we embrace the greater use of technology, the BVI Tourist Board will be utilising Search Engine Marketing strategies which involves using the web architecture of companies such as airlines and travel sites to promote our destination. This will be in addition to traditional marketing techniques.
175. We will continue to market to our core demographic in US and Canada, Regional Caribbean, Italy, Germany, France and Latin America, but we recognise it is also important to reach out to emerging markets. Our view is to start to gain ground in the Scandinavian as well as Canadian markets. Niche markets such as MICE (that is Meetings, Incentives, Conferences and Exhibitions), Adventure, Health and wellness as well as Culinary and Sports will be explored.
176. May I add, Mr Speaker, the total allocation for Tourism will be \$15 million at the end of this budgetary process.

Culture and Heritage

177. Mr Speaker, Culture and heritage are vital parts of our tourism product and investment will be made to build on this area.

178. Your Government will put more resources into the development of our cultural artisans, providing them with expertise, platforms, opportunities for collaboration with the aim of improving and promoting their craft.
179. Historical tours and heritage sites will be further developed to enhance our knowledge of the past and to enrich visitor experience. We will ensure our Emancipation Festival promotes our culture and we will build on the Honourable Delores Christopher Festival of the Arts which we started in 2019. We will establish a cultural website with a register of cultural artisans, a cultural calendar, as well as a virtual marketplace where persons can purchase cultural products.
180. At the Cyril B Romney Pier Park, we will be creating a platform from 3pm to 6pm when ships are in for live performances by local artistes and local music bands. This will allow our talented artistes to develop and showcase their talent and earn money. It will also provide an attraction for visitors returning to the cruise ships to linger around on land and patronize our businesses and vendors, while absorbing more of the BVI's cultural offerings.
181. Mr Speaker, as I deliver this address today, I must acknowledge that November 24, 2019, will mark 70 years since the People of the Virgin Islands, our fore-parents – marched through the streets of Road Town, in what is referred to as the 1949 Demonstration, to demand a change to the way matters affecting their lives were decided.
182. This mass Demonstration was the catalyst for political development in our Territory, leading to the evolution of the Modern BVI. It led to the re-instatement of the Legislative Council in 1950, the first Constitution of the Territory, the Constitution Act 1950, which revoked power from the Governor of the Leeward Islands and reinstated it to the reformed Legislative Council. The first elections were also held in

1950 and by 1954 the Constitution and Elections Act, 1954 was enacted, paving the way for General Elections and the right to vote to for each adult Virgin Islander, whether male or female, was provided for the first time.

183. Mr Speaker, as I stand here today, I take this moment to recall that we stand on the shoulders of those Virgin Islanders who have gone before, our fore-parents, who presented a petition to the Commissioner in which they stated and I quote,

184. “One of the purposes of this Demonstration today is for us to achieve a measure of political freedom for ourselves and the generation of the future.”

185. Today as we gather here to present the Budget Address for these Virgin Islands, I acknowledge the desire of our forefathers that we would be able, today, to govern our internal affairs. Hence provisions are made in this 2020 Budget to request the commissioning of a Constitutional Review.

Health Services

186. Mr Speaker, in terms of health services, our most important resource is our people, and health is among the most critical factors in the development of our Territory.

187. Your Government will continue to make investments towards the international accreditation of the BVI Health Services Authority as well as strengthening the performance of the National Health Insurance System following a comprehensive functional review.

188. We have also heeded the call for better health services on the Sister Islands, and this budget provides the resources necessary to commence operations of the new Nurse Iris O’Neal Medical Centre in The Valley, Virgin Gorda, in the first quarter of 2020.

Social Services

189. In addressing the pivotal issue of care and protection for the most vulnerable segments of our population, social services spending accounts for a significant portion of Government's expenditure for 2020.
190. Investments will continue to be made towards housing recovery for households displaced by the 2017 hurricanes, including building material grants to assist homeowners to carry out essential home repairs.
191. Your Government stands firm in its responsibility to enhance services to protect our seniors, and to strengthen the care provided to them in their homes, communities and residential facilities. We are therefore providing funding to further restore the Senior Citizens Programme throughout the Territory, and our infrastructural programme includes the expansion of the Adina Donovan Home to provide long-term nursing care to additional clients from its existing location.
192. Additional resources are being made available to rehabilitate the East End-Long Look Community Centre and the Brewers Bay Community Centre, as well as to strengthen the resilience and functionality of other community centres located throughout the Territory.

Correctional Services

193. Regarding correctional services, funds have been made available for renovation and repair works at Her Majesty's Prison to provide much needed enhancements to the environment for workers and inmates at the facility.

Trade and Economic Development

194. Mr Speaker, going forward with trade and economic development, I implore our people to see green development using Smart strategies, as our opportunity to set our economy on a stable, resilient and sustainable platform for the future.
195. While focusing on green development, the potential medium to long-term economic impact from many planned policy changes and initiatives in the medical field such as medicinal marijuana and medical schools, infrastructural renewal and development, diversification within the tourism, financial and business services would only serve to further stimulate the economy.

These initiatives are expected to lead to:

- Increased revenue to Government;
 - Increased private sector activities including increased employment opportunities;
 - Increased disposable income to individuals; and
 - Increased savings and investment levels in the economy.
196. With the presence of the above positive, economic indicators, growth and expansion of our economy is an easily predicted result.
197. The answer to many of our economic and social problems is to grow our economy and more specifically that portion being led by the private sector. This is why we have set our minds on deepening trade ties with our CARICOM neighbours.
198. Your Government has plans to transform our relationship with businesses. We have already introduced the Trade Commission Act into this Honourable House and will

soon be passing it into law, paving the way for the entire infrastructure required to facilitate, coordinate and support local and foreign investment in an efficient, effective and business friendly manner.

199. We are ready to launch the Territory's first investment promotion agency, BVI Invest. Through BVI Invest we will create a one stop shop to facilitate and support local and foreign investment. It will also promote the BVI's unique investment position.

Entrepreneurship

200. Mr Speaker, we have a natural entrepreneurial spirit. History will record the recommendation of Mary Proudfoot to the British Government in 1965, that the British Virgin Islands be left as a bird sanctuary. History will also record the determination and grit of our people to remain in this Territory and make a living out of the little they had with the help of Almighty God.
201. That determination and grit could be seen in the lives of generations of BVI Islanders and Belongers from Anegada in the North to Jost Van Dyke in the West; examples such as William and Clarita Malone of Fat Hogs Bay East End who toiled as shop keepers and their children Helen Frett and Flosie Penn as community bakers.
202. That same determination and grit could be seen in the lives of Mr Edwe Hodge as a boat builder in West End, and many others. Indeed, this is the story of most families throughout the BVI.
203. We did not call them entrepreneurs then, but indeed that is what they were.

204. On reflection, it is clear to me that by the forces of history, entrepreneurship has become a natural part of the BVIlander's DNA. Entrepreneurship is in our blood. It's in our psyche. It's at the core of our identity. It's how we see ourselves as BVIlanders and indeed many Belongers.
205. That is why your Government has decided to make entrepreneurship development and the ecosystem that supports it a key focus for the empowerment of the people of these British Virgin Islands.
206. Everyone reading or listening to this speech must know that this focus is not only wise, but essential in the aftermath of Hurricanes Irma and Maria as we strive to rebuild our economy. Our people did it in the aftermath of Mary Proudfoot's unfavourable report and your Government believes that we will do it again.
207. To channel our national collective efforts in this area, your Government's vision is the development of the British Virgin Islands as a leading economy through Entrepreneurship and Innovation. To support this vision, we have made a request from the Caribbean Development Bank to make available US\$2.5 million dollars to be placed in a Fund to support the aspirations and development of entrepreneurs in the Territory. Access to the Fund will only be considered after applicants have been certified as having gone through training programmes that qualify them to use the funds responsibly.
208. To support the continuing development of entrepreneurs in the Territory and the ecosystem that support them, your Government will examine options for establishing an Entrepreneurial Development Fund to, among other things, invest alongside the private sector in the funding and training of start-ups to start and grow into successful businesses.

209. There are already reports of at least one Banking Institution in the BVI which is well on its way to rolling out a programme that will provide financing of up to \$50,000, together with development assistance, to start-ups that have less than two years of operations. The Government looks forward to partnering with institutions such as this and indeed we will actively encourage other institutions to follow suit.
210. Our plans for the development of the entrepreneurial and innovation ecosystem in the BVI include forming linkages and partnerships with the private sector, Non-profit Government Organisations, regional and international innovation hubs that provide technical, financial and research support for identified areas of innovation and entrepreneurship development generally.
211. Mr Speaker, as the British Virgin Islands charts its way forward in a post-Irma era and a world marked by globalisation, UK and international initiatives, rise in terrorist activities and the economic realities of developed economies, one thing has emerged as certain, CHANGE is inevitable.
212. As we engage in the search for the answer to the question, “Where do we go from here?”, the question that we must ask ourselves is no longer, “What can we do to keep up with the rest of the world?”, but rather, “What can we do to stand out from the rest of the world?”
213. To “STAND OUT” will require that we establish what is unique about our Territory and its people. When we consider that the products and services for which the Territory is renowned are largely entrepreneurial in nature, the concept of pursuing a path that seeks to develop the natural entrepreneurial talents of the Territory and its people is compelling.
214. Welcoming the spirit and rising interest concerning entrepreneurship in this Territory your Government has plans to further ignite and support it.

215. In the first quarter of 2020, we will be setting up the BVI's first Innovation Lab. This will become a hub of creativity and support for future entrepreneurs of the BVI. If the response to the recently completed Innovation Week is any indication, we have high hopes for the future economy of the Virgin Islands.
216. The Innovative Business Lab will be one of the many support mechanisms within the National Business Bureau, being offered to the micro, small and medium enterprise sector. It is evident across the globe that the small business sector is the lifeblood of any economy, and as such, we intend to restructure the Bureau to provide all of the relevant support services including training, technical assistance and micro financing to our MSMEs. We will also seek to partner with all of the relevant agencies in creating a strong ecosystem for MSME support that will ensure the long-term sustainability of the micro, small and medium enterprise sector.
217. Mr Speaker, this is a good juncture to highlight that in order to facilitate ease of doing business, and to provide some comfort and convenience to the people of Virgin Gorda, your Government has partnered with Banco Popular to restore a physical banking option to the island. This is an investment in our people who deserve to be treated as first class citizens and will help commercial activity on the Sister Island.
218. To ensure that we create an enabling environment in which the MSME sector can develop, grow, and thrive, Cabinet has already approved a number of policy instruments such as the Business License Policy, which will seek to ensure the ease of doing business, by streamlining the processes and procedures for starting and operating a business.
219. Equally important is the recent draft of the Investment Act, which will seek to create an attractive investment climate for both domestic and foreign investors. The purpose

of the Act is to help to promote investments in various sectors that would seek to diversify the economy of the Virgin Islands.

Fiscal Strategy

220. Mr Speaker, I will now turn to our fiscal strategy.
221. Negotiations with the UK Government are ongoing with respect to the offer of Loan Guarantee for Recovery to Development projects. Our technical negotiating team is working to ensure that the outcome will be to the benefit and interest of the people of the Virgin Islands. Of course, this takes time.
222. Our fiscal strategy incorporates fiscal buffers for potential risks mentioned, and its three primary goals are firstly on managing a balance between revenue and recurrent expenditure; secondly, on preserving our reserve fund; and thirdly, on maintaining compliance with the fiscal rules outlined in the Protocols for Effective Financial Management.
223. The strategy anticipates increased income through the exploration of new revenue generating initiatives which include collections from the implementation of a money transfer fees, venturing into the medicinal marijuana industry, from the licensing fees, etc of privately run medical schools, improved collection of taxes from a myriad of areas including from our Shipping Registry, and collections from our Statutory Bodies and State-owned Enterprises, just to name a few.
224. As we continue to move forward with our recovery your Government will not stifle our people with any new tax measures. We strongly believe that we will be able to meet our targets for revenue, expenditure and debt without putting undue burden on the people of this Territory.

225. In 2020, we anticipate revenues of \$362.9 million, with about \$201.4 million from financial services. I am urging Statutory Boards and State-owned Enterprises to increase their efficiency and effectiveness so that they become more commercially viable.
226. Our targets for revenue, expenditure and debt repayment recognise that we must invest in public infrastructure, build a stable economy and to empower our people. Recurrent expenditure for 2020 is expected to be about \$327.8 million, while capital expenditure has been budgeted at \$65.5 million.
227. We expect on-going efforts in Public Service Transformation and the Public Service Digital Transformation Programme to build efficiency into the Service and help us to channel funds into areas where they are most needed.
228. With increased investment in public services and infrastructure, and full recovery of our tourism sector expected to be achieved by the 2020/2021 tourist season, Mr Speaker, we anticipate real GDP growth in 2020 ranging between one to three percent. These growth expectations would continue to be tempered by downside risks to our financial services sector from increasing regulations, competition and changing client expectations. We are mindful of this and will exercise the necessary caution and diligence.
229. Growth in the global economy is predicted to be weak within the context of an unstable global macro-economic environment, looming economic wars, rising world trade tension, a slow-down in regional economic outlook, the protest in Asia and BREXIT.
230. It is in this context that we set out our plans to shore up financial services. We will continue dialogue to protect our industry and stand by our tried-and-tested service. We will also encourage development of 'niche' markets from the enormous

opportunities and potential for developing expertise that could emerge through effective regulation, and the creation of innovative new products.

231. BVI Finance has also identified clear sectors for development and we are committed to supporting these. They include asset recovery, Islamic Finance and family offices and positioning BVI at the forefront of FinTech with cryptocurrency, Initial Coin Offerings and block chain all potential areas for development. I call this “Backing the Future” – and BVI Finance is leading the charge.
232. Your Government will ensure that the recovery continues apace so as to secure the resiliency and stability of our economy, and most importantly, the continued empowerment of our people.

The Budget Figures

233. Mr Speaker, I now turn to the Budget figures.
234. The total budget this year is \$414,008,611. This will comprise of \$327,766,149 on recurrent expenditure; \$65,479,200 on capital expenditures; \$6,217,762 in fund contributions; and \$14,545,500 towards principal repayments on our debt.
235. The percentage distribution of each Ministry’s recurrent budget allocation and our statutory obligations would be as follows:
- Constitutionally Established Departments, 2.5 percent;
 - Governor's Group, 11.3 percent;
 - Premier's Office, 8.1 percent;
 - Ministry of Finance, 12.1 percent;

- Ministry of Natural Resources, Labour and Immigration, 2.7 percent;
- Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture, 15.2 percent;
- Ministry of Health and Social Development, 19.6 percent;
- Ministry of Transportation, Works and Utilities, 13.8 percent;
- Pensions, Public Debt & Funds Contributions, 14.7 percent;

236. Mr Speaker, as you would notice, the bulk of expenditure continues to be on education and health, two of the most important areas in guaranteeing the empowerment, strengthening, and development of our people.

237. In 2020, we estimate development expenditure to be \$65,479,200. This amount comprises \$7,987,200 in capital acquisitions and \$57,492,000 in infrastructure development across the Territory.

238. In the Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture, \$5,963,400, or nine percent of the Development vote has been allocated to, but not limited to:

239. provide a restored learning environment for the special needs students in the Territory that meets all existing smart and safe standards at the Eslyn Henley Richez Special Needs Learning Centre;

240. provide a modern, resilient and safe learning environment at the Bregado Flax Educational Centre and Elmore Stoutt High School for students and teachers;

241. provide a multiservice facility to enhance the learning and education of residents by building a National Library;

242. meet the physical and social recreation needs of the various communities through restoration of recreational facilities across the Territory; and
243. Provide cultural and social benefits to the people of the Territory through the rehabilitation of cultural and historical sites and facilities.
244. In the Ministry of Health and Social Development, \$2.7 million, or four percent of the Development vote has been allocated to various capital initiatives, including ongoing work at the Nurse Iris O'Neal Clinic on Virgin Gorda, which we intend to open early next year. Remedial work will also continue on the community centres and clinics throughout the Territory.
245. We will also continue to provide additional funding to update the existing health information system, and to move the Dr D Orlando Smith Hospital towards full accreditation. Two million dollars (\$2,000,000) has been allocated to fund this ongoing initiative and other projects of the BVI Health Services Authority. This essential investment, is critical to ensuring that the Authority is able to collect sufficient revenue to meet all of its obligations and reduce its reliance on the National Health Insurance Programme. Please note that your Government also intends to carry out a comprehensive restructuring of the NHI as the current scheme is unsustainable and is in threat of failure.
246. The Ministry of Natural Resources, Labour and Immigration has been allocated \$12.6 million, or 19.0 percent of the entire Development vote. This will assist with the continued removal and disposal of derelict vessels that have been an eye sore since 2017. This also coincides with the Territory-wide clean-up that is ongoing and which will be accelerated in early January 2020. The subject Minister will provide more details on this initiative in the coming weeks, and I humbly request the support of each resident.

247. It is with great pride and joy that I announce that your Government has made an initial allocation of \$3.4 million towards the Land Bank initiative that I have been discussing over the past months. One of the primary goals of this initiative is to make affordable housing a reality for our people.
248. Mr Speaker, National Security continues to be paramount for this administration and your Government is ensuring that our security and border control agencies namely Her Majesty's Customs, Immigration Department and the Royal Virgin Islands Police Force are equipped and funded, sufficiently, to strengthen their response capabilities. We funded vacant Customs Officers positions and two (2) Customs Trainee positions within the Customs Department. The Police will receive monies to allow for the recruitment new constables.
249. Mr Speaker, \$1.288 million is appropriated to the Immigration Department for purchase of a New Boarder Management System. The Immigration Department will be more equipped to screen passengers for possible undesirable persons entering the Territory. The new system will also have the capabilities to properly monitor and control the movement of persons within the Territory. The Immigration Department will also receive new positions comprising of Surveillance and Immigration Officers.
250. May I add that your Government intends to review the penalties associated with illegal entry into the Territory so that they can better serve as a deterrent.
251. Our Police Force cannot do all to this end, Steps will also be taken to empower private security firms to take their rightful place in contributing to public safety and providing support to the business community where it may be necessary to have armed services in place.

Mr Speaker, enhancement to the existing road network and curing our water and sewerage woes remain a top priority for your Government. In excess of \$12.4 million

is appropriated to provide economic and social opportunities to the people of the Territory by incorporating and developing resilient roads and associated infrastructure. Over \$8.9 million is proposed to be appropriated to develop an integrated sewerage system throughout the Territory. And in excess of \$10.7 million will be appropriated to ensure that all residents throughout the Territory can access potable water.

Conclusion

252. Mr Speaker, I am advised that a tremendous amount of preparatory works for projects have been done to date. Several projects have been scoped and designed, engineering studies completed and tendering exercises completed and on-going. All in all, projects are poised for implementation and we will see more tangible evidence of the hard work that has been taking place behind the scenes under your new Government.
253. Just like Moses with the Red Seas in front of him and Pharaoh's army charging from the back, with Faith in God, we must move forward using what's in our hand. We must embrace the urgency to change and to transform, otherwise we will be doomed if the Pharaoh's army catches up to us.
254. What is in our hands as a people of the BVI? Our initiative and entrepreneurial spirit. It is in our DNA. Our forefathers built this Territory forging ahead with what was in their hands, but the desire came from what was in their hearts which was BVI LOVE. This same love is what we must embrace to build the new BVI. Love for our fellow man. Love for our economy. Love for innovation. Love for entrepreneurship. Love for our Territory.

255. We have never been short of ideas. We generally know how much money it will take to make our dreams become a reality. It is just like having a television and a satellite dish. The waves for the satellite to pick up are all around us, but unless someone connects the satellite to the television then those waves to an unlimited viewership will never be realised.
256. This budget coupled with legislative changes to support will be the mechanism to link our people to the funds and thereby to their prosperity. Now is the time. This is the place and your Government has a plan to move forward in a SMART, green, more sustainable with an empowered people.
257. We must chart our course or someone else will chart the course for us.
258. If we are going green and smart, we cannot stand still. We have to keep moving - forward. The vision of where we are going is clear.
259. In 2020, our vision must be 20/20.
260. In 2020, we will expand together. We will move together one as a hand pressing and punching forward.
261. Mr Speaker, I am excited about the future of the BVI.
262. We have much more to do. Your Government is committed to improving the quality of life of all our citizens through transformation of the BVI and the unlocking of our true, untapped potential.
263. This, we will do together as one BVI, united under God, our creator moving shoulder to shoulder towards prosperity. Our public and private sectors, Non-Governmental Organisations, leaders past and present working together can drive green innovation, green diversification, and green expansion of the Virgin Islands economy.

264. Mr Speaker, at this time, I am asking everyone under the sound of my voice to join me in prayer and in the quietness of their hearts as we pray, *dear Heavenly Father, we commit this ambitious budget to you. We pray that you multiply our efforts so that this Territory will see and realise revenues and prosperity never seen before. Like Moses, through our faith in you, we will use what is in our hands to rise up and path the troubling seas so that as one people, we can cross over into the new prosperous BVI. Amen.*
265. Mr Speaker, I thank you for this opportunity to present the people's budget for the year 2020.
266. I look forward to the coming weeks where Honourable Members will debate its provisions and add value to this journey.
267. I thank you.