



2024 BUDGET STATEMENT



***“Securing our Future Through Enhanced
Fiscal Responsibility”***

Honourable Gaston A. Browne

*Prime Minister and Minister for Finance, Corporate Governance and Public
Private Partnerships*

Government of Antigua and Barbuda

Friday 15th December 2023

Introduction

Mr. Speaker, I rise to present the National Budget for 2024, on the theme of “Securing our Future Through Enhanced Fiscal Responsibility”. Today, as we convene in this hallowed chamber, our beloved nation stands at the intersection of resilience and triumph. The echoes of our collective national spirit reverberate within these walls, telling a tale of a nation that defied the odds; a nation that rose from the challenges that threatened to dim our flame, to maintain our resilience and fortitude.

In the face of global storms and uncertainties, our nation has not merely weathered the tempest, but has emerged with newfound strength and purpose. This budget is not just a fiscal document; it is a testament to the indomitable resilience that courses through the veins of every Antiguan and Barbudan. It is a manifestation of courageous and visionary leadership that navigated turbulent waters, steering us toward the shores of economic resurgence and prosperity.

In this Budget, you will witness the triumphs of our strategic decisions, the resilience of our diverse sectors, and the promise of a future that beckons with opportunities; a future where every citizen thrives, and our nation's legacy shines brighter than before. This Budget is a testament to the enduring spirit of our people; a symphony of the indisputable progress that we have made together.

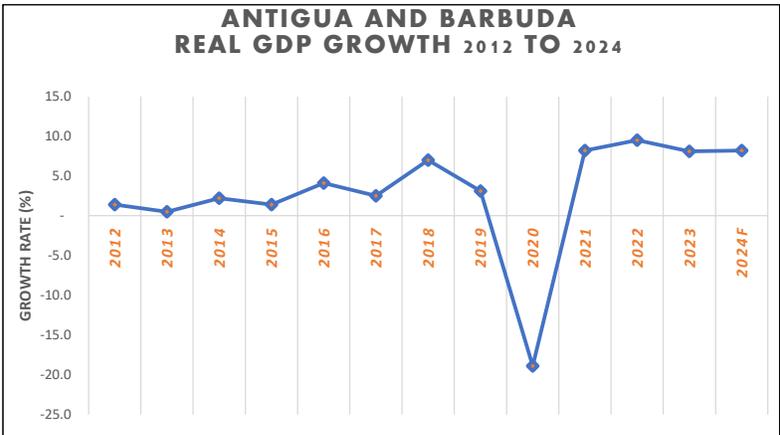
It is a beacon that summons us to a more prosperous future as one people, one nation with the singular objective of maintaining Antigua and Barbuda, as the homeland we treasure, and in which we want to build our happiness. Therefore, Mr. Speaker, this Budget is designed to continue to strengthen the foundation upon which our nation can erect the pillars of its sustainable and inclusionary prosperity.

Performance of the National Economy

Growth

Mr. Speaker:

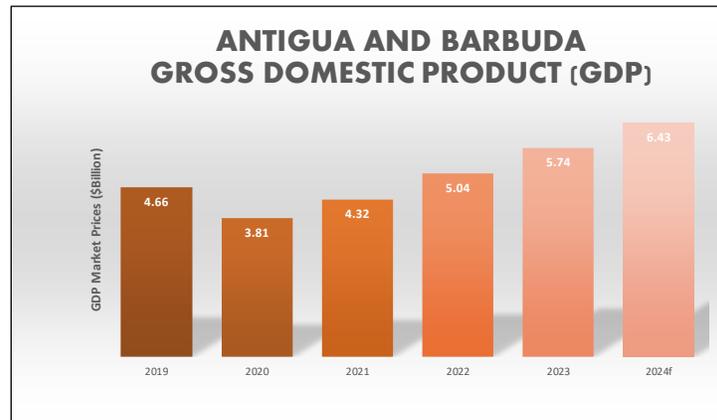
The past few years have been a testament to our nation's resilience, determination, and unyielding spirit in the face of unprecedented challenges. Antigua and Barbuda's journey through adversity towards economic resurgence is nothing short of remarkable.



Based on data available as of September 2023, the Eastern Caribbean Central Bank (ECCB) projects that real output in our nation will grow by 8.1 % in 2023. We will all recall that, as our economy plummeted in 2020 by approximately 19% and lockdowns were the order of the day across the globe, my government, having achieved a limitation on the spread of the COVID-19 virus, decided to reopen our ports and our economy on June 1, 2020. That single, farsighted decision opened our country to a multitude of privately owned aircraft and wealthy visitors that helped to sustain our economy.

So too did our decision to allow the opening of bars, restaurants, and other businesses in a careful manner, permitting many of our people to go back to work. Additionally, we continued the building of infrastructure, and we incentivized hotels and resorts to upgrade their properties. This

was how we got a head start in recovering our economy and restoring it to the path of growth that we had enjoyed prior to 2020.



Source: Ministry of Finance and ECCB

The result was growth of 8.2 % in 2021; 9.5 % in 2022; and spectacular growth of 8.1 % in 2023, unmatched by any country, except Guyana with its recent exploitation of oil and gas. My government is proud to have given courageous and visionary leadership to our country and our people, who benefitted from its implementation in their interest, wellbeing, and progress. That, Mr. Speaker, is the mark of good governance; a competent government; and empowerment of our people!

Mr. Speaker, while we highlight the performance of tourism and construction given their higher contribution to our Gross Domestic Product, it should be noted that every other sector in the economy; from agriculture to manufacturing and wholesale and retail trade, to transportation, telecommunications and financial services have experienced growth in 2023. That was a significant accomplishment which enlarged the employment of our people, expanded the income of a wide range of service providers, including taxi drivers and vendors, and workers, at all levels, in our hospitality sector.

Our policy of expanded domestic ownership, to include acquisitions in the banking, petroleum storage and distribution sectors among others, has resulted in increased national income, fueling increased domestic wealth creation and economic growth.

There was also a substantial increase in cruise ship passenger arrivals in 2023 compared to 2022. For the period January to October 2023, 435,649 cruise passengers visited our shores. This number surpasses the 380,172 passengers recorded for the entire year of 2022 and it is expected that cruise passengers will exceed 680,000 for 2023.

Mr. Speaker, there is more exciting news about our nation's tourism sector, which is soaring to new heights. We are among the top Caribbean destinations experiencing a remarkable surge in international arrivals compared to the regional average in 2019. Also, Antigua and Barbuda nabbed further acclaim at the Caribbean Travel Awards, receiving top prizes as Wedding Destination of the Year; Tourist Board of the Year, and Culinary Destination of the Year. Also, the Verandah and Hammock Cove hotels emerged as top all-inclusive resorts in the Caribbean. This performance further solidifies our status as an exceptional and sought-after travel haven.

This is a major accomplishment in a world impacted by two wars, which have caused global anxiety, disrupted supply chains, and increased the cost of air and sea travel. We should all be pleased, Mr. Speaker, that we overcame these major exogenous shocks to maintain the vibrancy of our tourism industry and the income and wellbeing of all our people.

Mr. Speaker, this is indicative of a decisive government, that acts and delivers. And that is not all. The revival of tourism was complemented by a robust construction sector, further driving economic growth and employment opportunities for our citizens. In 2022, the sector experienced real growth of 5.3%. Based on data available up to September 2023, it is expected that the rate of growth in the construction sector will double to 10%.

This performance is driven by the continued build out of the Peace Love and Happiness (PLH) luxury property on Barbuda; major renovations of Royalton Chic at Halcyon; renovations at Jolly Beach and Hermitage resorts, expansion of the Nobu Restaurant on Barbuda, myriad residential and commercial construction island wide; and continued roadworks and expansion of utilities infrastructure. Mr. Speaker, the economy is on the move, and, despite global economic shocks

and natural disasters, our country's resilience continues to shine brightly. That is because my government worked with great agility, to adapt and implement policies not only to support affected sectors of our society, but also – importantly – to provide safety nets for our people. Mr. Speaker, this is exceptional performance in the interest of all. As a nation, we should be justifiably proud.

Today, this nation stands on the threshold of a promising future, as high growth is predicted for our economy. But this success is not a destination; while it is an admirable high point in our march to long-term, sustainable development, we must stay the course together to secure a future of resilient prosperity for generations to come.

Employment

Mr. Speaker, on the important matter of employment; figures from the Antigua and Barbuda Social Security Board, for January to September 2023, paint a vivid picture of the steady improvement of the numbers of our people in employment and growth in their income. A remarkable 43,946 employed and self-employed contributors reported earnings totaling \$975 million during this period.

The stability of our labor market and the robust economic growth we've experienced, have culminated in a noteworthy \$15.4 million, or a 12% increase in contribution income to the Social Security Board from January to October 2023, compared to the same period in 2019. This surge not only reflects the vitality of our economic recovery but stands as a testament to the success of my government's policies in the interest of our people. It is heartening to note that 90% of the income generated by the Social Security Board is dedicated to pension benefits; a lifeline for many in our society.

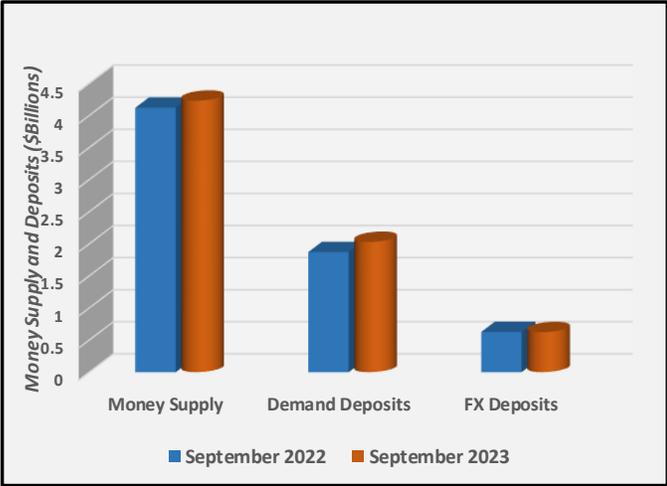
This financial strength not only fortifies the stability of our social protection architecture, but also positions the Board to navigate unforeseen challenges, as exemplified by its adept management of pension payments since the onset of the COVID-19 pandemic.

With sustained economic growth and the implementation of adjustments approved in 2016, the Social Security Board is poised for an even stronger position to fulfill its pension obligations and other vital benefits. The Social Security Scheme, a cornerstone of Antigua and Barbuda's social fabric, will continue to play a pivotal role in safeguarding the well-being of many of our people.

These figures are not just statistics; they represent the tangible impact of my government's policies. As we continue to forge ahead, let it not only be a testament to the strength of our nation, but more importantly, let it inspire our collective commitment to a future where every citizen thrives.

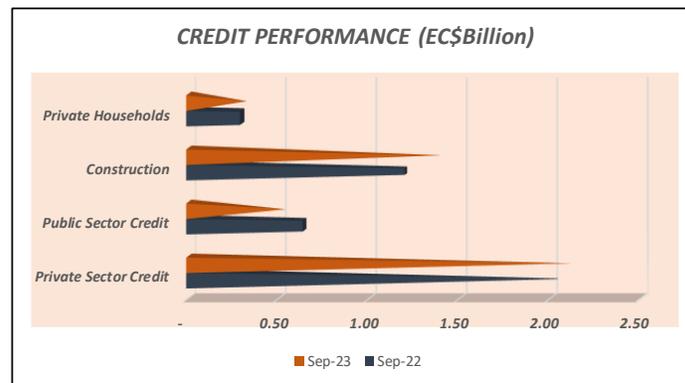
Financial Sector

Mr. Speaker, dealing now with relevant aspects of the financial sector. Key economic indicators reveal a compelling narrative of growth and opportunity. According to data published by the ECCB, the monetary aggregates as of September 2023 stand robust at \$4.3 billion, signaling a notable \$111 million increase as at the same period in 2022. The pulse of our economic vibrancy throbs even more evidently in the assessment of deposits and credit, which show several noteworthy developments. For instance, demand deposits surged by an impressive 8.5%, increasing from \$1.87 billion to \$2.03 billion.



Source: Eastern Caribbean Central Bank (ECCB)

The private sector witnessed a commendable 5% increase in credit, reaching \$2.03 billion, while credit to private households soared by an encouraging 9%, ascending from \$295 million to \$322 million. Notably, credit for construction activity, encompassing renovations, construction, land development, and residential mortgages, saw a remarkable spike of nearly 19%, leaping from \$1.2 billion to \$1.4 billion.



Source: Eastern Caribbean Central Bank (ECCB)

These figures are not mere statistics; they are a testament to our growing economic canvas, pulsating with opportunities for citizens and residents to generate income, invest in better homes, and invest in small and medium sized businesses. Mr. Speaker, figures don't lie; instead, they nail the lie to those in our society that claim that the economy is dead, and nothing is happening. On the contrary, each percentage increase, signifies a step forward in our collective journey towards resilient prosperity. We should be praising it, not seeking ways to deny it.

Turning our attention to the Credit Unions, their post-COVID-19 resurgence paints a promising picture. The fact that they ended 2022 with a net surplus of \$8.3 million - a significant leap from \$5.9 million in 2021 - is indicative of their resilience and growth. In the first half of 2023, the sector saw a commendable 5.7% increase in total deposits and a 4.5% rise in total loans. The expansion of its membership by 2.4% to 44,331 persons, and a 5% increase in its employees, underscore the sector's role as a burgeoning source of opportunity and financial stability.

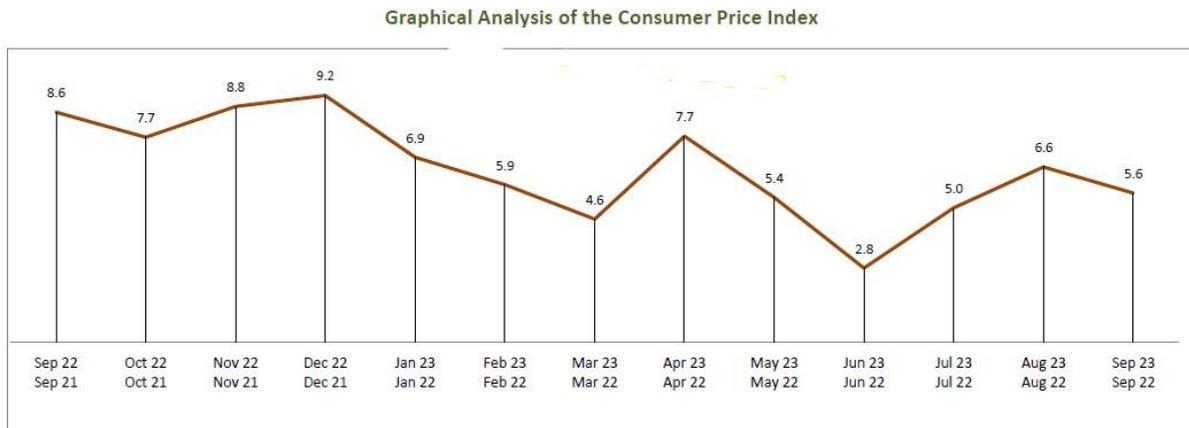
In the broader financial sector, total outflow of remittances surpassed 2019 levels, which stood at \$71 million by 2022; this figure surged to \$98 million and is projected to exceed \$110 million

in 2023. This exponential growth, not only underscores growth in the economy, but signifies the tangible impact on domestic and imported labor, as expanding job opportunities become the norm.

In summary, these indicators collectively illustrate the heartbeat of a booming economy; where every person, household, and financial institution is a stakeholder in our common objective of steady progress towards resilient prosperity for all.

Prices and Inflation

Mr. Speaker, addressing inflation and prices is paramount in our journey toward economic resilience. The recently concluded IMF Article IV assessment on Antigua and Barbuda, attributes our inflation since January 2022 to global factors: particularly rising fuel and commodity prices. It is crucial to emphasize that the government's policies did not create this situation; instead, they served as a significant buffer, alleviating what could have been far more challenging circumstances for the people of our nation.



Following a peak of 9.2% in December 2022, domestic inflation showed improvement, moderating to 5.6% in September 2023 due to a global easing of price levels. My government continues to implement policies to ease import driven inflation on all sectors of the society. The recently reported a 3.1% inflation rate for the United States, the source of the majority of our imports, should result in a further reduction in inflation below four percent in 2024.

Given the increase in global prices, our commitment to the welfare of vulnerable individuals and households was evident through the delivery of social programs by PDV Caribe Antigua and the Social Protection Board. In 2023 alone, approximately 10,000 individuals and households received support through the Government Assistance Programme, PDVCAB's Peoples Benefit Programme, and the Utility Subsidy Programme, totaling an estimated cost of \$8.5 million.

Understanding the strain on society, my government maintained a 25% fuel subsidy to bus and taxi operators, costing \$7.6 million between January 2022 and September 2023. Over 170,000 vouchers were distributed to over 300 bus operators and nearly 700 taxi operators, in addition to approximately \$9 million in LPG subsidies for consumers. This proactive approach meant the government spent over \$16 million between January 2022 and September 2023, to keep the cost of public transportation and cooking gas unchanged.

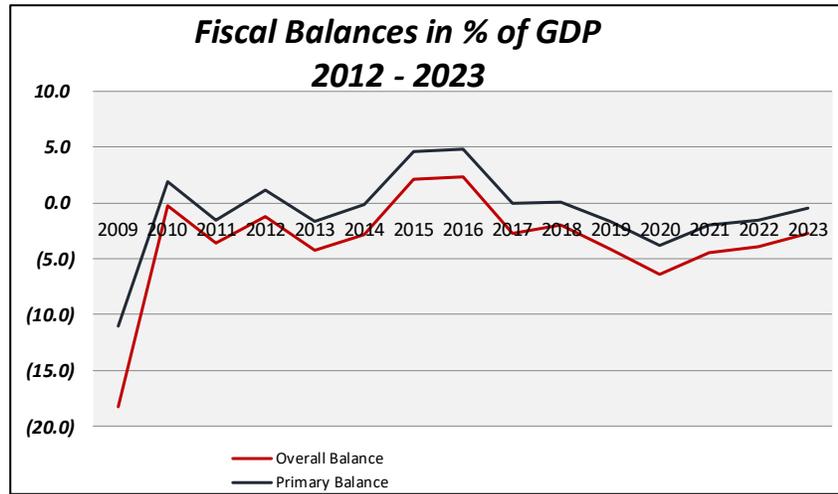
Furthermore, the government kept the prices of gas and diesel at the pump largely unchanged, maintaining the lowest rates in the ECCU region at \$13.99 per gallon for gasoline and \$14.25 per gallon for diesel. These prices are well below the regional average of \$16.59 for gas and \$16.80 for diesel and were maintained at a cost of about \$15 million in foregone consumption tax revenue. My government's actions reflect the essence of a caring government, prioritizing the people and tirelessly seeking ways to alleviate the impact of rising prices.

It puts the people first, seeking every way to soften the impact on imported prices that raise the cost of living. Mr. Speaker, my government did not just talk; we acted, and we delivered. That, Mr. Speaker, is what we do; we perform. In fact, we have already paid December salaries and wages.

Fiscal Performance

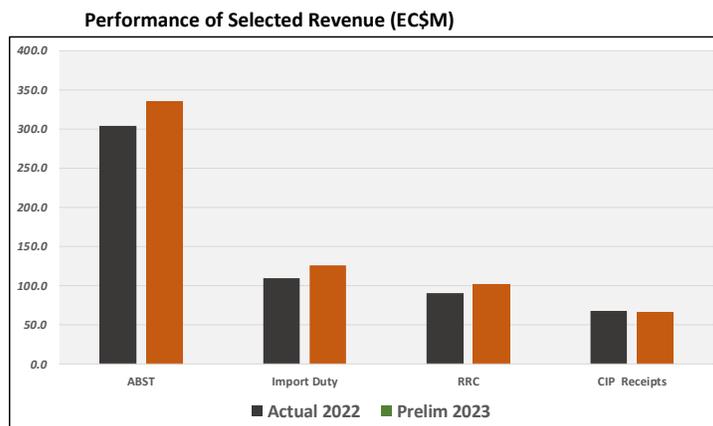
Mr. Speaker, in the area of fiscal performance, the trajectory for 2023 is one of notable improvements. Preliminary data anticipates a primary deficit of \$27.3 million, a significant improvement from the \$79.7 million deficit in 2022. The overall deficit is poised to narrow by \$42 million, from \$197.8 million in 2022 to \$155.8 million in 2023 or 2.7% of GDP. This fiscal upswing

is chiefly attributed to a surge in total revenue and grants, ascending from \$918.1 million in 2022 to \$971.4 million in 2023.



Source: Ministry of Finance

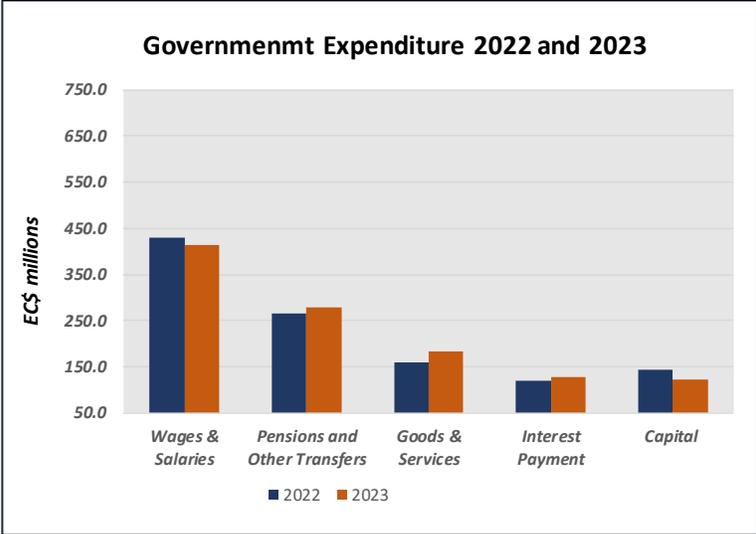
Tax revenue, a cornerstone accounting for 87% of projected revenue, is set to reach \$846.3 million, a robust 12.5% increase, fueled by the strong performance of key taxes. Import Duties are expected to generate \$126.1 million, a 15% boost over 2022, and the Revenue Recovery Charge is set to yield \$102.3 million, a 12.5% increase. Revenue from the Antigua and Barbuda Sales Tax is projected to climb to \$335.6 million in 2023.



Source: Ministry of Finance

While tax revenue expanded, non-tax receipts are projected to decline by \$38.4 million to \$121.2 million in 2023. The Citizenship by Investment programme contributes nearly 60% of non-tax revenue and, even though this contribution is expected to amount to \$67 million in 2023 - the same level as in 2022 - the overall non-tax revenue is expected to decline. The reason for the decline is that while the Government received a large inflow of funds from the Eastern Caribbean Asset Management Company (ECAMC) -, the receiver for ABI Bank - these inflows were immediately paid to beneficiaries of the Depositor Protection Trust and to liquidate the severance due to the workers at Jolly Beach Resort.

Turning to expenditure.



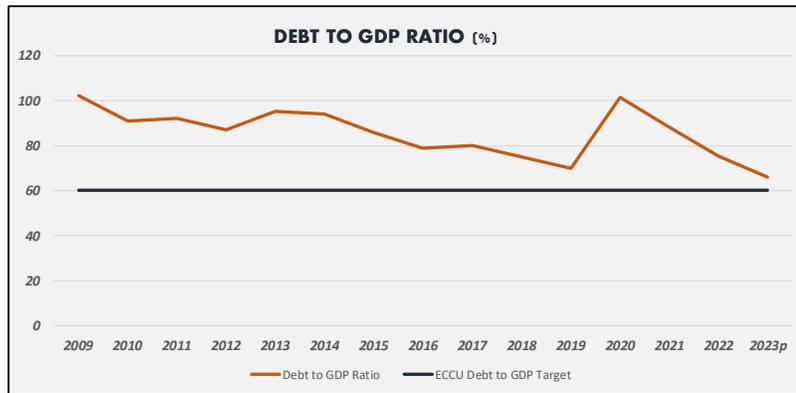
Source: Ministry of Finance

Expenditure is projected at \$1.1 billion, key outcomes are projected as follows: \$414.3 million for wages and salaries, \$279.1 million for pensions and transfers, \$184 million for goods and services, and \$121.3 million for capital spending. Interest payments are anticipated at \$128.5 million.

In summary, Mr. Speaker, these fiscal dynamics depict, not just financial figures, but a narrative of prudence, responsible governance, resilience, and dedication to the prosperity of our nation.

Public Sector Debt

Mr. Speaker, in 2023, due to our relentless efforts, public sector debt stabilized at the 2022 level of \$3.8 billion. This accomplishment is more than numerical; it signifies a reduction in the debt to GDP ratio from 75% in 2022 to 66% in 2023, steering Antigua and Barbuda closer to the ECCU benchmark of 60% by 2035.



Source: Ministry of Finance

Mr. Speaker, having achieved a reduction in the debt to GDP ratio to 66%, it confirms that my government has not engaged in reckless borrowing and profligate spending; evidently, our impressive economic growth is driven by domestic and foreign investments. While Antigua and Barbuda is poised to attain the ECCB debt target, our debt service requirement remains challenging. Total debt service payments are projected to amount to \$638.5 million for 2023.

Breaking down the \$3.8 billion debt, Central Government debt stands at \$3.2 billion, with Government Guaranteed debt at \$600 million. Notably, 51% of the total debt stock is domestic, encompassing \$800 million from banks and over \$200 million in RGSM securities. Integral to our debt management strategy is meeting obligations to investors in Antigua and Barbuda's treasury bills and bonds. Despite pandemic challenges and global economic shocks, the ECCB and the Eastern Caribbean Securities Exchange played crucial roles in preserving our securities programme.

Looking ahead to 2024, the Debt Management Unit (DMU) is poised to enhance resource mobilization, emphasizing climate interventions and debt-for-climate swap initiatives.

This strategic move aims to accelerate climate-related targets, while maintaining prudent debt levels. Moreover, the DMU plans to diversify its investor base, inviting citizens to contribute to national development, while potentially earning attractive returns on their investments. In essence, Mr. Speaker, our approach to debt management is not just about financial figures; it's a commitment to sustainability, resilience, and inclusive national development.

Strategic Focus in 2024

Mr. Speaker, as the Prime Minister and Minister of Finance for Antigua and Barbuda, my foremost duty is to ensure our nation's sustainable growth and prosperity. Despite the challenges of 2020, our economy has rebounded, experiencing expansion of output of over \$1 billion in three years, with an annual average growth rate of 8.6%. The ECCB forecasts a continued growth rate of an astonishing 8.2%, bringing our real economic output to \$5.2 billion.

This achievement is impressive and is due to our superior networking capabilities and ability to attract investment. However, our economic ambitions go beyond current successes. It focuses on laying the foundation for a resilient economy, capable of weathering shocks and uncertainties. I firmly believe that achieving this future demands enhanced fiscal responsibility, continued growth-promoting policies, prudent financial management and resource allocation, and visionary leadership.

Before describing the fiscal responsibility interventions that we will make, let me highlight key private and public sector projects, that are set to drive growth in the coming year.

Private Sector Projects

Mr. Speaker, our nation continues to benefit from impressive levels of investment in the tourism sector. In 2024, there will be a remarkable surge in hotel projects which, once completed, will offer magnificent options for travelers seeking luxury, tranquility, and eco-friendly properties.

Work continued on the unparalleled Peace Love and Happiness (PLH) project in Barbuda, which is transforming the landscape of the island and contributing significantly to the economic

upliftment of its people. Over US\$700 million has already been spent on this development and a further US\$200 million should be spent in 2024.

There are four hundred and forty persons employed full-time on this development, inclusive of 260 Barbudans. Additionally, three hundred and sixty contractors, including 160 Barbudan contractors, are working on this and various spin-off business and projects. By the end of the month, twenty-four (24) of the residential luxury properties will be completed and more than two hundred (200) guests will vacation at the resort.

To support this mega-project and the ultra-exclusive clientele who will visit Barbuda, PLH has partnered with the government to complete the Barbuda airport. The Antigua and Barbuda Airport Authority is working assiduously to ensure the airport meets all regulatory requirements, so that an anticipated 30 private jets, can start arriving directly on Barbuda before the end of the year.

Activity on the US\$250 million Paradise Found project, also on Barbuda, is intensifying and will further expand employment opportunities for Antiguan and Barbudans in 2024. The principals of this project have also completed expansion of the renowned Nobu Barbuda, thereby doubling the size of the oceanside restaurant and lounge located on Princess Diana Beach.

Mr. Speaker, Sunwing International's Royalton Chic at the site of the former Halcyon Cove is near completion. It boasts 235 rooms, a number of suites and over-water bungalows and is set to open in April 2024. Development of this 5-star all-inclusive resort and spa provided hundreds of jobs during the construction phase and 800 of our citizens and residents will soon be employed when full operations begin in April 2024.

The Barrett Group continues to play a significant role in the tourism sector. In the coming year, renovation of nearly 400 rooms at Jolly Beach will be completed, an additional twelve units will

be added to Hammock Cove, and development will start on a 30-room wellness spa at Mango Bay. The total investment in these properties will be around US\$30 million.

Another exciting project to be undertaken in 2024 is the expansion of the Hermitage Bay hotel. The owners of this exclusive, eco-friendly boutique resort will invest a further US\$15 million to double the capacity of the property.

Design and preparatory work for the US\$250 million Nikki Beach Resort and Residences should soon be completed and the construction phase of this project is expected to begin the second half of 2024. Also on the cards is a US\$100 million project for the phased expansion of Carlisle Bay Resort. The project was delayed due to environmental issues, but work will resume shortly.

Starting in 2024, a 150-room hotel will be constructed near Yeptons Beach in Five Islands. The high-end property will be developed under the Marriott International Brand and will certainly provide increased employment opportunities for members of the surrounding communities and beyond.

The ultra-exclusive Rosewood Hotels and Resorts recently announced that a franchise will be opened on Barbuda. The Rosewood Barbuda project will be undertaken by Murbee Resorts and will include fifty resort suites, thirty-five Rosewood Residences, Asya Spa, and other impressive amenities. This beachfront property will be situated on 85 acres and is expected to generate employment opportunities for over 300 workers during the construction phase which is slated to commence in 2024. Another major new hotel development is a Silver Sands resort – to be constructed on Barbuda.

The One and Only Hotel Brand, one of the most celebrated ultra-luxury resorts in the world, is expected to commence construction at Half Moon Bay in the latter part of 2024. Additionally, the Government and a private investor group will partner to develop an upmarket resort at Morris Bay commencing in 2024.

Mr. Speaker, these new and ongoing hotel projects in Antigua and Barbuda will redefine luxury and comfort, while preserving our nation's natural beauty and honoring our requirement for a sustainable approach to development. As we look ahead to 2024, it is evident that we are poised to provide not just accommodation, but immersive experiences that will transcend the ordinary and boost our competitiveness as a tourism destination.

Other investments in the tourism sector include Antigua Cruise Port's repair and renovation work at Heritage Quay, which started in September of this year. The upgrades to this facility should restore some of the appeal of this long-standing and important component of our tourism product. Also to be implemented by Antigua Cruise Ports is the US\$30 million Upland Development project. This development initiative consists of the creation of a day club featuring a pool, a state-of-the-art casino, local food-and-beverage outlets, and retail spaces for local entrepreneurs. Furthermore, the project involves the construction of a terminal at the fifth cruise ship berth, purposefully aimed at enhancing efficiency of the expanding homeporting operations.

Mr. Speaker, homeporting operations resumed last month with the largest vessel, Arvia, beginning the first of nine scheduled calls for the season. Similarly, the luxury mega yacht, Emerald Sakara, made its inaugural homeporting call in November and is expected to make thirteen calls for the season. Also, the much-anticipated arrival of Oasis Class vessels should be realized in 2024. Throughout the season, vessels engaging in homeporting activities will be berthed at the Nevis Street Pier and the Fifth Berth.

Another important cruise related project is the planned Beach Club to be established at Fort James. Royal Caribbean has recently reiterated its interest in this venture, and we look forward to its development.

There are many other private sector projects that will either be continued, completed, or start in 2024. One to note is the \$40 million, Sir Joseph John Doctors' Hospital and Medical Centre at the

Woods Estate, which is slated for completion in the new year. Another is development of a brewery, which is to be a public-private partnership led by the Antigua Distillery Ltd. Also, private sector investments are taking place in stem cells, cannabis, light manufacturing, and agro-processing ventures. Speaking of agro-processing, I take the opportunity to commend the proprietors of Crispa Plantain Chips, a locally owned small business that has overcome the odds and successfully exported a wholly Antiguan product to Europe.

West Indies Oil Company

Mr. Speaker:

Our strategic investment in the West Indies Oil Company (WIOC) continues to yield returns for the government and people of Antigua and Barbuda. Between 2021 and 2023, the Company paid \$48.7 million in corporation tax and dividends to the Consolidated Fund. This is a testament to the profitability of WIOC and the soundness of the investment made by our government. I expect WIOC's profitability to increase in the coming years, as the company is poised to spend \$100 million on capital projects over the next four years starting in 2024.

These projects include fortifying plant and equipment for the safety and integrity of terminal operations and fuel transfer from the marine berths. WIOC will also develop a major solar voltaic electric power plant to deliver energy to the Antigua Public Utilities Authority through a power purchase agreement, as we accelerate our transition to renewable energy. The improvements to WIOC's infrastructure and investments in new business ventures, will undoubtedly translate into enhanced earnings and returns for the government and over one thousand private investors.

Public Sector Projects

Mr. Speaker, our vision for a progressive and prosperous nation, necessitates investment in projects that will enhance our infrastructure and improve the lives of our people.

In the coming year, the government will continue work on several ongoing projects and begin implementation of new ones.

A major project that will have direct and indirect impact on all segments of the economy will be the airport rehabilitation and renovation works to be undertaken by the Antigua Barbuda Airport Authority. Funding for this project will be provided through a US\$100 million syndicated facility that is being finalized for disbursement in a matter of weeks.

In terms of the cargo port, our investment in the renovation and expansion of the St. John's Port is reaping rewards through increased transshipment activity. The Port recently ordered a state-of-the-art crane, that will allow it to enhance operational efficiency and take advantage of increased transshipment business. This strategic move further positions us to meet growing demands of a booming economy and to become a pivotal hub for regional trade.

Other major public sector projects in 2024 will focus on expansion of educational facilities, roadworks, housing, enhancing climate resilience of critical public buildings, and public utilities.

Education Infrastructure

Mr. Speaker, our government's commitment to building the human capital of this nation is unmatched. We continue to ensure significant investment in education infrastructure, as is evidenced in the recently completed redevelopment of the Antigua and Barbuda Institute of Continuing Education (ABICE) campus. This was made possible through a generous grant of 4 million pounds from the Harrison Foundation. Antiguan and Barbudans now have increased opportunity to pursue a wide range of technical and vocational studies, achieve certification, and enhance their employability and income generating capacity.

Essentially, this first overseas Harrison Centre, will help promote the social mobility of many of our citizens and residents. On behalf of the people and government of this nation, I again extend heartfelt gratitude to Sir David Harrison and the Harrison Foundation.

Mr. Speaker, the US\$80 million UWI Five Islands campus expansion project, funded through a loan from the Saudi Fund for Development, is another major development in education and for Antigua and Barbuda in general. This project involves construction of dormitories, lecture theatres, sporting and administrative facilities and a new Five Islands Primary School. The Minister responsible for Education will provide greater details on this and other education-related projects. However, I am pleased to note that critical procurement processes have begun and important preconditions for loan disbursements are being satisfied. We can therefore expect tangible on-site activities for both the UWI campus expansion and the Five Islands Primary school to commence in the first quarter of the new year.

Roadworks

The major road rehabilitation project which is being financed with resources provided by the Caribbean Development Bank (CDB) continued in 2023. Construction and resurfacing of the Sir Sydney Walling Highway, Valley Road North, Anchorage Road, and Old Parham Road advanced over the course of the year and these corridors should be largely completed before the end of 2024. Also to be financed by the CDB is the long-awaited renovation of Darkwood Bridge.

Mr. Speaker, we are committed to embarking on a comprehensive road construction, repair, and maintenance initiative in the coming year. The arteries connecting our communities are crucial to our nation's prosperity. Through strategic planning and efficient execution, we will enhance connectivity, reduce congestion, and ensure safer driving conditions for our motorists.

We have allocated over \$80 million in the budget, to fund road works across the length and breadth of Antigua and to develop several miles of roads on Barbuda. During the budget debates, the Minister responsible for Public Works will elaborate on the government's plans to enhance the road network.

Housing

The Central Housing and Planning Authority (CHAPA) and the National Housing and Urban Renewal Company are at the forefront of the Government's plan to transform the housing stock and make homeownership attainable for any national who desires to own a piece of the rock. CHAPA was successful in selling twenty-five of the sixty houses comprising the Bolans Housing Project. Construction continues on the remaining properties, which will be sold in the coming year.

To date, National Housing has invested over \$300 million on housing development and land distribution. Lands will be made available in several areas throughout the island and work on housing projects in Royal Gardens, Friar's Hill, Olivers, Paynters, Denfields, and Five Islands, among other locations, will continue in the coming year. In addition, the Company will begin construction of two- and three-bedroom properties at Louis Hill in Barbuda.

Mr. Speaker, thousands of our nationals have already taken up residence in the more than 2,000 homes constructed by the National Housing and Urban Renewal Company and hundreds more will experience the joy of homeownership over the next twelve months.

Finally, the vision for the Booby Alley Redevelopment and Empowerment project is not just about bricks and mortar; it is about creating a thriving environment where individuals from the Villa and Point communities can flourish. We have reached an important milestone where the project site was finally cleared and handed over to the Chinese technical team, and they are now developing architectural designs and drawings. We expect to move to the construction phase of these attractive climate resilient homes by mid-2024. With the generous grant provided by the People's Republic of China, this prominent area of St. John's will be beautifully transformed.

Mr. Speaker, this is an exciting development for the community I am proud to represent in this Honourable House.

Climate Resilient Buildings

In 2024, we expect to spend US\$10 million from the US\$32 million grant provided by the Green Climate Fund, to enhance resilience in building construction in Antigua and Barbuda. This GCF Build project, includes initiatives to improve climate information systems and post disaster response mechanisms and will climate proof key public service and community buildings. Government buildings, schools, clinics, and community centres will be made more resilient because of the interventions under this project.

An essential aspect of this project is the construction of increased medical storage capacity for the Medical Benefits Scheme and expansion of pharmacy infrastructure, to allow for more effective response following a climate event. Another important initiative is the Sustainable Island Resource Framework (SIRF) Fund, through which loans and grants are provided to citizens and residents to make their homes more resilient to natural disasters. To date, over 200 households have benefited from \$17 million in loans and \$8 million in grants.

Public Utilities

Mr. Speaker, modern and reliable public utilities are fundamental to our nation's prosperity. Water, electricity, and telecommunications services are the heartbeat of a thriving economy; the bedrock of societal well-being and are necessary to securing a legacy of progress and prosperity. With this in mind, we have made tough decisions as it relates to how the institution charged with delivering public utilities is managed and operates. In the coming year, APUA will invest an additional \$35 million to provide the population with clean and reliable water supply.

Without adequate water infrastructure, every segment of our economy suffers and efforts to attain our development goals will be stymied. The resources allocated, will be used to advance work on the reverse osmosis plant in Bethesda on which nearly \$20 million has already been spent. In addition, the APUA will upgrade its water distribution system and accelerate pipeline repair and maintenance across several communities. The investments to be made in water production and distribution should yield about fourteen million gallons of water per day. This will

ensure the water needs of industry, schools, healthcare facilities, farmers, and households are satisfied.

Mr. Speaker, electricity is an inseparable companion to modern life. It powers our industries, lights our homes, and fuels innovation. An investment in robust electrical infrastructure is more than an investment in convenience—it is an investment in economic potential. With a reliable and extensive electrical grid, we can catalyze innovation, foster entrepreneurship, and drive economic growth to new heights. This is why APUA has allocated over \$17 million to continue the work of the Electricity Business Unit.

Priorities in 2024, will be upgrading the low voltage secondary distribution system, for improved reliability of power to customers and deploying pre-paid metering systems in specific areas of the country. Also, the US\$100 million Liquefied Natural Gas (LNG) terminal and power plant at Crabbs Peninsula, should be completed in the coming year and will supply 40 Megawatts of cleaner energy to the national grid.

APUA will invest nearly \$100 million over the next three to four years, to enhance telecommunications infrastructure and service across Antigua and Barbuda. Telecommunications, the arteries through which information flows, are indispensable in today's interconnected world. Affordable and accessible, high-speed internet is a public good, which supports digitalization necessary for our growth and development. It empowers education, enhances healthcare, enables businesses to thrive, and connects families across vast distances. Neglecting this vital infrastructure would be tantamount to stifling our nation's progress in an increasingly digital age.

Specific interventions will include implementing the subsea fibre optic cable that will connect Antigua to Miami; installing 30 new cell sites across the island; upgrading the mobile core to allow for the use of 5G technology; and expanding number portability.

Mr. Speaker, expenditure on public utilities is a responsibility and an investment in the prosperity and well-being of our nation. We are committed to securing a more resilient, prosperous, and interconnected future for all citizens and residents.

Commitment to Regional Transportation (LIAT 2020)

The Government of Antigua and Barbuda, with a vision of returning the airline to the regional skies, has embraced the responsibility to restructure and resurrect LIAT; an airline that has long been an essential thread in the fabric of Caribbean connectivity. In 2023, despite hurdles, including unserviceable aircraft, unresolved issues for former workers, financial constraints, staff attrition, and disruptions caused by the hurricane season; LIAT 1974 Ltd operated a limited schedule, ensuring vital connectivity across destinations with 167 dedicated staff.

Following fruitful discussions and negotiations, several regional governments have expressed interest in partnering with Antigua and Barbuda to revive LIAT for the benefit of the people of the region. The Caribbean Development Bank will play a critical role in solidifying the arrangement among our governments. This will set the stage for finalizing the arrangement with Air Peace, so that LIAT 2020 can begin operations, thereby securing a promising future for regional travel.

In 2024, the government will spend about \$30 million to ensure LIAT 2020 Ltd has all the aircraft needed and appropriate maintenance and operational arrangements are in place for the safe, reliable, and efficient delivery of service to the people of the region.

Mr. Speaker, in the spirit of optimism and faith in our ability to rise above challenges, we draw inspiration from the words, "the glory of the latter house shall be greater than the former."

Just as our nation has overcome adversities in the past, so too shall LIAT 2020 emerge stronger, more efficient, sustainable, and better positioned to serve the needs of our people and our Caribbean neighbors.

Agriculture

Mr. Speaker, nominal output in the agriculture sector before the pandemic averaged \$66.7 million. For the period 2020 to 2023, average output from this sector skyrocketed by over 40% to \$94.8 million. In 2024, output from this sector is projected to reach \$110 million. This remarkable feat is a result of my government's commitment to the sector and the significant incentives and investments made over recent years. However, ongoing challenges persist; with water scarcity hampering productivity.

We are pursuing several strategic interventions to address these challenges, including additional dam construction and waterway maintenance, supported by technological collaborations with China. By encouraging innovative practices like hydroponics and aquaponics and promoting sustainable farming methods, we aim to bolster resilience in the agriculture sector.

The Minister of Agriculture will delve into specific initiatives, and with concerted efforts and support, we envision a future where food security and food sovereignty become a reality for all in Antigua and Barbuda.

Healthcare

Mr. Speaker, non-communicable diseases pose a pressing threat to our nation's well-being. Therefore, we continue to actively invest in vital healthcare infrastructure, notably the Dialysis and Renal Centre. With a \$12.6 million loan facilitated by the Inter-American Development Bank, we will further equip our hospital with essential equipment and other resources to enhance service delivery to our people. We will also develop a Cardiac Centre at Sir Lester Bird Medical Centre in due course.

Mr. Speaker, ensuring the reopening of the Cancer Centre remains a top priority, addressing the urgent need for affordable cancer treatment. Our government completed the compulsory acquisition and will partner with the private sector to operationalize the facility. Our approach includes not only treatment, but a strong emphasis on preventive measures.

Recognizing the crucial role of knowledge, we commend the efforts of the management and staff of the Sir Lester Bird Medical Centre and the Medical Benefits Scheme to proactively promote healthy lifestyles, including increased physical activity and better nutrition among citizens.

In alignment with our commitment to comprehensive healthcare, we actively encourage private sector investments, such as Sir Joseph John's Doctors' Hospital. We aim to position Antigua and Barbuda as a burgeoning hub for medical tourism, contributing to both our economic growth and the well-being of our citizens. Mr. Speaker, you can be assured that the Member who serves as Minister responsible for Health, will provide greater insight into all that has been and will be done to achieve a healthier nation.

Enhancing Human Capital

Mr. Speaker, we continue to invest in educational infrastructure, tools, and programmes to secure a veritable explosion in human capital formation. It is necessary to increase the number of skilled and experienced individuals in our population so that our economic and social development objectives can be realized and sustained. With significant funding provided through the Caribbean Development Bank, more than \$30 million has been spent on expanding and rehabilitating school plants; providing laptops and other devices to students and teachers; and building capacity of teachers and education administrators.

Mr. Speaker, the safety and security of students and teachers when they are on school premises is paramount. The occurrence of any form of violence in our schools is troubling and must be curtailed using a combination of approaches. These include increasing security at our schools and boosting surveillance using technological and other means.

While our education system has faced challenges, we have recorded notable successes as well. I have already mentioned the new Harrison Centre, the plans for the new primary school in Five Islands and the planned expansion of the UWI Five Islands campus.

Our government's persistence in pursuing a landed UWI campus in Antigua and Barbuda has set the stage to create a legacy for generations to come. With 800 students enrolled and nationals having access to tertiary level training within our shores, Antigua and Barbuda is poised to make great progress to achieving Goal 4 of the Sustainable Development Goals. This goal focuses on inclusive and equitable access to quality education and lifelong learning. All these are a reality at UWI Five Islands.

Mr. Speaker, even as we prepare to expand the campus through the massive US\$80 million funding, the principal and management are positioning UWI Five Islands to be a centre of excellence for artificial intelligence, the blue economy, nursing, and pharmaceutical studies. The Minister responsible for Education will elaborate on the many plans and initiatives that will impact all aspects of the sector – from early childhood education, to specialized skills-training, to advanced degree offerings.

Entrepreneurial Development

In its sixteenth year, the Antigua and Barbuda Investment Authority (ABIA) plays a pivotal role in executing government investment and business growth strategies. It facilitates concessions to local investors and provides crucial business support services; including training and professional guidance. The ABIA champions tax incentives for home ownership through the Construct Antigua and Barbuda Initiative (CABI); thereby stimulating construction, reducing home ownership costs, generating employment, and fostering social and economic resilience. Over 1500 citizens have received concessions valued at \$535 million.

Collaborating with the Organization of American States, the ABIA implements the Women Economic Empowerment Program (WEE) and the Greentrepreneur Program. The WEE Program enhances the capacity of women entrepreneurs and SMEs in the digital economy, while the Greentrepreneur Program accelerates green business development.

Mr. Speaker, the Entrepreneurial Development Program (EDP) remains a flagship, providing \$5.2 million in loans to small businesses since 2019. In 2024, the ABIA will intensify efforts to boost investment inflow, support SMEs, and launch a business expo.

Climate Resilience

Mr. Speaker, Antigua and Barbuda, deeply affected by climate change, champions global institutional transformation for Small Island Developing States (SIDS). Common climate impacts, like extreme weather events, heatwaves, and sea-level rise, undermine our development goals. We commit to our Nationally Determined Contributions and prioritize transitioning to hybrid energy, cleaner vehicles, and climate-resilient infrastructure. Specifically, we will accelerate the government's transition of the vehicle fleet to hybrid and electric models.

The Ministry of Finance and the Department of the Environment, lead our climate finance mobilization, aligning projects with national priorities to enhance adaptation and global mitigation. We emphasize the importance of climate resilience in addressing challenges like rising sea levels, heatwaves, and threats to public health.

The Loss and Damage Fund, adopted at COP28, could provide vital financial assistance to nations most vulnerable to climate change effects. However, in global terms the pledged sum is relatively small – US\$700 million to be shared by more than 50 nations. We are conscious that, in the past, pledges made for funding have not been fulfilled and nothing decided at COP is legally binding on any country.

However, we are cautiously optimistic that the fund will be more accessible to countries such as ours that have been denied funding based on the single criterion of per capita income.

What is certain, Mr. Speaker, is that my government will continue its leadership role and advocacy in the global community, for the interests of our country and other small island developing states.

Small Island Developing States (SIDS) Conference

Mr. Speaker, Antigua and Barbuda embraces a historic moment as the host of the 4th United Nations Small Island Developing States (SIDS) Conference in 2024. Themed "Charting the course toward resilient prosperity," this global event signifies our unwavering commitment to sustainable development and climate resilience. Scheduled from May 27 to 30, 2024, at the American University of Antigua, the conference draws leaders from 193 UN Member States, making it the largest of its kind in the Caribbean.

In the face of climate change and post-COVID-19 challenges, the conference provides a vital platform for collaborative solutions. As host, we aim to contribute globally and leverage this opportunity for the benefit of Antigua and Barbuda. Global media coverage will spotlight our nation, presenting an unprecedented opportunity to showcase our beauty, resilience, and commitment to sustainable development. This exposure will not only elevate our diplomatic standing, but also attract tourists, investors, and development partners.

Beyond the diplomatic achievements, a Recruitment Drive for 200 volunteers underscores our commitment. Grant funding commitments from friendly nations, is expected to total US\$5 million. As we embark on this transformative journey, let us recognize the profound impact of hosting the 4th SIDS Conference. It is not just a conference; it is an opportunity to shape our destiny, leaving an indelible mark on the world stage and securing a prosperous future for generations to come. I urge all to showcase the excellence of our people, working together to exalt our nation.

Development Ties with Other Nations and Institutions

Mr. Speaker, in 2023, Antigua and Barbuda fostered strong ties with key partners, including China, Cuba, Venezuela, India, Canada, the United States, UAE, the UK, and the Kingdom of Saudi Arabia, yielding significant benefits.

Collaborations with the Caribbean Development Bank, CARICOM, UN, EU, Abu Dhabi Fund, Saudi Fund, OECS, and ECCB brought essential technical assistance and financial support. Our pursuit of new partnerships includes imminent membership in the Development Bank for Latin America and the Caribbean, known for sustainable development and regional integration. With a track record of this bank providing over US\$200 billion in funding in the region, we eagerly anticipate fruitful collaboration to achieve our development goals.

Fiscal Responsibility – Necessary for Sustainable Growth

Mr. Speaker, we acknowledge that fiscal responsibility demands more than short-term gains. It necessitates disciplined decisions, that prioritize long-term stability over immediate gratification. This means not only balancing budgets, but also investing wisely in areas that will yield sustainable returns for our people, our businesses, and our environment. Antigua and Barbuda has always been a beacon of resilience, facing adversity with unwavering courage and determination. And today, as we navigate through a rapidly changing global landscape, our commitment to enhanced fiscal responsibility becomes even more pivotal.

The records in the Ministry of Finance show that for nearly three decades, Antigua and Barbuda has consistently registered fiscal deficits where revenues have been less than expenses and obligations. As a result, there has been an inability to adequately fund government operations. It is paramount that corrective measures are taken to put government finances on a sustainable path. While the average tax to GDP ratio in the ECCU is 19%, tax to GDP in Antigua and Barbuda is the lowest at 15%.

Mr. Speaker, when we remove the ratio for Antigua and Barbuda and assess tax revenue for the other territories, average tax to GDP for the ECCU increases to 22%, which is 7 percentage points above ours. Moreover, average recurrent revenue to GDP for the ECCU region amounted to 29.4% in 2022 while for Antigua and Barbuda, the ratio is 18%. For those who would state that Government expenditure is the main contributor to our fiscal challenges, I categorically refute this position.

Based on data published by the ECCB, average expenditure in the region amounted to 31.5% of GDP in 2022. For Antigua and Barbuda, expenditure to GDP is 10 percentage points less at 21.5%.

Mr. Speaker, this significant mismatch between revenue and expenditure is at the heart of our nation's fiscal woes and the misalignment must be corrected. The responsible approach to solving this problem is to enhance revenue performance, so that Government can have the resources needed to deliver quality and reliable healthcare, education, infrastructural and other services. By improving revenue collection, the government will be positioned to invest in infrastructure that epitomizes a prosperous and progressive nation and deliver on the vision of making Antigua and Barbuda an economic powerhouse.

Fiscal Measures

Mr. Speaker, we will introduce a number of fiscal measures in 2024 to strengthen revenue collection, reduce distortions in the tax system and improve taxpayer compliance.

These measures include:

- Reducing tax concessions granted, especially discretionary exemptions. We recognize that concessions and tax incentives are required to encourage investments in new projects and major commercial expansions. We will continue to provide these concessions as required and in accordance with the Antigua and Barbuda Investment Authority (ABIA) Act and the Small Business Development Act. However, for ongoing routine business operations to include consumables these concessions will be discontinued.
- Implementing the increased property tax rate on properties valued at \$3 million or more.
- Implementing a 10% excise tax on alcohol, tobacco, and cannabis products.
- Increasing the Money Transfer Levy from 2% to 5%.

- Broadening the ABST tax base by enhancing the list of services that would attract the ABST – including online streaming services. We will also end the concessionary ABST rate applicable to several transactions, most notably in the tourism sector.
- Increasing the ABST rate from 15% to 17% and applying this rate to the tourism sector, which currently attracts a rate of 14%.

Mr. Speaker, although there may be nominal impact on prices because of the rate adjustment; let me emphasize that the change in the ABST rate will not affect a wide selection of food and other essential items. Already, many of the basic food items we presently consume are zero-rated, so consumers do not pay ABST on them. Permit me to mention some of these zero-rated items:

- o most fruits and vegetables to include but not limited to bananas, oranges, grapes, potatoes, broccoli, cauliflower, and lettuce
- o baby products
- o dry goods and oils to include pasta, sugar, corn meal, flour, rice, and cooking oils
- o chicken, fish, locally produced meats, eggs, canned sardines, and tuna
- o bread
- o cereals, cheese, and milk
- o water
- o medicine, pharmaceutical supplies, and adult diapers

Additionally, exempt supplies for use in the agriculture and fisheries sectors will not be affected by the change in the ABST rate. The government, through the Ministry of Finance, Prices and Consumer Affairs Division, Customs and Excise Department, and other critical stakeholders, will monitor prices as the revenue reforms are implemented. Further, the basket of essential goods and the list of price-controlled items are being reviewed and recommendations will be made to the Cabinet for appropriate adjustments. The intention is to minimize the price effect on basic and essential goods and ensure timely interventions are made to cushion any impact on vulnerable groups in society.

Mr. Speaker, within a matter of weeks, we will establish the Fiscal Resilience Oversight Committee as contained in the Fiscal Resilience Guidelines. This Committee will comprise up to seven members, drawn from the public and private sectors and will include Antigua and Barbuda's country economist at the ECCB. The Committee's mandate is to assess and report on the Government's compliance with the general fiscal responsibility principles outlined in the Fiscal Resilience Guidelines. Since the matter of fiscal sustainability cannot be treated as partisan, we will invite the Leader of the Opposition to recommend an individual to serve on the Fiscal Resilience Oversight Committee.

Mr. Speaker, the additional revenue generated through the measures mentioned above will ensure improved service delivery and better infrastructure. We have also allocated \$15 million in the budget to advance implementation of our arrears clearance strategy. While we intend to remain current with creditors and suppliers, we recognize the need to develop and execute a credible strategy to reduce arrears. It involves negotiating new financing terms with some creditors – a process that has already begun. For local suppliers and contractors, we will employ a combination of setoffs with the tax authorities, write-offs where appropriate, cash payments, and issuance of bonds.

Estimates of Revenue and Expenditure for Fiscal Year 2024

Mr. Speaker, Budget 2024 forecasts an overall deficit of \$80.2 million or 1.25% of GDP, and a primary surplus of \$51.8 million or 0.8% of GDP. This is a significant improvement over the projected fiscal outturn for 2023 and is consistent with the path laid out in our Medium-Term Fiscal Strategy.

Total revenue and grants is budgeted at \$1.2 billion or 18.7% of GDP. Total expenditure (excluding amortization payments) is budgeted at \$1.3 billion or 20.3% of GDP. Amortization payments amount to \$569.5 million and our net financing requirement is \$649.7 million or 10.1% of GDP.

Mr. Speaker, to meet the net financing requirement for Budget 2024, we will primarily rely on the issuance of securities on the Regional Government Securities Market, which will amount to \$250 million, and disbursement of loans and advances amounting to \$210 million.

Revenues

Recurrent revenue is projected to be \$1.19 billion or 18.5% of GDP, of which tax revenue is \$1.0 billion or 15.7% of GDP. Non-tax revenue is budgeted at \$176.9 million or 2.8% of GDP. It should be noted that even with the revenue reforms; tax to GDP, to include organic revenue growth will, only increase by 0.7 percent to 15.7 percent; we will still have the lowest tax to GDP ratio and revenue to GDP ratio in the region. In other words, our country remains a low tax jurisdiction with high investments.

Mr. Speaker, the \$219 million in additional revenue from recurrent sources compared to the outturn in 2023, will be achieved through a combination of increased economic activity, increased CIP receipts, and the impact of the revenue reforms to be implemented in 2024. Major contributors to Tax Revenue are Direct Taxes of \$156.5 million and Indirect Taxes of \$853.1 million.

Direct taxes comprise Corporation Tax, Property Tax and Unincorporated Business Tax which will yield \$108.3 million, \$39.6 million, and \$8.6 million respectively. Indirect taxes comprise:

- Antigua and Barbuda Sales Tax with a forecasted yield of \$413.6 million.
- Stamp duties with a revenue yield of \$74.4 million.
- \$23.6 million from the Tourism Guest Levy.
- Revenue from Import Duties of \$146.4 million.
- \$109.9 million from the Revenue Recovery Charge.
- Consumption Tax revenue of \$50 million.

A major component of the budgeted Non-Tax Revenue of \$176.9 million will be CIP receipts of \$130 million.

Mr. Speaker, the \$23.7 million forecasted for Capital Grants includes \$13.5 million, which has been pledged by friendly nations to help cover the cost of hosting the SIDS conference in May 2024. We have also budgeted capital revenue of \$5 million which is to be generated from land sales.

Expenditure

Recurrent expenditure is estimated to reach \$1.1 billion or 17% of GDP in 2024. The largest component of recurrent expenditure is Wages and Salaries which is budgeted at \$461.1 million. It includes a 9 % salary increase for central government employees at a cost of \$32 million. This will complete the 14% increase and takes effect from 1st January 2024.

The budgeted amounts for the other recurrent expenditure items are as follows:

- Goods and Services - \$210.6 million
- Interest Payments - \$131.9 million.
- Transfers - \$295.6 million. This includes pensions and gratuities of \$74.9 million; employer contribution to Social Security and Medical Benefits of \$47.9 million, and \$38.4 million for Sir Lester Bird Medical Centre.

Projected capital expenditure is \$196.3 million or 3.1% of GDP. Though still below the preferred level of 5% of GDP, it reflects the government's intention to increase investment in infrastructure development and implement projects that will lead to real economic growth. Mr. Speaker, \$130.6 million of our \$196.3 million capital budget is geared towards infrastructure development. Of this amount, \$82.8 million is for road rehabilitation, and \$33.5 million for building repairs and maintenance.

To ensure effective fiscal discipline, Ministries and Departments must be responsible and prudent in the use of the Government's limited resources. Government agencies will be held to greater accountability for the management of their budgetary allocations, to yield better value for money.

Before I turn to the ministry allocations, I want to announce that the Cabinet recently approved up to 14% increase for government pensioners. This is in acknowledgment of the challenges faced by our retired public servants due to escalating prices over recent years. These people have played pivotal roles in shaping our country, and it is our duty to provide them with the means to live comfortably and with dignity. A committee has been assigned the task of developing a plan to implement this increase for government pensioners in 2024.

Ministry Allocations

Mr. Speaker, the parliamentary representatives with responsibility for Ministries will present the details of their programmes to be undertaken in 2024 when making their contribution to the budget debate.

However, I will now present the recurrent ministry allocations:

Ministry of Foreign Affairs, Agriculture, Trade and Barbuda Affairs	\$52.7 million
Ministry of Housing, Works, Lands and Urban Renewal	\$114.6 million
Ministry of Education, Creative Industries and Sports	\$184.2 million
Ministry of Health, Wellness, Social Transformation, and the Environment	\$160.5 million
Ministry of Tourism, Civil Aviation, Transportation, and Investment	\$37.6 million
Attorney General's Office and Ministry of Legal Affairs, Public Safety, Immigration and Labour	\$114.4 million
Ministry of Information Communication Technologies (ICTs), Utilities and Energy	\$15.3 million

The 2024 budget also includes allocations for other offices, such as the Legislature, the Judiciary, Audit, Cabinet, the Office of the Governor General, and others. Full details of all budgetary allocations are available in the Appendices to the printed version of this presentation.

Before closing, Mr. Speaker, I take the opportunity to present the allocations for the Office of the Prime Minister, which is allocated \$42.7 million and the Ministry of Finance, Corporate Governance and Public Private Partnerships, which is allocated \$134.9 million. Included in the amount budgeted for the Ministry of Finance is \$9.5 million for the Barbuda Council.

Some of the major priorities for these ministries are:

- Implementing policies and programmes to ensure medium-term fiscal and debt targets are attained
- Enhancing monitoring of statutory corporations
- Increasing efforts to mobilise resources for critical government projects
- Increasing taxpayer compliance and accelerating the use of e-payment and e-filing systems by Inland Revenue and Customs Departments
- Ensuring Antigua and Barbuda increases compliance with the standards established by the Global Forum and the OECD
- Improving Development Planning Capacity
- Completing the National Population and Housing Census
- Strengthening project management, internal audit, and risk management functions
- Implementing the new Finance Administration Act and the new Procurement Act and Regulations

Conclusion

Mr. Speaker, as we conclude this Budget Presentation, we stand resolute in our enduring commitment to a profound principle that transcends mere economic policy – the elimination of personal income tax. This principle is more than a fiscal strategy; it embodies a steadfast belief in empowering our citizens to determine the destiny of their financial resources.

Over the years, this commitment has withstood economic tribulations and emerged as a catalyst for prosperity. It has empowered our citizens with stronger disposable incomes to accumulate savings; fostering a robust financial sector that, in turn, fuels investments in land, home construction, business ventures, and entrepreneurial endeavors. It is a policy that not only champions individual prosperity, but also propels our nation towards collective development.

Since our resurgence from the challenges posed by the COVID-19 pandemic in 2020, our economic trajectory has been nothing short of extraordinary. Steadfast growth in a secure public safety environment, with low crime and violence, has defined our national landscape; creating opportunities for employment, and laying the groundwork for a thriving economy.

The projects currently underway and those poised for realization in 2024 stand as monuments to our nation's unwavering path to growth and resilient prosperity. Investment in education remains the bedrock; an inclusive avenue for personal ascension and national progress. As we reflect upon our accomplishments, we find pride in the collective successes that define us as a nation. Yet, the potential for even greater triumphs lies ahead, contingent upon our shared commitment to fulfilling obligations for the greater good.

Mr. Speaker, our people possess a rich cultural heritage, steeped in determination, courage, creativity, productivity, and extraordinary resilience in the face of adversity. In the spirit of collective dedication and shared vision, let us draw inspiration from the Book of Isaiah, Chapter 60, Verse 1:

"Arise, shine, for your light has come, and the glory of the Lord rises upon you."

With this resonant vision, I pray that our united endeavors will illuminate an even brighter future, for which this Budget has laid the important and necessary groundwork. Mr. Speaker, I am privileged to submit another practical and visionary Budget for consideration of this Honourable House.

APPENDIX 1: BUDGETARY ALLOCATIONS – 2024

2024 Budget				
Head of Expenditure	DESCRIPTION	Amount EC(\$)		
		Recurent Revenue	Recurrent Expenditure	Development Expenditure
	1 Office of the Governor General		2,095,906	
	2 Legislature		3,009,410	7,000
	3 Cabinet		4,051,385	7,000
	4 Judicial		3,259,514	
	5 Service Commissions		954,662	
	6 Audit		1,410,010	
	7 Pension and Gratuities		71,053,600	
	8 Public Debt		704,215,531	
	9 Electoral Commission		6,694,420	1,866,697
	Prime Minister's Ministry and Ministry of Finance, Corporate Governance and Public Private Partnerships	1,167,485,628	177,642,403	12,822,332
	10 Office of the Prime Minister and Prime Minister's Ministry	485,304	42,723,758	6,607,192
	15 Ministry of Finance, Corporate Governance and Public Private Partnerships	1,167,000,324	134,918,645	6,215,140
	Ministry of Foreign Affairs, Agriculture, Trade and Barbuda Affairs	1,566,642	52,681,721	19,461,307
	11 Ministry of Foreign Affairs, International Trade		30,142,420	17,952,360
	20 Ministry of Agriculture, Fisheries and Barbuda Affairs	1,566,642	22,539,301	1,508,947
	Ministry of Housing, Works, Lands and Urban Renewal	2,011,200	114,609,412	120,263,460
	12 Ministry of Housing, Lands and Urban Renewal	1,361,200	8,133,421	2,652,534
	40 Ministry of Works	650,000	106,475,991	117,610,926
	Ministry of Education, Creative Industries and Sports	655,754	198,556,556	7,963,975
	13 Ministry of Creative Industries and Innovations		14,393,310	
	30 Ministry of Education and Sports	655,754	184,163,246	7,963,975
	Ministry of Health, Wellness, Social Transformation and the Environment	189,219	160,524,110	12,464,007
	25 Ministry of Health, Wellnes and the Environment	189,219	127,153,409	12,140,811
	45 Ministry of Social Transformation, Human Resource Development and Blue Economy		33,370,701	323,196
	Ministry of Tourism, Civil Aviation, Transportation and Investment	105,250	37,671,720	722,677
	35 Ministry of Energy, Civil Aviation and Transportation	91,000	10,046,186	643,884
	80 Ministry of Tourism, and Economic Development	14,250	27,625,534	78,793
	Attorney General's Office and Ministry of Legal Affairs, Public Safety, Immigration and Labour	14,058,348	114,418,631	17,172,028
	55 Attorney General's Office and Ministry of Legal Affairs, Public Safety, Immigration and Labour	14,058,348	114,418,631	17,172,028
	Office of the Ombudsman	-	615,857	-
	60 Office of the Ombudsman		615,857	
	Ministry of Information Communication Technologies(ICTs), Utilities and Energy	507,151	15,301,531	3,500,000
	95 Ministry of Information Communication Technologies(ICTs), Utilities and Energy	507,151	15,301,531	3,500,000
	TOTAL	1,186,579,192	1,668,766,379	196,251,483

APPENDIX 2: CENTRAL GOVERNMENT FISCAL OPERATIONS

Budget Summary				
	2022 Actuals	2023 Approved Estimates	Preliminary 2023	2024 Budget
REVENUE				
Tax Revenue	752,098,115	857,634,703	846,269,594	1,009,651,012
Direct Tax Revenue	103,320,389	119,385,238	133,919,424	156,507,033
<i>of which: Corporation Tax</i>	<i>63,870,562</i>	<i>71,672,238</i>	<i>103,988,998</i>	<i>108,287,990</i>
<i>Unincorporated Business Tax</i>	<i>6,955,570</i>	<i>8,049,485</i>	<i>7,483,214</i>	<i>8,605,696</i>
<i>Property Tax</i>	<i>32,378,252</i>	<i>39,663,515</i>	<i>22,584,057</i>	<i>39,613,474</i>
Indirect Tax Revenue	648,777,726	738,249,465	712,350,170	853,143,979
<i>of which: Stamp Duties</i>	<i>63,945,098</i>	<i>70,433,288</i>	<i>65,393,978</i>	<i>74,426,293</i>
<i>Antigua and Barbuda Sales Tax</i>	<i>304,676,396</i>	<i>345,140,580</i>	<i>335,611,651</i>	<i>413,629,746</i>
<i>Tourism Accommodation Levy</i>	<i>15,949,659</i>	<i>24,226,217</i>	<i>17,616,466</i>	<i>23,587,147</i>
<i>Import Duty</i>	<i>109,616,448</i>	<i>123,295,784</i>	<i>126,058,916</i>	<i>146,417,431</i>
<i>Revenue Recovery Charge</i>	<i>90,984,061</i>	<i>101,468,029</i>	<i>102,318,149</i>	<i>109,863,253</i>
<i>Consumption Duties</i>	<i>34,930,791</i>	<i>40,475,043</i>	<i>39,795,605</i>	<i>50,000,000</i>
Non-Tax Revenue	159,654,493	173,186,811	121,162,566	176,928,180
<i>of which: CIP Collections</i>	<i>67,906,844</i>	<i>100,000,000</i>	<i>67,015,166</i>	<i>100,000,000</i>
<i>Surplus Funds CIU</i>		<i>30,000,000</i>		<i>30,000,000</i>
Total Recurrent Revenue	911,752,609	1,030,821,514	967,432,160	1,186,579,192
Capital Revenue	6,324,460	62,000,000	4,006,526	5,000,000
Grants		32,608,080		23,745,283
Total Revenue and Grants	918,077,069	1,125,429,594	971,438,686	1,215,324,475
EXPENDITURE				
Wages and Salaries	429,831,684	425,913,938	414,354,163	461,103,242
Goods and Services	159,335,988	183,508,683	184,000,000	210,599,916
Pensions, Other Transfers (including Social Security and Medical Benefits)	264,786,223	279,159,159	279,000,000	295,577,258
<i>of which: Pensions</i>	<i>73,469,870</i>	<i>74,139,140</i>	<i>74,000,000</i>	<i>74,942,609</i>
<i>Medical Benefits, Social Security</i>	<i>38,465,956</i>	<i>41,127,428</i>	<i>41,127,436</i>	<i>47,900,599</i>
Interest Charges on Debt	118,067,451	146,520,850	128,538,926	131,946,740
Total Recurrent Expenditure	972,021,346	1,035,102,630	1,005,893,089	1,099,227,156
Capital Expenditure	143,869,505	161,232,627	121,349,680	196,251,483
Overall Expenditure	1,115,890,852	1,196,335,257	1,127,242,769	1,295,478,639
Principal Repayment on Debt (Loans and Securities)	501,685,281	605,796,809	510,000,000	569,538,223
Total Expenditure (Including Principal Repayments and Payments on Unpaid Vouchers)	1,617,576,133	1,802,132,066	1,637,242,769	1,865,016,862
Current Account Balance	(60,268,737)	(4,281,116)	(38,460,929)	87,352,036
Primary Balance	(79,746,332)	75,615,187	(27,265,157)	51,792,576
Overall Balance	(197,813,783)	(70,905,663)	(155,804,083)	(80,154,164)
NET FINANCING REQUIREMENT	699,499,064	676,702,472	665,804,083	649,692,387
FINANCED BY				
RGSM Securities	185,759,331	351,618,204	306,938,949	249,800,000
Loans and Advances	268,671,996	325,084,268	122,000,000	210,000,000
Other	245,067,737		236,865,134	189,892,387
AMOUNT TO BE FINANCED	(0)	(0)	(0)	0
Current Account Balance	(60,268,737)	(4,281,116)	(38,460,929)	87,352,036
Primary Balance	(79,746,332)	75,615,187	(27,265,157)	51,792,576
Overall Balance	(197,813,783)	(70,905,663)	(155,804,083)	(80,154,164)
GDP - Current Prices	5,042,888,000	5,735,680,000	5,735,680,000	6,425,730,000
Primary Balance as % of GDP	-1.58%	1.32%	-0.48%	0.81%
Overall Balance as % of GDP	-3.92%	-1.24%	-2.72%	-1.25%