

2025 Budget Address

Laying the Blocks of Success BUILDING A SUSTAINABLE NATION

Delivered by

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Premier and Minister of Finance

11 November 2024

Thank you, Madam Speaker.

Salutations based on protocol (Speaker, Deputy Premier, Other Ministers, Attorney General, Deputy Governor, Justices, Leader of the Opposition, Deputy Speaker, Junior Ministers, Other Members of House of Assembly (by seniority), Chairs of the Service Commissions, Principal Officers of Government (Financial Secretary, Cabinet Secretary, PS, Premier’s Office, other PSs), Former members of HOA, Chair and Heads of Statutory Boards, Senior Public Officers, Invited guests, Ladies and gentlemen, boys and girls), Good afternoon!

Introduction

Madam Speaker, I am deeply honoured to stand before you today to deliver my third budget address as Minister of Finance. This year’s address is the second under my current administration’s overarching theme of “**Building a Sustainable Nation.**” This overarching theme is rooted in the National Sustainable Development Plan (NSDP) entitled, “Vision 2036: Building a Sustainable Virgin Islands”, which was approved by this Honourable House in February 2023, a few months after my first budget speech.

Madam Speaker, allow me to salute the first Virgin Islander to hold the post of Minister of Finance, the late Willard Wheatley, and the first Virgin Islander to hold the post of Financial Secretary, the late Cyril Romney, and all who have followed them in stewarding the finances of our burgeoning nation, an important component of our journey of autonomy and nation building.

My colleagues and I do not take lightly the responsibility of investing the hard earned resources of the Virgin Islands into the success of this land and its people—the responsibility to build a quality education, healthcare, infrastructure, and economy; to strengthen the social fabric and protect our environment; and deliver public services effectively, efficiently and in a manner that reflects good governance.

Madam Speaker, our central theme for 2025 is **Laying the Blocks of Success**, and builds on the 2024 theme of **Planning, Priorities and Progress**. Both themes are outgrowths of the NSDP which is our blueprint for building a sustainable Virgin Islands. Madam Speaker, it is important to note that the

NSDP is the first National Plan in the history of the Virgin Islands. It was oft spoken of, but by God's grace and mercies it has been delivered and provides a roadmap to achieving our aspirations as a people.

Madam Speaker, there is truth to the adage that "he who fails to plan, plans to fail". As a nation of builders, we know the importance of a good plan when building our homes. We know that the foundation plan is the most critical because it guides us on how to build the foundation which holds up the house and must withstand the forces of nature.

Madam Speaker, the disasters of 2017, the global pandemic of 2020, and the Commission of Inquiry of 2021 rocked our very foundation as a nation, but my colleagues and I have been shoring up that foundation and laying the ground work for continued success.

Madam Speaker, from the pains of the lessons we learned, we developed the Recovery and Development Plan in 2019, and built upon that to produce the NSDP in 2023. Both are a testament to our commitment to building a resilient, sustainable nation. So, Madam Speaker, we began planning, using the NSDP. We prioritised according to the limited resources available, and Madam we are making progress. We are working our plan. Through it all Madam Speaker, it is only the goodness of God, and the resilience of our people that we were able to get back on our feet. We repaired the damage to the foundation of the Virgin Islands in 2024, so that in 2025, we can continue **Laying the Blocks of Success!**

This afternoon, Madam Speaker, I will reflect on what we have achieved over the past year, examine the external and internal environments that will shape our plans for 2025, provide financial details of the 2025 budget estimates, and highlight the plans for the coming year.

2024 in Review

Madam Speaker, across the length and breadth of Government and its agencies, together with our hard-working public officers, my Administration has been preparing the blocks of success to continue to build a sustainable Virgin Islands in 2025. We have achieved significant progress in 2024, despite many challenges. It is valuable to reflect on the performance of our economy and our accomplishments this past year, before detailing our plans for 2025.

2024 MACRO-ECONOMIC PERFORMANCE

Madam Speaker, in 2024, there were external and internal factors, that impacted the performance of our economy. I am happy to report that even during adverse circumstances, the Virgin Islands economy, through its performance through the first half of 2024 and the outlook to the end of the year remains strong and stable. Our economic performance is a testament to the resilience of our people, and the will of small and medium-size businesses to keep the engines of our economy running.

Madam Speaker, trade and geopolitical tensions continue to present challenges regionally and globally in 2024. The Virgin Islands is not insulated from the risk associated with rising inflation and higher interest rates in our neighbouring markets. We are not insulated from the trickle-down effects of the

Russia/Ukraine war, or the ongoing fighting and tension in the Middle East. But Madam Speaker, we as a Territory understand that the underlying fundamentals for financial stability can create a solid foundation for future economic growth. We are confident in our ability to navigate these challenges and emerge stronger.

Madam Speaker, global economic growth in 2023 outperformed expectations for the year, with world economies exhibiting extraordinary resilience amid brewing trade tensions and the growing intensity and frequency of weather events. In the Virgin Islands, nominal Gross Domestic Product (GDP) in 2023 was forecasted at one point six seven billion dollars (\$1.67 billion). This represented an 8.6% growth when compared the 2022 levels, even with the many challenges faced from significant interest rate hikes and the impact of high inflation on the prices of essential goods and services. The Construction, Wholesale and Retail, Hotels and Restaurants, Financial and Insurance and Professional Services, were the main contributing industries to this growth.

Madam Speaker, the rate of expansion of GDP is expected to be less rapid by the end of 2024 due to a combination of short-term and long-term influences, which includes the impact of high borrowing costs, diminishing savings, continued high inflation, lingering effects of the pandemic, the wars in the Middle East and Ukraine. The Virgin Islands has, and will continue to be impacted by these influences, and others related to natural disasters, tighter financial and more onerous regulatory conditions among other factors.

SECTOR ACHIEVEMENTS IN 2024

Madam Speaker, based on their performance thus far in 2024, the twin pillars of our economy are expected to perform above projections. Tourism, driven by a massive appetite to travel and the natural beauty of the Territory, has recorded levels substantially above projections. This increase in tourism activity and the steady performance of the financial services industry, despite a marginal decline in revenue collections over the same period in 2023, are clear signs of a stable economic performance for the Territory.

Madam Speaker, let us turn to our leading generator of Gross Domestic Product (GDP), tourism. The industry's exceptional performance through the first 3 quarters of 2024 highlights the strength of the Virgin Islands' economy as post-pandemic travel continues to thrive. Visitor arrivals in 2022 and 2023 have shown a positive trend, impacting all sectors.

By September 2024, we recorded seven hundred and eighty-six thousand, five hundred and seventy-nine (786,579) visitors, which is a 9.9 percent increase on 2023 numbers. This is the 2nd best performance through 3 quarters in the history of the Virgin Islands, only being surpassed by 2016 numbers.

Cruise accounted for five hundred and forty-one thousand, four hundred and five visitors, which is a 7.4 percent increase on 2023 numbers. This surge is linked to post-pandemic enthusiasm for travel, berthing agreements with Disney and Norwegian Cruise Lines, and our membership with the Florida Caribbean Cruise Association.

Eleven Thousand, nine hundred and ninety-nine (11,999) day trippers visited the Virgin Islands between January and September, representing the highest percentage growth across all categories with a 26.9 percent increase from 2023.

Madam Speaker, my Government believes that a key principle to ensuring full penetration, and success of the tourism sector is to attract and retain overnight visitors to our shores. Overnight visitors fuel the local economy by patronizing businesses like hotels and guesthouses, restaurants, shops, and marine and land transportation services. Overnight visitors accounted for two hundred and thirty-three thousand one hundred and seventy-five (233,175) of total visitors in the first 3 quarters of 2024, a 15.4% increase from 2023. This growth is linked to new and expanded airline services, particularly daily direct flights between the Virgin Islands and Miami, which started from June 2023. In addition, we can attribute the performance of overnight visitors to a team effort involving our signature properties, our event organizers, our marketing board, and our people power, helping to promote our unique product.

With the BVI Tourist Board's enhanced marketing efforts, it is anticipated that overnight visitors through the end of 2024 would maintain and may even surpass the rate of growth in the first half of the year. It is projected that by the end of the year, visitor arrivals would surpass one million. Madam Speaker, at this level of visitor arrivals, we can anticipate that the tourism industry will generate approximately four hundred and forty-five million dollars (\$445 million) in revenue circulating through the economy.

Madam Speaker, this month, we will see the return of Peter Island Resort, our last major resort to return to full service following the 2017 hurricanes, bringing us back to pre-2017 room inventory levels. Nanny Cay is also on the cusp of their expansion project and several new projects advancing to developments such as the planned hotel development at Port Purcell by local investor JOMA Properties. Madam Speaker, the Prospect reef Board has been meeting and has finalized the Request for Proposal for a hotel resort development at Road Reef, Tortola. This will be issued before the end of 2024.

Financial Services

Madam Speaker, let us now look at how our leading revenue sector performed in 2024. The international financial services landscape continues to evolve amid rapid adoption of new global rules and ever emerging standards of regulation and supervision of financial services business. Coupled with ongoing geo-political turmoil due largely to wars or threats of war, global business has faced varying levels of uncertainty in 2024. Tensions in the Middle East and Euro-Asian region, pose a crisis of confidence in financial stability, which in turn could dictate how and where people invest.

Madam Speaker, the cost of doing business around the world continues to rise. Notwithstanding, the Financial Services Commission remains optimistic about the Virgin Islands' continuing ability to provide top class financial services to service providers and their clients. 2024 bears out this optimism as new incorporation volumes and revenue are on the incline over the same period in 2023, despite the challenges. At the end of June 2024, new incorporations stood at thirteen thousand and six (13,006),

which was an increase of 25.7% when compared to June 2023. We anticipate this trend to continue through the end of 2024 and new incorporations will outperform 2023 actuals, by around 14.3%.

Madam Speaker, the Commission continues to play a crucial role in implementing appropriate and robust regulatory standards of regulation and supervision for entities operating in or from within the BVI, as well as facilitating international cooperation to combat illicit finance.

Madam Speaker, in 2023, the Territory underwent a mutual evaluation conducted by the International Monetary Fund on behalf of the Caribbean Financial Action Task Force. These exercises enable the Territory to identify and address any issues relative to the effective implementation of the Territory's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime. The Government is actively engaged in implementing recommendations arising from the mutual evaluation exercise to ensure full technical compliance and the effectiveness of the Territory's regimes in protecting the financial services industry against money laundering, terrorist financing and proliferation financing.

As part of this process, the Government continues to champion and advance relevant legislative reforms to our companies, limited partnerships, AML/CFT, trust, regulatory, cooperation, compliance and enforcement regimes. In addition, Government continues to enhance the institutional development of the Financial Services Commission, the Financial Investigation Agency, the Royal Virgin Islands Police Force, the Attorney General's Chambers, DPP Office and other related institutions of Government. Together these reforms will strengthen our ability to better protect investor interests and provide a safe environment for doing business.

Madam Speaker, it is also in this context that the Government is committed to working on beneficial ownership, as one of the key aspects of the legislative reform, whereby specified beneficial ownership information will be collected, maintained and secured by the Registrar. This information is necessary for the Territory to comply with international standards which require such information to be held by a public authority. We aim to ensure that the Registrar knows who owns and controls BVI Companies, to understand and mitigate any risks, and to facilitate cooperation with competent authorities, law enforcement agencies and persons who can demonstrate a legitimate interest in having such information.

Madam Speaker, Government is currently developing a defined criteria for establishing legitimate interest, which should be sufficiently reassuring to investors that their information will continue to be properly and adequately protected against illicit use. To facilitate this process, the Financial Services Commission is heavily investing in the ongoing revamping of its VIRRGIN electronic platform. With the FSC's investment in technology, we can deliver not only compliance, but cost savings for the industry along with improved business efficiency.

Despite our economic challenges Madam Speaker, we can be heartened by the performance of our twin pillars in 2024. The Virgin Islands is expected to welcome more visitors to its shores in 2024 than 2023, and the financial services industry is projected to maintain a reasonable share of the global

market. Nominal GDP in 2024 is forecasted at one point seven six billion dollars (\$1.76 billion), a 7.4% growth over that of 2023.

Madam Speaker, beyond our twin pillars, there were other significant achievements in 2024 in the economy.

Fisheries and Agriculture

Madam Speaker, 2024 taught us that we must invest in, and promote advancement in sustainable agriculture and fisheries sectors, which are vital to reducing our need to import certain food products and ensuring food security and reduce our import bill to a sustainable level. Madam Speaker, reducing our reliance on imported food products and lowering the cost to import food products, can potentially stabilize domestic prices and reduce inflationary pressures. In addition, the Territory would become less vulnerable to external factors that can drive up food prices.

Madam Speaker, in addition, investing in fisheries and agriculture diversifies our economy and at the same time addresses our food security needs. My Government is nearing completion of a comprehensive development plan for agriculture and fisheries, to address access to healthy food, promote biosecurity, and support agriculture and fisheries as thriving business entities. We are also training young farmers under the HARVEST programme to use innovative methods, and expanding infrastructure with fish landing facilities for fishers.

Madam Speaker, we also recognised the significant role technology plays in competitiveness and innovation and solicited expert help to develop a Digital Transformation Plan. Bids have been received for our Request for Proposal and we will be selecting a firm soon to start the process. In this regard, Madam Speaker, we have increased our focus on technology in the newly renamed Ministry of Financial Services, Economic Development and Digital Transformation. We recognise the powerful synergy between the three subjects.

Madam Speaker, in 2024 we also restarted the Micro and Small to Medium Enterprises (MSME) programme by providing grant funding and training to local entrepreneurs. This is in recognition of the critical importance of entrepreneurship and the MSME sector in building a sustainable Virgin Islands. Considerable effort was placed in 2024 on developing and strengthening our economic resilience, Madam Speaker, and we expect that in 2025, it will pay significant dividends.

Madam Speaker, our natural environment is one of our greatest resources. It has been a source of sustenance for our people, a critical resource for our economic development and a source of enjoyment and recreation for locals and visitors. While we harness its benefits, we are mindful of its delicate nature, and we exercise the appropriate care.

In 2024, we strengthened the administration of our public lands, particularly concerning the allocation and management of Crown Lands within our Territory. The Crown Lands Management Act, 2024 was passed in this Honourable House in June 2024. At its core, this legislation ushers in a new era of

transparency, accountability and efficiency in the utilization of our land resources, inclusive of sustainable use and environmental considerations.

In October 2024, we launched the Long Bay, Beef Island Beach Management Project, aimed at balancing recreation and economic activity with environmental concerns. This project includes a Vending Zone, new amenities, improved waste management systems, and opportunities for cultural and historical preservation. A grant agreement with Unite BVI supports restoration activities, including planting 130 native trees and creating a living outdoor classroom and laboratory.

Madam Speaker, I am also happy to report that the Brewer's Bay bathroom facility has been constructed and will soon be operational. We will also soon begin a beach management plan for Brewer's Bay similar to what has taken place in Long Bay, Beef Island. This is a part of a strategy to enhance the experience for residents and visitors, opening up new beaches and easing the burden on Cane Garden Bay beach and the Baths.

Implementation of the Resilience, Sustainable Energy, and Marine Biodiversity (RESEMBID) programme continued in 2024 with a 927,980 Euros grant from the European Union. The funding supported programmes in marine and biodiversity awareness at the H. Lavity Stoutt Community College, improvements in the operations and systems at BVIEC, support to Community Emergency Response Team in public schools through BVI Red Cross, SMART Schools through a partnership with GreenVI, and the Enhancing Water Quality Monitoring Programme through the Ministry of Natural Resources.

Government departments are committed to sustainable development through the Public Service Green Pledge. Targets include reducing energy use by 15% by December 2025, achieving 30% renewable energy penetration by 2030, conserving water, eliminating single-use plastics, installing recycling bins, and promoting green procurement. Each agency is developing its Green Pledge Implementation Plan, detailing actions, responsibilities, resources, and timelines.

Madam Speaker, in 2024, my Government has done considerable work to improve our infrastructure.

The BVI Electricity Corporation (BVIEC) has begun implementation of its robust 8-point strategic plan that focuses on profitability and reliability while also emphasizing sustainability and operational efficiency. The Corporation has made substantial progress in reducing energy losses, with an overall target of keeping these losses below 10% by June 2025.

In 2024, Madam Speaker, the Corporation laid the groundwork for this transition by advancing a STEP program, which focuses on integrating renewable energy systems into the national grid. This program is essential for reducing electricity costs for participating customers, paving the way for a greener and more sustainable future. It will also help with the goal of increasing the share of renewable energy in the energy mix. Our target is 30% of energy generation from renewable sources by 2026.

Madam Speaker, access to safe water supply and sanitation services is vital for the economic and social development of the Virgin Islands. The Ministry of Communications and Works, through the Recovery Development Agency (RDA), is implementing a comprehensive water optimization program aimed at addressing critical water issues. This initiative includes a robust leak detection exercise and the installation of reservoir meters to pinpoint locations of significant water loss. New high-density polyethylene (HDPE) pipes have been procured to replace outdated and fragile pipes along the Ridge Road.

The Ministry of Communications and Works spearheaded several road rehabilitation projects at locations such as Fahie Hill, Sabbath Hill, Brewer's Bay, Ballast Bay, Mayaba, Cane Garden Bay and in front of the Ebenezer Thomas Primary School. Asphalt resurfacing was done from Gene Hill to the Terrance B. Lettsome Airport (TBLIA), and at East End in Jost Van Dyke with more works scheduled for November 2024. Asphalt resurfacing from Sea Cows Bay to the West End Ferry Terminal is slated for November 2024 as well.

Madam Speaker, a significant complement to the road maintenance and roadside beautification programmes has been the continued success of the Registration, Apprenticeship, Training, Employment, and Development, also referred to as the RATED programme. Since its launch on 20th February, 2023, a notable number of individuals have successfully secured temporary employment. For 2024, a total of two hundred and thirty-three (233) persons were employed under the programme, with two hundred and fourteen (214) individuals assigned to the Roadside Cleaning component, and nineteen (19) individuals participating in the apprenticeship component (administrative functions in government offices). A total of one million, five hundred and thirty-two thousand, eight hundred and thirty-eight dollars (\$1,532,838) was spent thus far in 2024, and we expect that another five hundred thousand (\$500,000) will be expended before the end of the year.

Madam Speaker, the Virgin Islands Recovery and Development Agency continues to serve as an implementing agency under the Government of the Virgin Islands. From inception in 2018, the RDA has completed 43 capital development projects valuing over fifty-five million dollars (\$55 million). As a part of its mandate, the Agency has also raised four point four million dollars (\$4.4 million) to support Government's capital expenditure programme.

Madam Speaker, in 2024, the RDA continued implementation of 14 projects on behalf of Government. Major achievements for the year included the official handover and opening ceremony for the completed Jost Van Dyke Multipurpose Educational Facility in January of this year, which has provided students and teachers with on-island teaching and learning facilities. In April, the RDA handed over the completed Virgin Islands Law Enforcement Marine Base, which now provides a base for joint operations by the RVIPF, His Majesty's Customs, and the Immigration Department.

The RDA looks forward to handover of the Trellis Bay Welcome Centre shortly, providing welcomed relief to travellers from Beef Island out to our easterly islands.

Madam Speaker, in 2024, the British Virgin Islands Airports Authority (BVIAA) has made significant strides in enhancing the Territory's aviation infrastructure and services and helping to lay the blocks for the Territory's success.

Madam Speaker, 2023 and 2024 saw the constant increases in commercial airlift services at the TBLIA. Passenger movements for 2023 were more than 212,000. This year is expected to close with over 304,000 passenger movements. New airlines are now servicing the Territory and existing service providers are expanding their services. American Airlines has consistently added flights between Beef Island and Miami. The airline maintained a once-daily schedule during the traditional slow month of September. There were two flights per day in October, increasing to three per day in November. In December there will be four flights per day, with 5 per day on Saturdays. In October 2024, Caribbean Airlines commenced its services with flights to and from Puerto Rico, Antigua and Barbados, with connections to a world of other markets and destinations, and adding 500 seats per month.

Madam Speaker, interest in the BVI and the demand for airlift are high. Work on the business case for the Terrence B Lettsome International Airport Expansion Project is scheduled for completion in February 2025, which will provide the necessary information to allow Government to make a firm decision on the way forward. An extended runway will accommodate larger aircrafts, opening further direct access to international markets, increasing the BVI's appeal as a destination and reducing the dependency on regional hubs.

Madam Speaker, a significant milestone for the BVIAA was its appointment to the Board of the Airports Council International – Latin America and the Caribbean for a two-year term commencing in February 2024. This will raise our profile in the regional and international aviation landscape.

Madam Speaker, in 2024, the BVI Ports Authority has also done considerable work to enhance the port experience and promote economic growth. The Authority continued development of the Port Management System, a vital step toward modernizing its operations, streamline processes, and improve customer services. Additionally, the BVIPA upgraded its IT servers and acquired new engines for the marine department vessels, purchased navigational aids for the harbours, enhancing safety and efficiency.

Madam Speaker, the BVIPA also installed a generator at the Jost van Dyke Ferry Terminal and completed of an additional passenger waiting area, improving the experience for travellers. Similarly, the replacement of the generator at the Road Town Ferry Terminal has increased operational reliability.

Madam Speaker, in 2024, the TRC worked to support the crucial role that Science, Technology, and Innovation (STI) plays in driving wealth creation, economic development, and improving the quality of life. Digital technology, and in particular information and communication technology, is an inevitable part of the modern landscape, and is critical for competitiveness in business as well as enhancing the delivery of Government services.

Madam Speaker the TRC has been working assiduously to create the enabling environment for the Virgin Islands to be the vibrant, thriving, digitally engaged economy to which we aspire. The TRC recently completed a 5-year strategic plan for the expansion and regulation of the industry and updated the terms and conditions of the frequency authorizations for the three major mobile operators in the Territory to ensure continuity of service.

Education

Madam Speaker, our commitment to building a brighter future rests firmly on the foundation of education. In 2024, the Ministry of Education, under the vision of “Moving Full STEAM Ahead,” focused on three critical pillars—infrastructure, professional development, and resources—to ensure our education system is ready to nurture the next generation of Virgin Islanders as leaders, innovators, and global citizens.

In 2024, Madam Speaker, we took significant steps in infrastructural development, acknowledging the importance of learning environments that are safe, functional, and inspiring. Early in the year, we celebrated the opening of the Jost Van Dyke Primary School, while construction of the Elsyn Henley Richez Learning Centre continues to progress. Schools across the Territory saw essential upgrades, including painting, electrical improvements, the installation of air conditioning units, and repairs to restroom facilities. We also prioritized roof repairs, fencing, and drainage at the Bregado Flax Educational Centre and the Claudia Creque Educational Centre, which is slated for completion by year’s end. Extensive roof repairs, drainage improvements, and parking upgrades were also completed at the Willard Wheatley Primary School.

Additionally, five new playgrounds were installed by Unite BVI at primary schools across the territory—namely Willard Wheatley, Joyce Samuel, Alexandrina Maduro, Ebenezer Thomas, and Enis Adams—providing safe, vibrant spaces that encourage creativity, social interaction, and physical activity. A new playground was also installed at the Bregado Flax Educational Centre, thanks to the North Sound Foundation. Madam Speaker, these infrastructural investments underscore our commitment to creating environments that support and enhance the educational experiences of our teachers and students.

In 2024, we also prioritized the resource needs of our schools through a consultative approach, gathering input from educators to address key requirements across core subject areas, including Science, Mathematics, and Languages. This enabled us to supply essential learning manipulatives, which are crucial for hands-on, experiential learning. These investments are vital, Madam Speaker, as many teaching aids were lost in the hurricanes of 2017, and we are making concerted efforts to resupply schools based on requisitions submitted by educators. Additionally, UNESCO provided 120 science kits to schools in support of the Ministry’s STEAM mandate.

Our teachers are the backbone of our education system, and their professional development remains paramount. The “Let’s Teach VI” program has been a tremendous success, enabling the recruitment of Teacher Trainees and Recruits. Following a recent compensation review, salaries for educators in the British Virgin Islands are now among the highest in the region, with a starting salary for a qualified

teacher at \$55,146—exceeding the USVI’s recent starting salary increase to \$50,974. This competitive salary supports our efforts to attract and retain talented educators, a critical factor in the success of our students and the system as a whole.

Partnerships with the H. Lavity Stoutt Community College and the University of the Virgin Islands have strengthened our teaching workforce through professional development programs. In 2024, 10 new teachers graduated with Certificates in Teaching, and 23 experienced educators earned Certificates in Effective Leadership, with 12 additional educators on track to complete a Certificate in Secondary Education by the end of the year.

This year also marked the launch of innovative programs, such as the Mathivated Project, which equips primary teachers with the tools and confidence to teach mathematics more effectively, fostering greater student engagement in this essential subject.

Our commitment to STEAM education is evident in the expansion of coding and robotics programs across secondary schools. Students showcased their skills at the inaugural Robo-Mindset Summer Camp, which culminated in Team BVI’s participation in the First Global Robotics Challenge in Greece, where they placed 111th globally and 6th in the Caribbean. Such achievements demonstrate our commitment to preparing students with the technological skills needed in today’s world.

Remarkable progress was made in youth engagement and empowerment as well. The Department of Youth Affairs and Sports reached hundreds of young people on Tortola, Virgin Gorda, Anegada, and Jost Van Dyke through afterschool programmes and summer camps, providing essential skills training and mentorship. A notable new initiative, the Elite Athlete Contribution Programme, provided critical funding for eight elite athletes, supporting their training and development. I am proud to report that four of these athletes represented the Virgin Islands at the 2024 Paris Olympic Games. Their success on this global stage demonstrates the potential of our athletes when given the necessary support and resources to compete at the highest levels.

In higher education, the H. Lavity Stoutt Community College continues to deliver exceptional training. In June 2024, the college graduated 184 students, including 123 associate degrees and 79 certificates of achievement. The Robert Mathavious Institute for Financial Services conferred 134 professional certificates, and CAPE has been reintroduced at the college.

Madam Speaker, in 2024, the Ministry of Health and Social Development supported residents' well-being and critical health needs. We upgraded healthcare facilities, repaired community centres in Cane Garden Bay and East End-Long Look, and built eight new social homes across the Territory.

We increased welfare benefits, recognising the economic challenges faced by residents and providing more robust support to those most in need.

The Ministry finalised the National Social Protection Policy and Action Plan, with amendments to the Public Assistance Legislation, strengthening the social safety net for vulnerable populations. The passage of the Public Assistance (Amendment) Act 2024 introduced basic income grants, hardship allowances, and shock response grants. We expect that soon persons in need will see increased assistance to cope with these difficult times.

His Majesty's Prison improved security, safety, and rehabilitation, with new radio and monitoring systems, enhanced infrastructure, staff training, and rehabilitation programmes in woodworking and farming. A new Workforce Planning Strategy was implemented to ensure that the Prison operates efficiently and effectively.

Madam Speaker, my Government remains committed to environmental sustainability through waste diversion and recycling programmes. In 2024, 52,000 lbs of scrap metal, 24,000 gallons of waste oil, and 29,754 lbs of plastics were successfully repurposed, while the residential waste management programme expanded to more communities. Significant work has gone into the improved management of the Pockwood Pond and Virgin Gorda dump site.

Good Governance

Madam Speaker, in 2024, significant work on strengthening our good governance has progressed well, with implementation of the recommendations of the 2022 Commission of Inquiry (COI) report. In September 2024, this Honourable House completed the passage of the last of fifteen (15) pieces of legislation to mark the completion of the legislative agenda for the 48 recommendations of the COI. At the Cabinet level, we passed nine major policies across a range of functions that are fundamental to building a sustainable Virgin Islands. We are working with the Governor to complete the assent to the various pieces of legislations, with five of the 15 Bills already assented to and the remaining expected by year-end.

Madam Speaker, last week, we had a successful meeting with OT Minister Stephen Doughty, presenting our Governance Reform Transition Plan. This comprehensive plan sets out an action plan to transition from COI implementation to ongoing governance reform and mainstreaming governance reform into our public service operating structure by the first quarter of 2025. I am optimistic that the OT Minister now has the perspective and information to make decisions that will relieve us from the Order in Council.

Madam Speaker, I cannot stress how significant the reforms completed are to the future of the Virgin Islands. This was no box ticking exercise, it was the most comprehensive and robust governance reform in the history of the Virgin Islands and has fundamentally elevated the way we govern ourselves. We have overhauled our integrity structure for full transparency, made statutory bodies more accountable, revamped our social assistance system, restructured crown land management, strengthened immigration controls, made our public service more proactive and responsive, and increased accountability of elected representatives.

The implementation of these policies and legislation will transform governance in the Virgin Islands, setting us on a path to greater autonomy and strengthening our governance systems, contributing to our constitutional negotiating position and political advancement.

These reforms took time, human, and financial resources. Significant expenditure also has gone into hiring personnel, especially in response to the law enforcement review, which coincided with the recommended actions of the mutual evaluation.

Madame Speaker, several achievements were recorded by the Governor's Group in 2024, including the implementation of a Restorative Justice Programme, maintenance programmes and inspections for Government-owned buildings, and the commencement of rehabilitation of the Old Administration Building on Main Street.

The Department of Disaster Management continues to work with Ministries, Agencies, and Departments to maintain its international accreditation with EMAP and Tsunami Ready, and implement the Comprehensive Disaster Management Strategy. Emphasis continues on building capacity on the Sister Islands, with fifty persons participating in training. The Emergency Disaster Management Fund Policy, provides a robust response mechanism in emergencies, was approved by Cabinet.

In 2024, the Public Service Transformation Programme made substantial progress across four focus areas: Good Governance, Customer Service Improvement, Human Resources Management, and Digital Transformation. This includes developing and implementing more efficient systems and processes, improving service delivery, increasing training and development opportunities for public officers, enhancing the use of technology and data, and emphasizing transparency, accountability, and innovation.

Madam Speaker, 2024 also reinforced the need to protect the financial interests of our people through vehicles such as the Virgin Islands Deposit Insurance Corporation, along with exploring and implementing alternative economic responses to mitigate the impact on families, which may include targeted Government spending to stimulate economic activity and adopting a strategic legislative framework that ensures the stability of our financial systems and protect consumers.

FISCAL PERFORMANCE

Madam Speaker, a sober assessment of the facts would indicate sound fiscal management in the Virgin Islands. At the end of June 2024, the public debt or Central Government debt profile stood at one hundred and eleven point five million dollars (\$111.50 million).

Madam Speaker, parastatal debt or debt from statutory bodies up to June 2024 was forty-eight point one million dollars (\$48.10 million), bringing the total public sector debt at the end of June 2024 to one hundred and fifty-nine point six million dollars (\$159.60 million). It is projected that total public sector debt will reach one hundred and sixty-two point seven million dollars (\$162.7 million) by the end of 2024.

Madam Speaker, our fiscal performance through mid-year 2024 demonstrates resilience and prudent stewardship. Despite global and local challenges, we achieved a surplus of \$22.65 million while maintaining a low debt-to-GDP ratio of below 20%.

Madam Speaker, we anticipate that by the end of the year, revenue collections will reach three hundred and ninety-eight point five eight million dollars (\$398.58 million), an overall 2.7% increase when compared to 2024 budget estimates. Key revenue contributors to this success include strong performance in Other Taxes, Other Revenue, Property Tax, Taxes on International Trade, and modest growth in Taxes on Goods and Services.

Recurrent expenditure is expected to be around three hundred and eighty-two point eight million dollars (\$382.8 million) at the end of the year, which is just off the 2024 projections by 0.5%. Capital expenditure, is expected to fall below target by around 75% with a total projected spending of eighteen point nine million dollars (\$18.9 million) This variance is due primarily to delays in the implementation of projects, which were particularly linked to acquisition of the \$100 million loan that was signed on the 31st of October. Projects earmarked to be funded under the loan accounted for over 50% of all capital expenditure in 2024. However, we anticipate that these projects will accelerate in 2025, and the construction sector will receive a major boost from the implementation of public infrastructure projects.

Madame Speaker, our strong fiscal performance positions the Virgin Islands for sustainable development. We remain committed to prudent financial management, strategic investments, and innovative solutions to drive economic growth and improve the lives of our people.

Pivoting in 2025

Madam Speaker, let us now turn our attention to 2025.

Outlook

Madam Speaker, the outlook for 2025 considers our keen attention to shocks to the economies around the world. We are closely monitoring the situation in the United States of America with their change in administration and any potential changes in policy that may impact their economy and therefore the economy of the Virgin Islands. Further, continued conflicts in the Middle East and Ukraine may lead to potential spikes in the price of oil and other commodities.

Madam Speaker, the Territory continues to invest heavily to adjust to challenges from the implementation of more stringent regulations for the financial services industry and standards for law enforcement. The performance of financial services is conservatively projected to experience a decline, which is primarily driven by a decrease in the number of companies on the register. Our forecast shows that the performance of tourism in 2025 is expected to surpass that of 2024. Madam Speaker, with the impacts of these local and external factors, nominal GDP in 2025 is projected at one point eighty-four billion dollars (\$1.84 billion), which represents a 4.6% growth over 2024.

Madam Speaker, the Virgin Islands, like many nations around the world, continues to grapple with the persistent challenges of global inflation. While inflation may stimulate economic growth in certain sectors, it can also lead to a decline in consumer confidence and a reduction in purchasing power. This, in turn, can be a threat to economic activity and create social challenges. Therefore, we must remain vigilant in monitoring inflation figures and understanding the fluctuations in prices, as it will allow us to better assess the impact on our households, businesses, and the Government's ability to deliver essential services.

Madam Speaker, the Central Statistics Office reported an average inflation rate of 3.3% from January to June 2024, with varying price changes across the various categories of goods and services. This performance is expected to remain constant through the end of 2024. However, inflation is expected to decline from 3.30% in 2024 to a projected rate of 2.15% in 2025. Placed into perspective, this projected rate is still trending above pre-pandemic inflation rates experienced in the Virgin Islands. Madam Speaker, we will continue to closely monitor inflation levels in the United States as the Virgin Islands is a dollarized economy, and most of our consumer goods are imported from the United States. Consequently, our inflation target is closely aligned with that of the US, which is normally between 2 to 3%. Madam Speaker, we will continue to explore options for insulating our people from the negative impacts of inflation, including the potential for targeted relief.

Madam Speaker, employment in the Virgin Islands continues to experience a steady growth since 2022 with diminishing impacts of the pandemic, and the resumption of normal working operations. This trend continued into 2023, and by the end of that year, there were twenty-one thousand, five hundred and forty-three (21,543) persons employed throughout the Territory; a 1.9% increase when compared to 2022. Based on the anticipated growth of the economy in 2024, fueled by increased activities in the tourism and construction sectors, employment is expected to have grown between 1 – 2% over that of 2023. This trend is also expected for 2025, with the potential for a higher growth given my government's aggressive approach to delivering large infrastructure projects, and the roll-out of private sector tourism and other development projects planned for 2025.

2025 Overall Plan

Madam Speaker, given the vulnerabilities that the external and internal factors present, planning is essential. Madam Speaker, our plans are guided by the National Sustainable Development Plan (NSDP), which is now an intricate part of our fiscal prudence and at the heart of our planning and budgeting processes. Our 2025 plans and budget are therefore aligning with the following six national goals: Health and Wellness, Education and Learning, Economy, Infrastructure, Good Governance and Leadership and Environment.

Madam Speaker, let me briefly explain how we use the NSDP. We begin by creating a Medium-Term Development Strategy (MTDS), which acts as a comprehensive implementation tool for the NSDP. It outlines the strategic capital projects and development expenditures that are critical to achieving the six national goals and 17 associated national outcomes of the NSDP. This alignment between the NSDP and the MTDS ensures that Government expenditure not only supports immediate fiscal sustainability, but also fosters long-term development in harmony with our national aspirations.

Madam Speaker, I urge everyone to get a copy of the NSDP and read it. I also encourage our schools to teach our children about the NSDP. Afterall, it is our collective future that we are building.

2025 Budget Estimates

REVENUE COLLECTION

Madam Speaker, having outlined the economic outlook for 2025, let us examine the projected revenues that will allow us to execute our ambitious plans for the coming year.

Madam Speaker, we project that in 2025 the Government will collect total revenues in the amount of four hundred and seven million, nine hundred and thirty-one thousand, nine hundred and twenty-three dollars (\$407,931,923). Of this amount, three hundred and seventy-nine million, eight hundred and eighty-nine thousand, six hundred and seventy-eight dollars (\$379,889,678) will be received from taxes including Payroll Taxes, Property Tax, Taxes on Good and Services, and Taxes on International Trade. Twenty-five million, five hundred and ten thousand, two hundred and forty-five dollars (\$25,510,245) will be collected in Other Revenues including Property Income, Sales of Goods and Services and other fees; and two million, five hundred and thirty-two thousand dollars (\$2,532,000) from Grants.

Madam Speaker, to put our projected revenues in context, in 2015 we were projected to collect \$311,136,000.00. In 2025 we are projected to collect nearly 100 million more dollars than we did in 2015. This is evidence that our economy has continued to produce even after natural disasters, global pandemics, and political shocks.

Madam Speaker, the Government continues to seek new and innovative ways to enhance revenue collections and generate new revenue streams. As a part of our ongoing Public Sector Transformation Programme that is being spearheaded by the Office of the Deputy Government, and in particular, our e-Government services such as the Payment Gateway and upgrades to the tax collection platform SIGTAS, Government has launched, and will continue to roll out new electronic platforms that allow the public to pay taxes and other fees owed to Government, online. This is indeed a milestone that must be celebrated. Madam Speaker, the public can now pay their payroll tax online; hotels and guesthouses can now pay hotel accommodation fees online; vehicle rental companies can now file their fees online.

Madam Speaker, we continue to recognize our good stewardship in building and maintaining positive balances in our legislated funds and will therefore be withdrawing a total of twenty million, seven-eight thousand, nine hundred and forty-nine dollars (\$20,078,949) to support recurrent expenditure in the 2025 budget.

EXPENDITURES

Madam Speaker, from the total revenue, we will contribute two million, eight hundred and ninety-seven thousand, three hundred and sixty-seven dollars (\$2,897,367) to the Environmental Protection and Tourism Improvement Fund; one million, six hundred and ninety thousand and four hundred dollars (\$1,690,400) to the Miscellaneous Purpose Fund; and one million, two hundred and ninety thousand and five dollars (\$1,290,005) to the Transportation Network Improvement Fund, for a total fund contribution of five million, eight hundred and seventy-seven thousand, seven hundred and seventy-one dollars (\$5,877,771).

Madam Speaker, the balance of our revenue collected in 2025 will be allocated to cover Recurrent Expenditure in the amount of four hundred and seven million, three hundred and seventy-four thousand and five hundred dollars (\$407,374,500), and fourteen million, seven hundred and fifty-eight thousand and six hundred dollars (\$14,758,600) towards Principal Repayments on our debt.

CAPITAL EXPENDITURES

Madam Speaker, on the Capital Expenditure side, we have allocated fifty-two million, five hundred thousand, and two hundred dollars (\$52,500,200) to fund development projects; and eight million, one hundred and eighty-eight thousand, and eight hundred dollars (\$8,188,800) to fund capital acquisitions, for a total Capital Expenditure of sixty million, six hundred and eighty-nine thousand dollars (\$60,689,000).

Madam Speaker, allow me to remind the public that recently we signed a loan facility with CIBC First Caribbean (Cayman) Limited for 100 million dollars, which is the largest single loan in the history of the Virgin Islands. We did this because we recognize that there needs to be serious investment in our roads, in our water distribution system, in our sewage system, and in our infrastructure in general.

Last year, we prioritized lifting public officers from below the living wage. We gave the biggest salary increase in the history of the Virgin Islands. This year we are prioritizing infrastructural development with the biggest loan in the history of the Virgin Islands.

Madam Speaker, Capital Expenditure Programme will be funded in the following manner:

- twenty-nine million and twenty thousand dollars (\$29,020,000) from the proceeds of a New Loan Facility.
- five million, two hundred and thirty thousand and one hundred dollars (\$5,230,100) from the Existing Caribbean Development Bank Loan.
- twelve million, eight hundred and eighty-six thousand and five hundred dollars (\$12,886,500) from the Development Fund.
- three million, four hundred and nineteen thousand and three hundred dollars (\$3,419,300) from the Transportation Network Improvement Fund.

- five million, four hundred and five thousand and six hundred dollars (\$5,405,600) from the Reserve Fund.
- two million, five hundred and thirty-four thousand and five hundred dollars (\$2,534,500) from the Consolidated Fund; and
- two million, one hundred and ninety-three thousand dollars (\$2,193,000) from the Miscellaneous Purposes Fund.

Madam Speaker, the foregoing represents a balanced budget for 2025, and my Government remains committed to exercising fiscal discipline and financial prudence in the collection of revenue and delivery of the programmes identified in the budget. Madam Speaker, I am happy to report that we will maintain compliance with the borrowing limits or ratios in the Protocols for Effective Financial Management, which requires that Net Debt does not exceed 80% of recurrent revenue, Debt Service does not exceed 10% of recurrent revenue, and the value of our Liquid Assets does not fall below 25% of recurrent expenditure.

CAPITAL EXPENDITURE PROGRAMME

Madam Speaker, the capital expenditure programme will be delivered by all Ministries based on their respective portfolios. One million, eight hundred and eighty-six thousand dollars (\$1,886,000) has been allocated to the Office of the Deputy Governor to fund projects for the Royal Virgins Islands Police, renovations to Government properties, office configuration for the Human Resources Department, and projects related to our courts.

Madam Speaker, the Premier's Office, through the Recovery Development Agency (the "RDA") intends to progress plans with the construction of the new ferry terminal facility at West End, and therefore, three million dollars (\$3,000,000) is allocated to this important project. The RDA will also support the Ministry of Tourism, Culture and Sustainable Development in delivering the Immigration Detention Centre, which received an allocation of one million five hundred dollars (\$1,500,000). Another five hundred thousand dollars (\$500,000) has been included under the Premier's Office to fund Agriculture Infrastructure Development.

The Ministry of Finance will receive a total allocation in the 2025 capital expenditure programme of four million, three hundred and forty-nine thousand and six hundred dollars (\$4,349,600). Notably, of this total, two million, ninety-nine thousand and seven hundred dollars (\$2,099,700) is appropriate to the ongoing construction of the National Emergency Operations Centre, five hundred thousand dollars (\$500,000) is allocated to the development of a Customs Courier and Distribution Centre, and five hundred thousand dollars (\$500,000) is allocated to Post Office Infrastructure Development projects. Finally, seven hundred and forty thousand, eight hundred dollars (\$740,800) was allocated to Customs Administration, and two hundred and thirty-nine thousand and three hundred dollars (\$239,300) in our continued efforts to roll out all modules of the SIGTAS tax administration software under the Inland Revenue Department.

Madam Speaker, in 2024 we took a major leap forward toward enhancing food security in the Virgin Islands through the development of a dedicated Agriculture and Fisheries Complex and a Farmer's Reservoir. These projects under the Premier's Office, which are being spearheaded by the RDA, will receive a combined allocation of one million, two hundred thousand dollars (\$1,200,000) in the 2025 budget. The Ministry of Natural Resources, Environment and Climate Change will also receive eight hundred and thirty-one thousand and six hundred dollars (\$831,600) towards Beach Development, Harbour Development, and Office Configuration for the Department of Land Registry.

Madam Speaker, education is paramount to the livelihood and advancement of this Territory, and we will continue to prioritise and fund various programmes and projects to support and enrich the education curricula across all levels. We have included in the 2025 budget, five million, two hundred and seventy-one thousand dollars (\$5,271,000) to fund capital acquisition and development projects in the education sector, including School Maintenance, remedial works to the Elmore Stoutt High School, completion of the Eslyn Henley Richez Learning Centre, construction of dedicated building for the Virgin Islands School of Technical Studies, and Rehabilitation and Reconstruction of Recreational Facilities.

Madam Speaker, in 2025, the Ministry of Education will build on the strong foundation with a continued focus on safe, resilient learning environments. Guided by recent structural assessments conducted under an MOU with Unite BVI, the Ministry has identified essential remedial works in public schools. We have allocated capital funding to prioritise critical upgrades, reinforcing our commitment to safe and secure educational facilities across the Territory. We also expect to receive architectural designs for the Althea Scatliffe Primary School before year's end, allowing us to move toward a tender process for construction.

Planned investments in 2025 include continued waterproofing of buildings, roof repairs, replacement of outdated windows and doors, and the installation of generators for backup power. Plumbing and air conditioning upgrades will be completed to ensure reliable water access and climate control, creating comfortable, productive environments for students and teachers. New security systems will also be installed to enhance the safety and security of our schools. These investments will make our schools resilient, weather-ready spaces that support effective teaching and learning.

Madam Speaker, the well-being and livelihood of our people is an area of priority for my Government. We are committed to ensuring that the people of the Virgin Islands have easy access to comprehensive health care. We are committed to ensuring that elderly persons in our communities are protected and that their rich heritage and stories are preserved and celebrated. Madam Speaker, my Government is committed to provided care and shelter for the most vulnerable in our population. It is for this very reason that we have allocated one million, seven hundred and thirty-two thousand and four hundred dollars (\$1,732,400) under the Ministry of Health and Social Development towards the construction of new social homes in Virgin Gorda, and construction of an alms-house in Long Look, which will offer temporary shelter to the homeless and victims of domestic violence.

Madam Speaker, the Ministry of Health and Social Development will also receive allocations in the amount of one million, one hundred and ninety-three thousand and six hundred dollars (\$1,193,600) towards its Waste Management throughout the Territory. In addition, four hundred and ninety-eight thousand and four hundred dollars (\$498,400) has been allocated to ongoing works at the Brewer's Bay Community Centre and the East End/Long Look Community Centre. Furthermore, an allocation of one million dollars (\$1,000,000) has been included in the 2025 budget to cover ongoing upgrades and reprogramming of space at the Dr. D. Orlando Smith Hospital, and five hundred thousand dollars (\$500,000) has been allocated for improvements to the Iris O'Neal Clinic on Virgin Gorda.

Madam Speaker, the 2025 budget allocates thirty-five million, ninety-nine thousand and three hundred dollars (\$35,099,300) to the Ministry of Communications and Works to fund infrastructure development projects throughout the Territory. Just to highlight a few: a total of three million and seven hundred dollars (\$3,700,000) has been allocated to the National Sewerage Programme. Two million, seven hundred and twenty thousand dollars (\$2,720,000) is allocated to the Water Network Improvement Project, while sixteen million, and two hundred and eighty thousand dollars (\$16,280,000) has been earmarked to fund Road Infrastructure projects.

Madam Speaker, four million dollars (\$4,000,000) was allocated to continue the important work of restoring the Ralph T. O'Neal Administration Complex, with another one million, seven hundred and twenty-five thousand dollars (\$1,725,000) provided to renovation to the fire stations, and restoration of the Public Works Department and the Water and Sewerage Department buildings. Eight hundred and seven-five thousand dollars (\$875,000) is allocated to Road Town Improvement projects, which includes making the kiosks at the Road Town Market Square fully useable. Also included in the budget for Ministry of Communications and Works, is an allocation intended to address minor infrastructure civil works throughout the Territory in the amount of one million eight hundred thousand dollars (\$1,800,000), and two million dollars (\$2,000,000) allocated to fund development projects at the Terrence B. Lettsome International Airport.

Madam Speaker, my Government anticipates that the implementation of these infrastructure projects will generate and support trade within the Territory, and therefore contribute to growth of the Virgin Islands economy in the short to medium term.

2025 Sector Plans

Madam Speaker, let us now look at the some of the plans under each of the six National Goals and how we will be **Laying the Blocks of Success** in 2025.

Prosperous, Vibrant, Thriving and Internationally Competitive Economy

Madam Speaker, our first national goal is to ensure that the Virgin Islands has a prosperous, vibrant, thriving and internationally competitive economy. Our broad strategy involves strengthening our main economic drivers, financial services and tourism, and stimulating activities in other areas to encourage diversification.

Financial Services

Madam Speaker, the BVI has one of the safest and most rigidly regulated financial services industries in the world. We aim to ensure that we maintain a high level of confidence with all our stakeholders and partners – from regulators to clients. In 2025, we will continue institutional strengthening to meet our international obligations such as the recommendations of the mutual evaluation exercise. These reforms will strengthen the Territory’s ability to better protect investor interests and provide a safe environment in which service providers can better serve the interests of their clients.

Madam Speaker, we anticipate implementing reforms for the banking, trust and corporate service providers sectors during 2025. The aim is to move the Territory to Basel II compliance and provide a code of conduct in relation to banking, especially as it relates to consumers. The reforms are also intended to ensure a separate and independent legislative regime that brings the trust and corporate service providers into full compliance with the regulatory and supervisory standards established by the Group of International Finance Centre Supervisors (GIFCS), of which the Virgin Islands is a founding member. In carrying out these reforms, Madam Speaker, the Government, working with the Financial Services Commission and other key industry partners, aims to strengthen the Territory’s financial services regulatory and supervisory environment to better protect the interests of those who utilise our products and services at minimal cost, while ensuring that the Virgin Islands remains an invaluable partner in the fight against illicit finance.

It is also in this context that the Government continues its work on beneficial ownership. The Government, through the Financial Services Commission (FSC), is developing a set of measures that will balance the privacy interests of clients with regulatory needs, maintaining the confidence of all concerned while securing our competitiveness. Our industry partners and clients can rest assured that reforms will be carried out in full consultation with practitioners within the financial services industry so that clients’ interests are given full consideration.

Madam Speaker, the second phase of the reform for the collection of beneficial owners' information, is expected to crystallize in 2025, and will address the issue of persons that may be able to inspect the relevant register on a legitimate interest basis. This phase will be carried out in full consultation with practitioners within the financial services industry to ensure appropriate understanding to better protect clients' interests.

To facilitate this process, Madam Speaker, the FSC is heavily investing in the revamping of its VIRRGIN electronic platform to deliver an innovative and efficient filing platform for information. The Commission also expects to develop and procure advanced Regulatory Tech and Supervisory Tech solutions to improve its regulatory and supervisory practices and processes. This investment in technology will deliver not only efficient compliance, but also cost savings for the industry along with improved business efficiency.

Madam Speaker, Asia continues to be a major driver of global economic expansion, with China targeting 5% GDP growth per annum and other Asia markets pursuing similar goals. In 2025, BVI will continue to build its position as a key conduit for investment into and out of Asia. Clean energy projects, digital asset transactions, private equity deals and family office-related investments are driving demand and we expect the continued use of BVI entities in these investment vehicles to continue expanding.

Madam Speaker, the global sustainable fund market is predicted to grow nearly 50-fold by the end the decade and BVI is well-positioned to capitalize on the growth, with frameworks already in place to support sustainable investments and Environmental, Social and Governance (ESG) practices. Madam Speaker, BVI's Virtual Asset Service Providers (VASP) regime has garnered interest, and BVI is well equipped to support innovation and growth in this area in 2025.

Madam Speaker, in 2025, BVI will be undertaking a National Financial Services Strategy to keep the jurisdiction on the cutting edge of the changing dynamics of the industry. As our leading generator of Government revenues, Madam Speaker, we must do all we can to remain competitive, adaptable and leading in all we do.

Tax Administration

Madam Speaker, the International Tax Authority (ITA) will continue to ensure that the Virgin Islands is fully compliant with the international standards of transparency and exchange of information for tax purposes. In 2025 the ITA will continue to demonstrate the compliance of the Virgin Islands with international standards as well as to introduce new revenue streams by introducing a fee for all reporting entities utilizing the BVIFars portal. ITA will make further amendments to the Mutual Assistance Tax Matters Act; and continue to conduct education and outreach seminars in relation to all matters under the Authority's remit.

Madam Speaker, my Government will reintroduce a Good Standing Policy in 2025 to enhance government revenue and ensure legal compliance. This policy will require individuals, businesses, and

organizations to maintain a valid Tax Registration ID for government services, licenses, permits, and public contracts. Non-compliance will result in penalties for businesses and self-employed individuals. The initial phase will target Inland Revenue, Social Security, National Health Insurance, Vehicle Licensing, Trade, and Labor agencies, with potential expansion to other sectors within this calendar year.

Madam Speaker, in a proactive step towards enhancing our tax administration, the Inland Revenue Department, in collaboration with CARTAC, has initiated an IMF-led diagnostic mission. This comprehensive evaluation will provide valuable insights into our current tax system and identify areas for improvement.

By modernizing our tax legislation and reviewing outdated fees, we aim to optimize our tax administration, improve efficiency, and enhance revenue collection. This will ultimately contribute to the overall economic growth and development of our Territory.

Madam Speaker, the implementation of the Global Anti-Base Erosion (GloBE) Rules presents a complex landscape for the BVI. While these rules aim to ensure global tax fairness, they also offer opportunities to attract businesses seeking efficient and compliant structures. Our partnership with KPMG will provide a comprehensive assessment of Pillar 2's impact on our international business and finance sector. To capitalize on this opportunity, the BVI must focus on providing high-value services and investing in our infrastructure and human capital. We aim to solidify our position as a world-class financial center, ensuring the long-term prosperity of our Territory. My Government anticipates receiving a detailed report on this matter before the end of the first quarter of 2025.

Tourism

Madam Speaker, with respect to our second economic pillar - Tourism, in 2025, we will complete the structuring and staffing of the Ministry of Tourism to create the enabling institutional structure to make tourism a true economic driver and a stronger and more sustainable economic pillar. Madam Speaker, we will empower the BVI Tourist Board to optimize its focus solely on promoting the destination and enhancing the visitor experience and developing the Ministry of Tourism to take responsibility in coordinating Government's role in supporting tourism.

Madam Speaker, in 2024, the Ministry of Tourism will be responsible for producing the National Tourism Plan, for hosting a Tourism Summit, and for rallying the Government Agencies responsible for enhancing our product and serving the needs of our guests, industry partners and other key stakeholders. The Ministry will engage a consultant to study the value of events tourism, and the structure for delivering events will be revamped. Additionally, Madam Speaker, the Ministry of Tourism will be responsible for developing and planning stronger economic links with the local economy, including fisheries, agriculture.

Madam Speaker, in 2025, we will commence a destination rebranding exercise to refresh the image of the BVI to better compete on the international stage. The BVI Tourist Board will intensify efforts to market the Territory globally, with a focus on digital marketing and data-driven approaches targeting high-value markets. Our strategy will promote the Virgin Islands as a premium destination for sailing, eco-tourism, luxury travel, adventure tourism and events.

Madam Speaker, our rich culture and heritage are key assets in distinguishing the Virgin Islands on the world stage. In 2025, we will increase emphasis on cultural tourism, celebrating the arts, history, and traditions that make us unique. Visitors will be encouraged to explore heritage sites, attend cultural festivals, and participate in community-led experiences that immerse them in the authentic Virgin Islands culture. Food tourism will also continue to be a focal point in 2025, as we fuse our traditional culinary heritage with modern influences. Through food festivals, culinary tours, and partnerships with local chefs and restaurants, we aim to attract food enthusiasts from around the world while promoting our local agricultural and fisheries sectors by incorporating locally sourced culinary into the tourism experience.

Agriculture and Fisheries

Madam Speaker, as we align our tourism sector for success, we will also be aligning our fisheries and agriculture sectors to ride the same wave of success as we forge stronger links between them. The Government will soon present our comprehensive development strategy for agriculture and fisheries, which will address key areas such as ensuring access to healthy food, promoting biosecurity, and supporting agriculture and fisheries as thriving business entities.

Madam Speaker, the development of agriculture and fisheries is essential to our sustainable future. As far as possible, we will reduce our reliance on imported food, and ensure that we have access to fresh, healthy food when there are shortages in the global market or disruptions in the supply chain. Agriculture and fisheries, literally put food on the table for producers and consumers and contribute to economic diversification.

Madam Speaker, a major initiative for 2025 to increase agricultural production is the assigning of more lots for farming on all four major islands. Work has already commenced to finalise survey plans on Anegada and a similar activity will be conducted on Virgin Gorda in the first quarter of 2025. Closely aligned with this initiative is ensuring access to a reliable water supply, such as the Farmer's Reservoir at Paraquita, which is being delivered by the RDA.

Madam Speaker, central to increasing agriculture production will be training for farmers, and building learning networks among practitioners. The OECS Resilient Agriculture project will commence in 2025 and Government is setting aside funds to assist some farmers who chose to adopt production methods such as shade houses and hydroponics which will be part of the focus of the training.

Madam Speaker, in 2025, the Government will focus its efforts on training young farmers and fishers in innovative methods, as they are vital to the future of these sectors. The H.A.R.V.E.S.T. program, with its focus on youth engagement, provides practical experience, promotes sustainability, and highlights agriculture and fisheries as viable business opportunities.

In 2025, the Government will be working more closely with our farmers and fishers to assist them in accessing the resources they need to increase production and encouraging more persons to join the cadre of local food producers. Priorities will include the adoption of modern farming techniques, improving irrigation systems, and assigning more lands to farmers, ensuring water availability through well restoration and infrastructure projects, particularly in key farming regions, is also central to these efforts.

Madam Speaker, similarly, our marine resources are also integral to our economy, and sustainable fisheries development is crucial. We will work with our fishers to adopt responsible fishing practices and modern approaches like aquaculture and hydroponics to boost productivity while reducing environmental impact.

The Strategic Blue Economy Roadmap, developed with support from the United Nations Development Programme (UNDP), includes an integrated framework for achieving sustainable, ocean-based development. Aligned with our international treaty commitments, this roadmap sets the course for future investments in ocean-based sectors. Its goals include fostering healthy ecosystems, stimulating economic sectors, and ensuring equitable societal benefits. Through this revitalization, my Government will provide the facilitating environment to develop a sustainable Blue Economy as a means of promoting long-term economic growth while safeguarding our marine resources. Developing a Blue Economy will promote opportunities in marine tourism, fisheries, aquaculture and research.

Additionally, we are expanding infrastructure with fish landing facilities on multiple islands and creating more opportunities for young farmers through land allocation and skills training.

Madam Speaker, like many Small Island Developing States (SIDS), the Virgin Islands possesses a vast maritime jurisdiction, making ocean resources vital to our economy. Our marine waters have immense potential for driving economic diversification and resilience, particularly in the aftermath of the devastating 2017 hurricanes.

Digital Transformation

Madam Speaker, digital transformation is a corner stone of building our sustainable Virgin Islands. We are in the process of procuring world-class consulting services to develop a digital transformation strategy for the Territory, which will also include the use of Artificial Intelligence. The Ministry of Financial Services, Economic Development and Digital Transformation is strategically set up to foster the synergies that will position the Virgin Islands as a player in the digital economy as digital asset activity continues to rise, with more institutional players entering the space.

On the Government side, e-Government initiatives continue to transform the public service in areas such as work permits, revenue collections and others. The parallel growth of digital economy and e-Government under a common digital transformation strategy, will be a strategic building block for success in 2025.

Other Economic Activity

Madam Speaker, in 2025, Government will continue to fund the MSME Development Programme, recognising the continued important role of the sector and building our entrepreneurship strength. Additionally, Madam Speaker, in 2025, Government will develop its Labour policy in partnership with the International Labour Organisation (ILO). We will also progress the development of Trade and Investment, as well as Consumer Affairs and Investment Promotion.

Madam Speaker, we will also continue to improve on the RATED Programme, which is now with the Ministry responsible for Labour, which will allow for greater collaboration and synergy, that will result in more resources for the preparation of our human resource for the job market.

Madam Speaker, the BVI Government's strategic partnership with Standard and Poor's for a sovereign rating presents a significant opportunity to elevate the Territory's global standing. A favourable rating will not only reduce borrowing costs but also attract substantial foreign investment, stimulating economic growth, creating jobs, and strengthening our fiscal position. Additionally, a robust sovereign rating will enhance the BVI's attractiveness to the private sector, particularly in the financial services industry. This will encourage multinational companies and investment funds to establish their presence in the Territory, fostering economic activity, generating employment, and increasing government revenue.

Madam Speaker, in 2025, the BVI Post Office will implement innovative changes that will further enhance its technology services and products. These interventions will provide greater support to E-commerce, and tracking and tracing, handling and delivery of packages and consignments of mail and packages along the postal supply chain route, enhancement of customs processing of postal items in line with postal, customs and safety international standards and requirements.

Environmental Sustainability

Madam Speaker, our second national goal is to embrace sustainability in development and protect and preserve our natural environment and our precious natural resources. Madam Speaker, we appreciate the serious threat that derelict vessels in our territorial waters and public spaces pose to the environment as well as to public health and safety and the risk to our sensitive marine ecosystems. In 2025, we will remove and properly disposed of derelict vessels with a comprehensive, multi-agency strategy. The Ministry of Environment, Natural Resources and Climate Change will lead the charge to

ensure that the clean-up is environmentally sound, with best practices in waste disposal and ecosystem preservation.

Madam Speaker, while we use our beautiful beaches for recreation and tourism activities, which many of our people depend on for a livelihood, we must minimise any preventable damage to these valuable assets. In 2025, we will be developing beach management plans for some of our prized beaches, using the Long Bay, Beef Island Beach Management Project as a guide to how environmental, commercial and recreational interests can be balanced in these sensitive environments.

Madam Speaker, in 2025, Government will proceed with the Crown Lands Management Act, 2024, having received assent from the Governor, establish a Land Bank, tasked with efficiently administering and repurposing land resources to serve both present and future generations, based on the Act.

Madam Speaker, in 2025, Government agencies will begin implementing their Green Pledge Implementation Plan by offering “Green Thinking” training to raise awareness among staff about the benefits of going green. Through the Public Service Green Pledge, we expect to reduce operating costs, create a healthier workplace, minimize waste, enhance public image, and increase resilience against dependency on imported fossil fuels. Madam Speaker, I challenge the private sector to follow suit and let the Ministry know how they can assist.

Sustainable Infrastructure

Madam Speaker, our third national goal is high-quality and resilient infrastructure and access to sustainable services. This is crucial for economic development and in 2025, my Government will continue pressing forward with our efforts to improve the Territory’s infrastructure, to deliver reliable services to residents, and transition to sustainable energy.

Madam Speaker, a significant initiative planned for 2025 is the integration of the BVI Electricity Corporation (BVIEC) with the Water and Sewerage Department (WSD). This merger will consolidate skill sets and leverage the established leadership and infrastructure of BVIEC to promote efficient water production, transmission, and distribution, as well as effective collection and disposal of wastewater. The new organizational structure will emphasize accountability and agility, ensuring that we meet the evolving needs of the Territory effectively.

In the meantime, Madam Speaker, delivering dependable, stable, and sustainable electrical power to residents and businesses on Anegada remains a priority. In the next six months, we expect the commissioning of a solar farm and the installation of an additional reliable diesel generating engine on the Sister Island.

Madam Speaker, as the Telecommunications Regulatory Commission (TRC) continues implementation of its strategic plan. The public can look forward to new regulations aimed at improving customer experience, telecommunications infrastructure resilience, and enforcement of regulations. The TRC is also presently working on creating the appropriate regulations and licensing framework to enable the delivery of telecommunications services via satellite technology, as well as

measures to accommodate 5G and other advanced technologies in the spectrum. This will improve access to quality and reliable telecommunications services throughout the Territory and support digital transformation in the public and private sectors.

Madam Speaker, the BVIAA plans to implement the Green Airport Initiative, which aims to establish the BVIAA as a leader in sustainable airport operations by reducing carbon emissions and promoting environmental stewardship. It includes plans for water recycling systems, solar panel feasibility studies, and the use of electric ground service equipment.

Madam Speaker, turning to the sea Ports; the BVI Ports Authority (BVIPA) will move forward in 2025 with a range of initiatives that will further enhance its capabilities and infrastructure. These include construction of a new General Cargo Warehouse at Port Purcell, which will significantly boost the cargo handling capacity; Cargo Dock Apron repairs, ensuring their facilities are robust and ready for future demands; and rehabilitation of both the Road Town Jetty Dock and the Jost van Dyke Ferry Dock, enhancing connectivity and accessibility for visitors.

Madam Speaker, quite a lot of road rehabilitation work has been taking place throughout the Virgin Islands, and we intend to continue. In addition to road projects started in 2024 that will roll over into 2025, several projects, large and small, are scheduled for the new year through the Ministry of Communications and Works, and will include rehabilitation to roads and supporting structures on Anegada, Virgin Gorda, Jost Van Dyke and Tortola. Madam Speaker, key hotspots have been identified throughout the Territory through the assistance of a CDB-led consultancy, and the stage is set for immediate work. We are asking for the public to exercise patience during the construction periods as we attend to your calls to fix the roads.

Madam Speaker, for 2025, infrastructure works under the MCW will also target the Water Network Improvement Project. The first phase of this program involves an aggressive leak detection program to identify and repair existing leaks. Additionally, Madam Speaker, repairs and upgrades of key reservoirs, including Fort Hill, Hannah Hill, Minton Hill in Virgin Gorda, and Sabbath Hill, are also part of this overall strategy. Once these major upgrades are implemented, residents throughout the Territory can expect a much more reliable water supply.

Simultaneously, Madam Speaker, the National Sewerage Program is progressing with a three-pronged approach that targets key areas: Cane Garden Bay, East End/Long Look, and Road Town. In Cane Garden Bay, the wastewater treatment plant has been successfully completed, and preparations are underway for the installation of new gravity lines to collect sewage effectively. In East End/Long Look, ongoing works involve the repair and commissioning of the Paraquita Bay Wastewater Treatment Plant, as well as the construction of a new sludge treatment facility and a main pump station at Long Swamp. Madam Speaker, tenders are currently being issued for the main gravity and pumping lines from Parham Town to Long Swamp, along with the completion of gravity lines in the upper Long Look area. The final phase will focus on household connections, ensuring that homes and businesses can be linked to the new system. In Road Town, the Burt Point Wastewater Treatment Plant has been commissioned, and tenders have been issued for the rehabilitation of the main pump station, as well as

the extension of the effluent outfall line at Slaney. Upgrades are also planned for the Purcell Estate pump station and the Fort Burt pump station, with these essential works set to commence in 2025.

Madam Speaker, we will continue the restoration and renovation of the Ralph T. O'Neal Administration Complex (RTOAC). The completion of repair works will not only restore the building, which has historically served as the seat of Government and housed various ministries and critical departments, but also enhance its functionality and resilience, thereby improving service delivery to the community. It will also reduce the amount spent on rent and allow these funds to be redirected to service other needs.

Innovative, Creative and Vibrant Learning Environments

We will also continue our investment in classroom resources, including learning manipulatives for various subject areas to promote hands-on learning and critical thinking. Madam Speaker, we will prioritise musical instruments for both primary and secondary schools, enhancing students' creative and cultural experiences. Robotics and coding initiatives will extend into primary schools, fostering early interest in science, technology, engineering, arts, and mathematics. This expansion will be supported by the purchase of additional robotics kits and iPads to enhance learning.

To support digital learning, we are implementing a comprehensive upgrade to our digital platforms, improving internet connectivity, updating hardware, and introducing interactive tools that promote digital literacy. Schools will continue to receive new photocopiers, and secondary school computer labs will be upgraded with modern computers and furniture to support our technology initiatives. The provision of smart boards will continue to ensure access to interactive, hands-on learning tools.

In 2025, we will continue to prioritise the professional development of our educators. A dedicated cohort of teachers will benefit from funding to pursue bachelor's degrees in education, and a second cohort will begin a STEAM certification program to support effective integration across the system. Through our ongoing partnership with HLSCC, we will offer funded Certificates in Teaching and Leadership, as well as continuous professional development through the Institute of Education. The Mathivated Project will continue, empowering educators to engage students and improve mathematics performance.

Madam Speaker, Early Childhood Development will be a key priority in 2025. We will partner with early childhood centres to elevate educational standards and offer professional development for staff and proprietors. By prioritising early education, we are laying the foundation for lifelong learning.

Youth and sports development will continue to be central in 2025. We will inspire interest in STEAM fields, foster leadership and entrepreneurship, and promote civic responsibility through afterschool programmes, summer camps, expos, and seminars. Funding contributions to sports organisations, athlete grants, and contributions to elite athletes will continue in support of sports development in the territory.

Furthermore, the Recreation Trust will expand preventive maintenance programmes to ensure the safety of community facilities, and funding has been allocated to rehabilitate and reconstruct recreational facilities, supporting active lifestyles and community well-being.

Madam Speaker, as we look to 2025, each initiative in the Ministry of Education, Youth Affairs and Sports represents a vital building block for our Territory's future. Through sustained investment and careful planning, we are empowering every student, uplifting every youth, and building a Virgin Islands that is strong, innovative, and prepared for the future.

Healthy Living and Structures For Fulfilling Lives

Madam Speaker, our fifth national goal is to provide the health and wellbeing of our people and that remains extremely high on my Government's priorities. In 2025, we will continue to repair and upgrade our key health infrastructure, such as the Dr. D. Orlando Smith Hospital, community centres, and social housing units.

Madam Speaker, our plans for 2025 includes repairs to the roof and upgrades to the lobby of the Dr. D. Orlando Smith Hospital, as well as connecting the main generator of the DOSH to the old section of the hospital. We will also conduct repairs to the Nurses' Quarters in the Valley, Virgin Gorda. Repairs to the Brewer's Bay Community Centre will continue. Three social homes will be built in Virgin Gorda and one in Baugher's Bay. A social home complex is also slated for construction in Long Look. Repairs will be done to the roof and sewerage system at His Majesty's Prison.

Madam Speaker, the Office of Gender Affairs will continue to advance gender equity by conducting new cycles of the Partnership for Peace programme, revising national gender policies and the national domestic violence protocols, and launching a comprehensive media campaign to promote gender equality. The Office of Gender Affairs will also continue capacity building workshops for gender focal points, including topics on Gender Responsive Budgeting, Sexual Harassment/Violence in the workplace, and Why gender matters in climate change.

Madam Speaker, the Environmental Health Division will focus on increasing community outreach and awareness, while the Safe Haven Transitional Centre aims to enhance its community support initiatives, including establishing a soup kitchen and advocating for low-income housing options.

In the area of Public Health, Madam Speaker, key plans for 2025 are to build on the work of 2024. In the area of health promotion, we will expand the BVI Moves Program and bolster advocacy and raising awareness for diseases of importance through various health promotion programs. In the area of surveillance and information we intend to continue the implementation and configuration of the DHIS2 reporting system, implement event-based surveillance, and continue work towards developing a Cancer Registry in the Virgin Islands. We will continue to work with the HLSCC and partners to develop nursing education in the Virgin Islands aimed at training enrolled nursing assistants.

With respect to Medicines and Pharmaceuticals, Madam Speaker, we intend to complete the national formulary, and begin implementation of an antimicrobial, stewardship program to prevent misuse of

antibiotics. Additionally, the Ministry of Health and Social Development will be implementing a National Infection Prevention and Control and Antimicrobial Resistance Prevention committee to reduce health care acquired infections and limit antibiotic resistance. Cervical Cancer, Breast Cancer, and Colon cancer are targeted for prevention programs.

The national nutritional guidelines will be launched with special emphasis on priority groups such as children, the elderly, and antenatal mothers. The Public Health Unit will continue to work with the NHI and BVIHSA to fine-tune the arrangements for governance and management of health services and complete a national health strategy plan.

Madam Speaker, healthy living and lifestyles also require that we have suitable community facilities. The Recreation Trust will be expanding preventive maintenance programs further to ensure the longevity and safety of our facilities in 2025, as well as increasing staff training opportunities to keep our team updated on best practices and emerging technologies in facility management and strengthening partnerships with community stakeholders to foster collaboration and support for facility improvements.

Good Governance and Accountable Government

Madam Speaker, our sixth national goal is embracing good governance, accountability and citizenship participation. My Administration is 100% committed to delivering the highest standards of Good Governance for the Virgin Islands, which must be buttressed by strong institutions and structures. With the completion of the 48 COI recommendations and reforms, including assent, by the end of 2024, my Government has already proposed a Governance Reform Transition Plan to the UK Government that sets out a seven-point comprehensive commitment to ongoing governance.

Madam Speaker, the Plan encompasses completing the COI recommendations through to the assentation process; completing the COI Review; completing the medium to long term reforms; implementing the new policies and legislation; building public awareness and education about policy and legislation changes; instituting monitoring and evaluation of implemented reforms; building institutional strength and making systemic changes as required to make sure the policies and legislation we implemented works in the best interest of the people of the Virgin Islands.

Madam Speaker, the Transition Plan will continue to build on the collaborative relationship between the Governments of the Virgin Islands and the United Kingdom to achieve tangible and sustainable governance reform that will support a modern partnership based on mutual trust, respect, and cultural understanding, which recognises the Virgin Islands' right to self-determination.

In 2025, implementation of the Public Service Transformation will continue, with particular emphasis on customer service, streamlining and digitisation of services offered on Tortola and all Sister Islands, and enhancement of the Public Estate Programme to include valuation and reduction on the expenditure of leased properties. Through the Virgin Islands Public Service-Learning Institute (VIPSLI), public officers will be supported in pursuing portfolio careers through professional skill development and certifications. This should encourage staff retention in the Service. Simultaneously,

the "Retire Ready" Programme will be expanded to assist officers who are ready to retire with a smooth transition, including training and guidance in estate and financial planning.

Madam Speaker, communication between the Government and the people it serves is a cornerstone to laying blocks of success, and is fundamental to good governance. The role of the Department of Information and Public Relations is critical in communication with public officers and the wider public. In 2025, the Department will expand its reach by promoting Government information through alternative broadcast outlets and targeted digital campaigns, engaging wider regional and international audiences. A dedicated Social Media Unit will drive live programming and use analytics to optimize content and enhance public engagement. The department will also focus on finalising Standard Operating Procedures for Government communications by mid-year, streamlining communication processes across ministries.

The Governor's Group, Madam Speaker, plays a vital role in the operations of the public service and the delivery of responsibilities that are Constitutionally under the remit of His Excellency the Governor. My Administration is pleased to support the Governor's Group in its areas of responsibilities.

Madam Speaker, the Governor's Office and Group have been good partners in the Governance reforms programme, and the Group will continue to have our support in the implementation and monitoring of COI, Law Enforcement, Mutual Evaluation and FATF recommendations. They will also continue implementation of the electoral reforms as recommended by the Observer Mission following the 2023 General Election, which seek to improve voter access and participation, strengthen governance mechanisms to promote transparency and regulate the conduct of political parties, independent candidates and their respective supporters in an environment, which supports free and fair elections.

Madam Speaker, priority will be given to advancing Restorative Justice activities and advancement of other initiatives included in the Justice and Security Programme framework. To aid in the fight against crime, the Royal Virgin Islands Police Force (RVIPF) will commence the work on Charging Standards in collaboration with other Agencies and introduce a Counter Corruption Unit in 2025. Full implementation of the vetting process is also a top priority across all law enforcement agencies.

Madam Speaker, our efforts to safeguard the well-being and security of the Territory will also be demonstrated in the development of a Customs Courier and Cargo Centre. His Majesty's Customs checks cargo on a risk-based approach, which is guided by the World Customs Organisation. The Centre will allow for a streamlined and effective approach to checking cargo that enters the Territory, and is expected to curtail fraudulent activities and the risk of revenue loss.

Equally, Madam Speaker, the Customs Automated Processing System (CAPS) is undergoing a significant upgrade to enhance its capabilities and efficiency. This upgrade is essential to keep pace with technology and evolving industry standards. The initiative focuses on upgrading CAPS, improving computing power, data storage capacity, and user experience. Government has allocated funds for this project, and has entered into an agreement with IBM to procure a new server and related software. While some components, like the UPS backup batteries and the server have been delivered, work continue on procuring transfer software licenses and finalizing the server's physical installation. The

Government is actively working to address the issues with the existing system, and aims to complete the upgrade by the end of the second quarter of 2025.

Madam Speaker, measures will also be put in place to improve efficiency in the functions of the courts. These include amendments to the Magistrate's Code of Procedure Act to facilitate the Service of Summons on a defendant via email communication; implementation of a second criminal court; training for all Court Clerks to ensure that they are fully equipped to efficiently support the Judicial Officers in this role and identifying solutions to speed up preparation of transcripts.

His Majesty's Prison (HMP) falls under the responsibility of the Ministry of Health and Social Development. Investments will be made to improve security and safety at HMP, increase staffing numbers and provide relevant training, expand rehabilitation programs through farming, woodworking, and welding projects, and access to training, counselling and reintegration coaching for inmates.

Madam Speaker, the BVI Government is committed to improving the public procurement process. We will review the Public Procurement Act and Regulations to address implementation challenges and ensure greater efficiency and transparency. To further streamline procurement, we plan to increase the procurement threshold that requires Cabinet approval from \$100,000 to \$250,000 and threshold for restricted tenders from \$10,000 to \$25,000. This will provide Ministries and Departments with greater flexibility while maintaining accountability and ensuring value for money.

Madam Speaker, it is my intension to reintroduce the Economic and Fiscal Advisory Council, which will provide independent and expert analysis and advice to the Government on economic and fiscal policy issues. The Council will assess the macroeconomic outlook and risks, review and evaluate government policies, conduct research on key economic challenges, and foster dialogue between the Government, private sector, and civil society. The EFAC will be composed of members appointed by the Minister based on their expertise in economics, finance, and related fields.

Madam Speaker, the Government recognizes the importance of a sustainable pension system for our public officers and employees. While the current non-contributory defined benefit plan has served its purpose, it is evident that a more sustainable approach is necessary to secure the financial future of our public servants. To address this, the Government has commenced the process to transition to a defined contributory pension plan, a model proven successful in many jurisdictions. This shift will ensure the long-term viability of the pension fund, mitigate financial risks, and provide greater financial security for our public officers and employees. By sharing the responsibility for funding the pension, the Government and employees can collaborate to build a stronger and more resilient retirement system.

Madam Speaker, the above-mentioned initiatives are just some of the plans that my Government will be focusing on in the upcoming year, as we continue to lay the building blocks for success for the Virgin Islands and our people in our journey to sustainable nation.

Madam Speaker, we expect that there will continue to be challenges in 2025, but I see opportunities that far outweigh those challenges. You see, Madam Speaker, I always see the glass as half full and not

half empty. That helps all of us to see the opportunities that are right before us and meant for us. If we are going to build a sustainable Virgin Islands Madam Speaker, we need nation builders who are going to seek out and capitalize on opportunities for themselves that serve the national interest. You see Madam Speaker; to build a sustainable Virgin Islands, we must have the right persons, in the right positions, pursuing their purpose with passion. My 4 Ps Madam Speaker.

With that said Madam Speaker, to assist us in executing the plans for 2025, I would like to share some overarching initiatives I plan to pursue to help the Virgin Islands lay blocks of success in 2025. I alluded to the first one Madam Speaker and that is to place nation builders in positions where they can pursue their purpose with passion to build a sustainable virgin Islands,. Bring your 4 Ps and let's build a sustainable Virgin Islands

The second initiative, Madam Speaker is to capitalize on the Public Private Partnerships (PPP) model as a key block of success. Madam Speaker, our success in building the Virgin Islands over the past decades has been due to strong public-private partnerships, particularly in financial services. We use the innovation, creativity and resources of the private sector and combine that with the facilitation and regulatory function of Government to move the Territory forward. We are seeing the significant impact on the education sector thanks to community partners such as Unite BVI.

Madam Speaker, I see PPPs playing a major role in every aspect of developing the Virgin Islands, including helping us to achieve in every aspect of our six national goals. We have already begun to formulate PPPs and will be soon launching the first one called the Road Town Development Partnership that will bring Government, businesses and persons with an interest in our capital, together to make our capital all that it can be.

Madam Speaker, we have also started to formulate PPPs for youth development, community beautification, healthy lifestyle and other areas with the principle of shared prosperity, giving back to help the greater good.

Madam Speaker, my third initiative is to widen and deepen our engagement with Virgin Islanders in the diaspora. The vast talents, resources, connections and influence of the Virgin Islands diaspora is a valuable resource that can add significant building blocks to our success. I will be consulting on a Virgin Islands Diaspora policy with the intent of formalizing the role of Virgin Islanders in the diaspora in the development of the Virgin Islands.

In addition to these initiatives, Madam Speaker, we will finalize the policy for the introduction of a community development model, which will involve the formulation of district councils.

Madam Speaker, Government cannot do it alone. We will continue to reform our governance and create the enabling environment to become a better and stronger partner for the private sector, but we will be looking to the non-government organisations; individuals, at home and abroad; and the business community to bring us innovation, creativity and expertise to lay blocks of success in 2025. So, bring us your best ideas, suggestions and, most of all, your 4 Ps.

Conclusion

Madam Speaker, as I get ready to close, I am reminded of the quotation that says, “Not all storms come to disrupt your life, some come to clear your path”. Madame Speaker, I think that quote tells the story of the Virgin Islands over the past seven years.

You see, Madam Speaker, we are a relatively young nation, having only gotten representative Government 74 years ago, Ministerial Government 57 years ago and control of our Finances 48 years ago. So, Madame Speaker, when you consider that it is less than 50 years since we gained our current level of governance autonomy and further consider the rapid rate of development and change that followed up to 2017, you must appreciate that the amount of rapid change stressed our foundation and brought on the socio-economic challenges that came with it. We needed a reset, Madame Speaker, we had lost our bearings. So, the storms came: the two category 5 hurricanes, the global pandemic and the COI. As devastating as they all were, Madame Speaker, each taught us valuable lessons for the journey ahead.

So, Madam Speaker, the 2025 plans and budget we are presenting today are the sum of the painful lessons from the last seven years and the aspirations of Virgin Islanders beyond the next seven. These painful lessons and aspirations are reflected in the National Sustainable Development Plan (NSDP), “Vision 2036: Building a Sustainable Virgin Islands”. With NSDP, Madam Speaker, we have committed to six national goals for our economy, environment, infrastructure, education, health and good governance. In 2025, we will be Laying the Blocks of Success to support these six pillars of a sustainable Virgin Islands.

Madam Speaker, as I look at our plans for 2025, I am very optimistic about the prospects for success in our six national goals. I see our economy growing and diversifying with tourism, to become a stronger generator of our gross domestic product and financial services continuing to lead in its core business, despite the challenges with beneficial ownership, whilst diversifying its product offering. I see our efforts to access climate finance to address climate impact on our environment bearing fruit. I see our infrastructure returning to standard and made more resistant. I see education continuing its innovation journey to produce brilliant minds for our future. I see us finally fixing the healthcare system and easing the financial burden on the Treasury. I see our governance system finally able to support the aspiration of the people of the Virgin Islands.

But Madam Speaker, we recognize that Government can’t do it alone. So, we will enlist the support of the business and non-governmental organization communities through public-private partnerships (PPP). We will engage our vast diaspora to help us lay the blocks of success for their Virgin Islands, from home or abroad. We will enlist an army of passionate purpose driven nation builders, and place them in the right place to move the nation forward. Madame Speaker, the wheel of progress only turns when round pegs are in round holes and square pegs are in square holes.

Madam Speaker, in 2025 we will be celebrating 75 years since the restoration of our legislature, and by sheer coincidence, it is also the year we will be negotiating our new constitution. In the first quarter of 2025, Madame Speaker, we will debate the Constitutional Review Report in this Honourable House

and appoint a negotiating team. Madam Speaker, as if by design, our constitutional negotiations fall on the heels of the most comprehensive and robust governance reform in the history of the Virgin Islands, thanks to the COI. The changes we are implementing, Madame Speaker, will position us for greater autonomy and solid confidence in local governance, two key blocks of success in building a sustainable Virgin Islands

Madam Speaker, as I bring this address to a close, I call on all residents of the Virgin Islands to do what Bob Marley says, “Make way for the positive day”. It is a new day in the Virgin Islands, Madame Speaker. Let us all see the glass as half full and see the possibilities and opportunities to lay blocks of success to help build a sustainable Virgin Islands. We are better together, even if we don’t always agree. Let us embrace the positive changes of the reforms we have just completed. Let us agree on a vision for our Constitution, let us put country first as we begin Laying the Blocks of Success in 2025.

Madame Speaker, let me close by saying that the preparation of a Budget and Budget Address is an enormous undertaking and requires a lot of time, effort and diligence. I wish to thank my Financial Secretary Mr. Jerimiah Frett, and his team at the Ministry of Finance for all their support and hard work. I wish to thank all my Ministers and Junior Ministers for their contribution and ideas. Special appreciation must also go to Deputy Governor, Mr. David Archer and his team. I also want to thank all Permanent Secretaries and all public officers in all Ministries.

I thank Honourable Members, you Madame Speaker, the audience present and those following online and via radio for your kind attention.

May we continue to lay the blocks and may God continue to bless these beautiful Virgin Islands.