



GOVERNMENT OF  
THE COMMONWEALTH OF DOMINICA

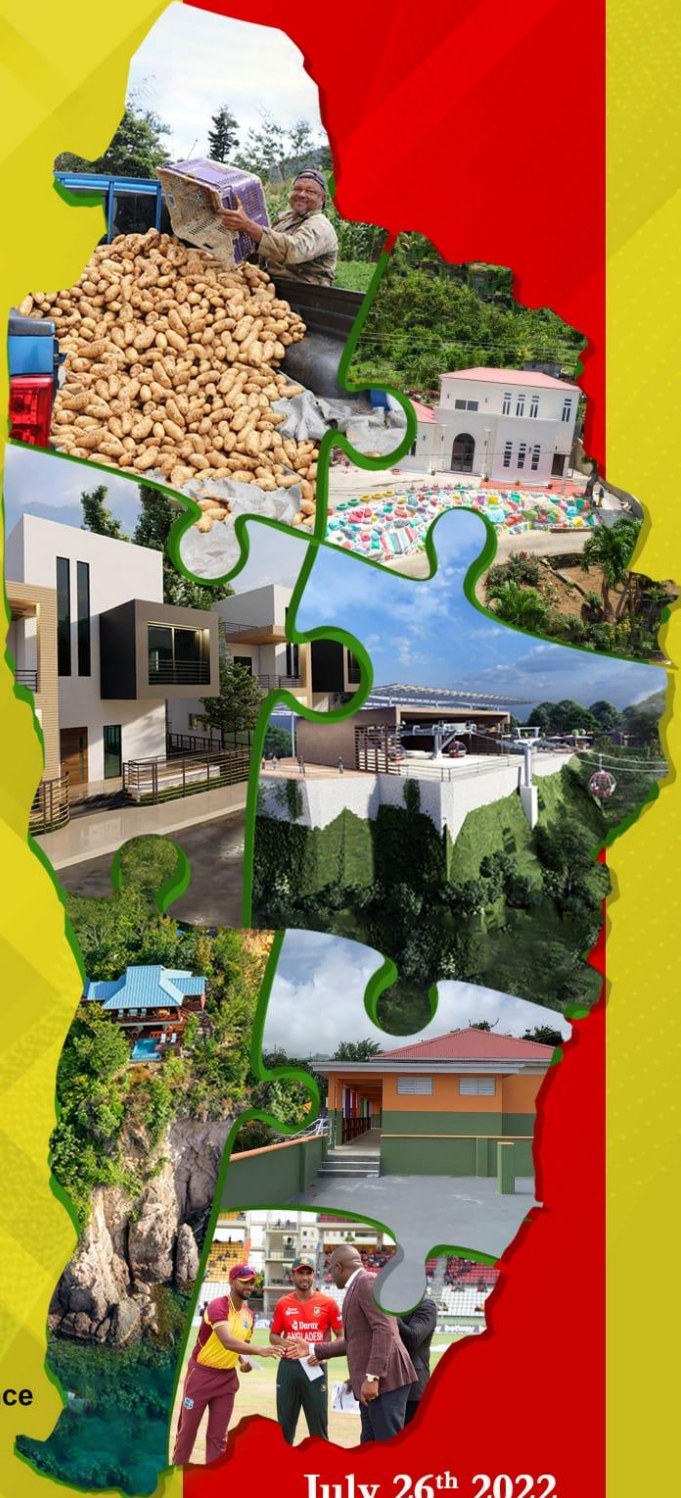
# BUDGET

2022 -2023

*“Rising Above  
the Challenges,  
Seeing Beyond  
the Horizon,  
Embracing all  
Opportunities to  
Deliver Dynamic  
Dominica”*

Presented by:

**HON. ROOSEVELT SKERRIT**  
Prime Minister and Minister for Finance



July 26<sup>th</sup> 2022

## INTRODUCTION AND BACKGROUND

**Mr. Speaker,**

**Fellow Dominicans at home and in the diaspora, Colleagues, Friends,  
My Brothers and Sisters All,**

I present the national Budget to this Honourable House and to the people of Dominica, conscious that this country has much for which it can give God thanks.

Today, to our nation and our people, like the Psalmist David I can say, "*I have never seen the righteous forsaken.*" Ours continue to be a journey of faith, for which we are seeing the rewards. Moving forward in faith, against the headwinds caused by the most difficult global circumstances, including the COVID-19 pandemic and the war in Ukraine, this Administration has been innovative, creative, committed, and unyielding in building a resilient, ***Dynamic Dominica***, transforming this country and empowering our people.

Today, through vision and relentless effort, through perseverance and hard work, through the sheer determination of our people, through the leadership of this Government, today... a different Dominica has emerged; a new Dominica is being built, a more developed Dominica now exists, and ***Dynamic Dominica*** is within our reach!

So, while we are within touching distance, we must continue to stay focused, despite the adversities, despite the challenges. As a Government, as a people, we must continue to innovate and to use our resources creatively, with security and opportunities for our people being our absolute focus. It is with that realization, with all things considered, that I present this Budget under the theme: **Rising Above the Challenges; Seeing Beyond the Horizon; Embracing All Opportunities to Deliver Dynamic Dominica.**

In this Budget therefore, I will speak to our achievements, our challenges and our determination to maximise the potential of our young people, to realise our promise to our seniors, public officers, farmers, the business community and other citizens, and to claim our future as a people and as a nation fighting to survive and succeed against unprecedented global turbulence.

## PUTTING OUR PEOPLE FIRST

Mr. Speaker, this Government has had one core policy—to improve the circumstances of our people, in good times and in bad times. Against this background, I briefly review our solid achievements from the Fiscal Year 2021/22.

### **Achieving the Sustainable Development Goals for Our People**

The Sustainable Development Goals (SDGs) are a set of 17 markers and goals for attaining sustainable development at the global level that focus on people, planet, prosperity, peace and partnership. The SDGs were developed by the member-countries of the United Nations in 2015, with a prospective target date of 2030. Our National Resilience Development Strategy (NRDS), and the Climate Resilience Recovery Plan (CRRP), are aligned with the SDGs and guide our interventions in many areas.

I am pleased to report that Dominica presented to the United Nations in 2022, its first Voluntary National Review on its progress towards achieving the SDGs. It shows that concrete action is being taken by Dominica to achieve these goals and this is in line with our objective of making Dominica world class, while leaving no-one behind as we press forward to ***Dynamic Dominica***.

### **The Health and Wellness of Our People**

Mr. Speaker this Government values the health and wellbeing of our people and this is why we have spared no effort to continuously improve the standard of health care available in this country. In the last Fiscal Year most of the resources of the Ministry of Health, Wellness and New Health Investment continued to be devoted to meeting expenditure related to the COVID-19 pandemic.

Our efforts to prevent, contain and treat this disease has been successful and the population has been able to go about its daily business in a safe environment with no further mass outbreaks. Vaccine coverage is now at 53 percent of the target population and a Digital Covid-19 vaccination card is available for ease of travel.

We have also made great progress in improving the health infrastructure in Dominica, an important component of the Dynamic Dominica that we are building.

The Dominica China Friendship Hospital is nearing completion. One component, the Brenda Stafford Foundation Eye Center, was commissioned in May 2022 and in the words of Dr. Hazel Shillingford Ricketts *"it promises to be a centre of excellence, not just in Dominica but for the region."* Mr. Speaker this is truly a center of excellence which is on par with any first world facility, providing a full suite of eye care services to our people. The Center has six examination rooms, its own operating theatre, and is equipped with modern high-tech equipment. These are amongst many other features, all of which will go a long way in ensuring the delivery of top-notch health care to patients

Over the last Fiscal Year, the MRI and HIFU machines were commissioned, and staff of the hospital trained in operating them. The HIFU machine can be used to successfully treat some cancers, if detected early, and it allows for non-invasive treatments. In fact Mr. Speaker, since the commissioning of the HIFU machine, between March and July this year, 11 procedures have been performed.

The availability of these machines will help reduce the need for Dominicans to travel overseas for medical care and treatment. These are important enhancements to the quality of care available on island, which could mean the difference between life and death for many persons. It also helps position Dominica as a hub within CARICOM for the provision of specialized services and as a means of boosting medical tourism.

We want to ensure that quality health care is available in a comfortable setting to everyone across this country. This is why we continue to make significant investments improve our primary health care system, while at the same time improving secondary and tertiary care. To date we have completed the construction of twelve (12) new Health and Wellness Centers with funding from our Citizenship by Investment programme; and they are all in use. In addition, a new Health and Wellness Centre at Savanne Paille is now at an advanced stage of construction.

In the last Fiscal Year, we continued several projects which included repairs to existing health centers, the implementation of the OECS Regional Health Project focused on improving health facilities and strengthening lab services, public health surveillance and emergency management, and the completion of the PAHO SMART Retrofit Initiatives.

The new Marigot Hospital which began in January 2020 is now complete, and we are currently installing the medical equipment and furnishings. The new hospital allows for the decentralization of services, where patients will be offered a wider range of services. The presence of an ICU, Operating Theatre, Dialysis Unit, among many other features, will ensure that patients in the Marigot Health District can now access improved services in a more timely manner.

Mr. Speaker, all of these achievements and many that I have not mentioned, such as the investments in training of our doctors, nurses, community health aides as well as a new Hospital Authority, are all part of a deliberate plan to ensure that Dominica offers the best health care possible to our people, comparable to developed countries.

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### **Educating Our People**

Mr. Speaker, the advances made in Education over the last decade have been tremendous. We are equipping our children from early childhood to the tertiary level to build Dynamic Dominica. This is being done by a deliberate policy of this Government, to make education from early childhood to college, accessible to every child in Dominica.

Despite the disruption caused by COVID-19 to in-person classes, we ensured that students across the country had access to online education through the distribution of over 12,000 digital devices.

Mr. Speaker, thanks to the assistance of the Canadian Government, rehabilitation works at a cost of \$4.4 million, were completed this year on the Delices, Morne Jaune, and Wills Strathmore Stevens primary schools.

The Grand Bay Primary School is also being renovated with funding from the Canadian Government. To date an amount of \$3.2 million has been spent. When completed, it will be renamed the Edward Registe Primary School in recognition of the great contribution that our fallen Comrade, former Member of Parliament and Minister, has made to the people of Grandbay and to this Nation.

The Mahaut Primary School was also completed with funding from the CBI programme at a cost of \$7 million, and is ready to welcome students in the new academic year.

Mr. Speaker, our investments in education continue to bear fruit. Earlier this month 398 students graduated from the Dominica State College, while a total of 175 students graduated with degrees in several disciplines from universities worldwide during the last Fiscal Year.

### **Our Public Officers**

Mr. Speaker, Government continues to prioritise the transformation and modernisation of the Public Service. We realise that an agile, resilient and modern public sector is key to the efficient implementation of Government's development agenda, a national driver for doing business, facilitating investment and delivering services to our people.

Over the last year, although challenged by the COVID-19 pandemic, we moved closer to the completion of the Public Service Reclassification Exercise. A Job Analysis review and a Job Evaluation exercise was recently completed by a team of independent consultants. The Job Evaluation Report has been submitted to the consultant who is undertaking the final stage of this exercise, which is the Review of Compensation and Salary Structure. We are pleased that all the unions have been an integral part of the process.

Mr. Speaker, Government's promise to create opportunities for the upward mobility of teachers, with a corresponding increase in pay, counts as the most tangible and significant show of support to those working in the education sector. It also represents the fulfilment of a commitment I made to our teachers when I met with them in November 2019.

To date, the following secondary school positions have been filled:

- Fifteen Deputy Principals
- Seven Assistant Principals
- Forty-nine Senior Qualified Teachers
- Nineteen Senior Graduate Teachers
- Eleven School Counselors
- Sixty-two Heads of Departments

Mr. Speaker, a similar exercise has also commenced for Primary Schools.

This restructuring exercise, represents part of a broader commitment by this Government, to create opportunities for all public service employees, so that they can advance in their personal and professional lives and help build a stronger, more motivated, and resilient public service. A total of 143 public and police officers, received permanent appointments in the last Fiscal Year.

Mr. Speaker, in March 2021, Government signed a collective bargaining agreement with the unions for the period July 1, 2019 to June 30, 2022, which included a 1.25 percent salary increase and a one-off payment equivalent to one month's salary. I am pleased to report that in spite of the large unplanned expenditures as a result of the COVID-19 pandemic, Government has maintained its commitments to the unions, and the salary increases and the one-off payment have been effected.

### **Housing The People of this Nation**

Mr. Speaker, this Government remains strongly committed to improving housing for all the people of this Nation, especially the most vulnerable. We are determined to achieve resilience in this sector. To that end, we have revised our building codes to ensure that new and renovated homes are structurally sound. We have supported our people in repairing and rebuilding their homes, and we are building new homes for our citizens.

In the last Fiscal Year, 213 families were provided with keys to new resilient homes.

## **Housing Our Youth**

On September 16, 2020, Government introduced yet another innovative and transformational programme for Dominicans 40 years and younger, a programme which provides \$10,000 to first-time home builders and purchasers of a home. I am delighted to inform this Honourable House that the impact of this programme on the youth has been tremendous. To date, the applications of two hundred (200) young people have been approved and disbursements continue to be made for the purchase of building materials, payment of land/property transfer fees, construction related services and labour costs.

## **A Sporting People**

Mr. Speaker, our Government and our country continued to record achievements in sports development. We recognise that sports is an avenue for recreation, health and wellness, providing entertainment, a source of foreign exchange and personal earnings. We have therefore:

- Appointed a Task Force which has begun work on a framework for the establishment and operation of a Sports Council.
- Completed several sporting facilities across the island: the Massacre Indoor Facility; basketball hard courts at Bath Estate and Morne Prosper; continued work on the La Plaine and Woodford Hill Playing Fields, as well as on the Geneva Playing Field project in Grand Bay.

We successfully hosted the 2<sup>nd</sup> OECS/ECCB International Netball tournament at the new netball facility at the Windsor Park Sports Stadium in February 2022. In July, Dominica proudly hosted International Cricket, at the Stadium, our first international match since Hurricane Maria in 2017. We were pleased with the exceptional reviews received from multiple stakeholders, including the players and the West Indies Cricket Board.

Mr. Speaker, apart from these achievements, many of our athletes excelled. We congratulate and salute these athletes including Thea Lafond, Trenesse Hamilton, Addison James and all those who contributed to their success. You have done us proud, and the Government is pleased to have been able to play its part.



## **Upliftment of Our Kalinago People**

Mr. Speaker, this Labour Party Government's commitment to improving the lives of the Kalinago people cannot be denied. We are mindful of their challenges to access financing because of the communal land ownership system, which has limited opportunities for their personal development. Therefore, we have continuously implemented measures to enhance their way of life and ensure their sustainable development.

In fulfillment of our promise to the Kalinago people, the Kalinago Development Fund was established in March 2022 and was capitalized with \$860,000. That Fund will improve access to finance for Kalinagos resident in the Territory, address unemployment, allow them to create wealth and improve their living standards. As at June 13<sup>th</sup> 2022, 11 applications valued at \$369,123.33, were approved while 41 other applications were under consideration. An additional \$1.0 million will be placed in the Fund during this Fiscal Year as was promised in last year's Budget Address.

We are also ensuring that the resilience of our Kalinago people is strengthened in other ways. Construction of several homes are taking place throughout the Kalinago Territory.

Utilising our own funds and grant funding from the Canadian Government administered by the Caribbean Development Bank, a multipurpose Emergency Shelter will be built in Bataca to provide a safe haven for 150 persons in the event of any disaster. Designs have been completed and the tender process is expected to commence in the first quarter of the new Fiscal Year.

***Dynamic Dominica will rest on a healthy, well educated, properly housed and happy population. In Dominica, this Government puts the people of this country first. Against every adversity and above all struggles, we are determined that the people of Dominica must advance.***

## **PROGRESS TOWARDS ACHIEVING SUSTAINABLE DEVELOPMENT AND RESILIENCE**

### **Agriculture**

Mr. Speaker, agriculture is one of the most important sectors for the creation of employment, food security, sustaining rural livelihoods, and generating foreign exchange. This Government therefore continues to invest heavily to transform this sector through the implementation of deliberate and sustainable programmes and projects, to support livelihoods and increase the sectors resilience and overall contribution to GDP. I will now highlight some of our major achievements over the last year:-

- 1,573 acres of root crops, banana, plantain and vegetables were established;
- 107.3 acres of Tree Crops including cocoa, avocados and citrus were established;
- \$817,000 was spent to manage the spread of the Black Sigatoka Disease;
- 400 farmers benefitted from cash grants in the sum of \$500,000;
- Farmers received over 300,000 high-quality vegetable seedlings and 6,472 fruit tree seedlings propagated by the Chinese Technical mission;
- \$7.1 million was spent on agricultural tools, fertilisers and inputs to farmers;
- Building materials valued at \$1.0 million were provided to livestock farmers;

Mr. Speaker, we are fortunate in Dominica to have many friends supporting our transformation in agriculture, including the Governments of the People's Republic of China, Japan, Republic of Cuba, and the Bolivarian Republic of

Venezuela. Dominica is also privileged to have the unwavering support from hemispheric development partners such as FAO, IICA, Global Affairs Canada and UNDP, among others, who can identify with our challenges, needs and opportunities within the agricultural sector.

### ***The Digital Economy***

Mr. Speaker, as we move towards a digital Dominica and our goal to transform Dominica into one of the world's most digitally advanced societies, I can inform this House that our Digital Economy Strategy has been completed and approved by the Cabinet. This details our roadmap to achieve transformation, to deliver improved services and opportunities for our people

We are working with some of the world's best experts in this process. A Technical Advisory Firm has been engaged to provide the Project Implementation Unit and other Project counterparts with day-to-day support, to ensure that project activities will be carried out in the most efficient, cost-effective and well-coordinated manner.

A legal firm has also been engaged to review and update the laws and advise on policy changes that cover the digitalisation of public services and other digital transactions.

Even more exciting is the fact that many young people whom we have trained are receiving job opportunities. In the last Fiscal Year, we have trained 121 young people to improve their skills, knowledge and marketability to take advantage of the opportunities that exist online. They are now better equipped to participate in the gig economy.

### ***Small Business***

Mr. Speaker, the Small Business Enterprise Development Programme is the Government of Dominica's flagship mechanism for assisting micro, small, and medium enterprises (MSMEs). Its goal is to improve access to finance and technical assistance.

During Fiscal Year 2021/2022 we delivered on promises made in last year's Budget Address:

- We upgraded the services offered at the Small Business Support Unit by transforming the Unit into a One Stop Shop for all MSMEs inquiries, information, financing, and other services including technical support and advice.
- In March, Government placed \$27.8 million at AID Bank to on lend to small businesses at an interest rate of 3.50 percent. Sixty-seven (67) applicants have so far benefitted, receiving a total of \$4.3 million.
- In addition, 120 businesses have benefitted from grants to small agro-processors, manufacturers, app and software designers, health and wellness practitioners and businesses in the creative industries.

### **Tourism**

Mr. Speaker, although the tourism sector was the hardest hit by the Covid 19 pandemic, we were not deterred. We strategized and reenergized the industry with innovative products. Our rebranding of the destination and progressive health protocols led to an increase in total visitor arrivals. The early rebound of the sector is setting the pace for a promising outlook.

The resumption of cruise, ferry services and the introduction of daily direct flights from Miami to Dominica by American Airlines, has increased visitor arrivals with a positive impact on other sectors of the economy.

Mr. Speaker, arrivals by air in the 2021/2022 Fiscal Year tripled over that of the previous Fiscal Year, and we have already surpassed pre-Covid 19 numbers in the US source market. This pattern of growth shows strong appeal of "Destination Dominica" and demonstrates that this country is on an upward trajectory.

Mr. Speaker, as part of our stated objective to ensure that the international airport project will further accelerate the transformation to **Dynamic Dominica**, we have been pursuing an aggressive route development programme, in parallel with the airport development. We have been proactively reaching out and engaging in preliminary discussions with over 20 airlines operating in the Caribbean region, including well known international carriers from North America and Europe.

Owing to successful talks with cruise lines, Government was able to secure 215 cruise calls to Dominica in the last Fiscal Year, the highest number in the last 5 years. Eleven (11) cruise ships made their inaugural call to Dominica and a total of 149,000 passengers went on tours. This has marked the revival of the cruise sector post COVID.

Such milestones, Mr. Speaker, signifies the resilience of our tourism industry, even when faced with the most severe effects of external shocks, extreme weather events and health emergencies.

### **Infrastructure**

Mr. Speaker, robust infrastructure is essential for development and central to building resilience. We therefore continue to focus on building robust infrastructure and rehabilitation where required, to ensure that services and convenience are always afforded to our people, even in the advent of the worst storms.

Utilising funding from the United Kingdom Government, an assessment of the vulnerabilities of our water systems was undertaken and recommendations presented for building greater resilience. Final designs, cost estimates, and tender documents have been prepared for improved water systems on the East Coast, West Coast, Roseau Valley, and Calibishie. The tender process for these projects will begin shortly.

*The Third Water Supply Project* to improve water quality, water storage, and service continuity *in Water Area 1 Network Upgrade also continued during last Fiscal Year.* Water Area 1, located at Antrim, is DOWASCO's largest water system serving domestic, commercial, and industrial customers from Mero to Castle Comfort. As part of this Project, a new laboratory was constructed and new equipment is being installed. In addition, two kilometres of 12-inch diameter transmission pipelines were installed along the Check Hall River from the new intake near Cochrane to the existing Springfield Intake. The total cost of this Project is \$33.0 million. These enhancements to the system will help maintain the quality and reliability of the water supply.

Additionally, a new \$3.0 million water supply project to improve the reliability of service to Morne Prosper is nearing completion. That new system will boost the volume of water supply and the reliability of service to the community of

Morne Prosper, which typically experiences severe water shortages during the dry season. The project involves the construction of a new 60,000 imperial gallons storage tank, a pumping station in Wotten Waven, laying of a cross-country pumping line and distribution line upgrades.

Mr. Speaker, building resilience in our road infrastructure continued with work on the East Coast Road Project, which is valued at \$126.7 million. This Project commenced in April 2021 and continues to provide direct and indirect opportunities for employment, with spill over financial benefits for neighboring communities. Currently, 150 individuals are employed under the Project in various capacities – skilled and unskilled labourers, safety wardens, truck owners and drivers, to name a few.

Some of the other major roadworks undertaken in Fiscal Year 2021/2022 included:

- The Hillsborough, Layou East Bridge which was completed at a cost of \$9.0 million.
- The Layou Reconstruction and Rehabilitation project commenced. It includes the construction of 4 kilometres of road from the Hillsborough Bridge to the York Valley Bridge, and the construction of river walls. The cost of the project is approximately \$17.0 million. It is currently 50 percent complete and is scheduled to be completed by December 2022;
- A 40-meter wall, to the east of the Colihaut Bridge was constructed, to protect residents along the riverbank. An 80-meter wall to the west of the bridge is substantially complete and will protect the lower part of the community.

In Dublanc a new bridge with a pedestrian walkway has also been completed.

Mr. Speaker, a new state of the art building to house the Meteorological Office has been completed. It has been equipped, furnished and will be commissioned by September 2022. The High Court and Registry have been relocated to their new location on the 3<sup>rd</sup> Floor of the Post Office Building on Dame Mary Eugenia Charles Boulevard.

In addition, two Regional Emergency Shelters were officially opened in May 2022, at Jimmit and Castle Bruce. These are fully funded by the European Union to the tune of \$32.0 million. Together these two shelters can accommodate 800 individuals. We thank the European Union for their most valuable contribution to improving the safety of our people.

**International Airport** - Mr. Speaker, last year we commenced works on Government's top priority project, the International Airport. Although still in its relatively early stages, there are visible signs of its positive impact on the people of the Wesley and Woodford Hill area. Twenty-four million dollars (\$24 million) has already been paid by way of compensation to over 130 property owners. Affected residents who chose to receive a home instead of a cash payment have begun receiving keys to their new homes at Joe Burton in Wesley, and lands have been reallocated to other property owners who opted for land swap.

Mr. Speaker, to date, we have made significant progress on this Project. The Airport soils laboratory has been completed and is fully equipped. Construction of the project office has also commenced. That office will include accommodation for the Project Team.

The environmental and social impact assessment has been completed and the geotechnical studies are ongoing. Driven by the findings and recommendations of the environmental and social impact assessment several upgrades have been made to the project masterplan to better reflect changes which would reduce the impact on the environment.

After a very rigorous tender process, I am happy to announce that China Railway No. 5 Engineering Group Co. (CR5) has been selected as the main contractor for the construction of the International Airport. CR5 is a reputable firm with extensive experience and a successful track record in the execution of major transport projects, including subway and railway lines, roads and airports in the Caribbean, Africa, Europe and Asia. Based on the revised project timeline, the Airport will be completed and commissioned by November 2026.

**Infrastructure and sectoral development are not end goals in themselves. This Administration is using them to make lives better, improve the country and ensure people-centred development.**

## **ECONOMIC PERFORMANCE**

Mr Speaker, in spite of the lingering COVID-19 pandemic, the local economy showed strong signs of recovery in 2021. This was confirmed by the International Monetary Fund's Regional Economic Outlook (REO) for the Western Hemisphere in April 2022. According to the REO, real output in Dominica expanded by 3.7 percent in sharp contrast to a double-digit decline of 11.0 per cent recorded in 2020. The rebound of the economy in 2021 was led by strong growth of 36.5 per cent in the construction sector, with contributions from other productive sectors. In 2021, consistent with the strong performance of the construction sector coupled with the increase in economic activity, value added in the wholesale and retail trade and the transport and storage sectors rose by 8 per cent and 3 per cent respectively. Real output in the agriculture sector continued to rise in 2021.

For 2022, IMF has projected a further growth of 6.8 per cent for Dominica. This would bring total growth for 2021 and 2022 to 10.5 percent—which would take economic activities back to pre-COVID-19 level.

## **FISCAL PERFORMANCE**

The operations of Central Government in Fiscal Year 2021/2022 have resulted in a primary deficit of 5.5 percent of GDP, compared to a deficit equivalent to 5.8 percent of GDP in the previous year.

Tax revenue grew by 4.4 percent in Fiscal Year 2021/2022 over that of the previous year. Increases were recorded in collections from taxes on domestic goods and services, and taxes on international trade and transactions, whilst there were reductions in revenues from both corporate income tax and property taxes. Non-tax revenue inflows, mainly from the CBI, have remained strong amounting to \$475.2 million.



Recurrent expenditure increased by 12.5 percent between the two periods moving owing mainly to a 20.5 percent increase in expenditure on goods and services.

During Fiscal Year 2021/2022, Government invested a total of \$380.8 million despite numerous demands on its resources caused largely by the pandemic.

The table below summarizes the fiscal outturn for Fiscal Year 2021/2022 with comparative figures for Fiscal Year 2020/2021 as well as the budget for Fiscal Year 2021/2022.

*Table 1. Outturn for 2021/22 vs. Budget Estimates for 2021/22 and Actual for 2020/21 (\$EC Millions)*

	<b>Actual Outturn 2020/21</b>	<b>Budget Estimate 2021/22</b>	<b>Actual Outturn 2021/22</b>
<b>Total Revenue + Grants</b>	<b>876.4</b>	<b>978.2</b>	<b>873.4</b>
<b>Total Revenue</b>	<b>813.7</b>	<b>853.3</b>	<b>823.3</b>
<b>Recurrent Revenue</b>	<b>811.8</b>	<b>848.2</b>	<b>823.2</b>
<b>Tax Revenue</b>	<b>333.3</b>	<b>355.8</b>	<b>348.0</b>
<b>Non-Tax Revenue</b>	<b>478.4</b>	<b>492.4</b>	<b>475.2</b>
<b>Capital Revenue</b>	<b>1.9</b>	<b>5.1</b>	<b>0.1</b>
<b>Grants</b>	<b>62.8</b>	<b>124.9</b>	<b>50.1</b>
<b>Total Expenditure</b>	<b>994.2</b>	<b>1,023.3</b>	<b>1,002.7</b>
<b>Recurrent Expenditure</b>	<b>553.3</b>	<b>584.9</b>	<b>622.2</b>
<b>Capital Expenditure + Net Lending</b>	<b>440.9</b>	<b>438.4</b>	<b>380.5</b>
<b>Capital Expenditure</b>	<b>441.2</b>	<b>438.9</b>	<b>380.8</b>
<b>Current Account Balance</b>	<b>258.5</b>	<b>263.2</b>	<b>201.0</b>
<b>Overall Balance</b>	<b>-117.7</b>	<b>(45.1)</b>	<b>(129.3)</b>
<b>Overall Balance % GDP</b>	<b>-7.8</b>	<b>(2.7)</b>	<b>(7.8)</b>
<b>Primary Balance</b>	<b>-87.4</b>	<b>(10.1)</b>	<b>(90.5)</b>
<b>Primary Balance %GDP</b>	<b>-5.8</b>	<b>(0.6)</b>	<b>(5.5)</b>
<b>Nominal GDP at Market Prices</b>	<b>1,519.0</b>	<b>1,649.0</b>	<b>1,649.0</b>

*Source: Ministry of Finance*

## **Debt Overview**

Mr. Speaker, as at June 30, 2022, Public Sector external debt stood at \$951.8 million, of which \$869.6 million was Central Government's debt while \$82.2

million is debt guaranteed for statutory bodies. Domestic debt at that same time was \$645.5 million: \$580.3 million is held by Central Government and \$65.2 million is guaranteed for statutory corporations.

We have largely met the requirements of our Medium-Term Debt Strategy (MTDS) and all debts were serviced on time.

## **BUDGET PROPOSAL FOR 2022/2023**

Mr. Speaker, the budget proposal for Fiscal Year 2022/2023 is predicated on four pillars: (1) fiscal resilience and consolidation, (2) investments for resilience, growth and sustainable development, (3) citizens well-being, and (4) and partnerships for resilience and sustainable growth.

### ***PILLAR 1***

#### ***FISCAL RESILIENCE AND CONSOLIDATION***

Mr. Speaker, the estimates of revenue and expenditure which I will present shortly, take into account the need to continue our fiscal consolidation and financial resilience efforts. Our fiscal consolidation plan includes focusing on expenditure efficiency and increasing tax collections. We have recently put in place robust frameworks including new public procurement legislation and fiscal rules to support expenditure efficiency. To support our financial resilience programme, we have developed a disaster risk financing strategy and new disaster financing instruments, including the Vulnerability Risk and Resilience Fund with savings now at \$11.0 million.

On the revenue side, we intend to strengthen tax administration, including taxpayer education, collection of arrears and auditing of tax returns to ensure accurate reporting as a means of increase revenue collection. During this Fiscal Year, we will also earmark a percentage of Citizenship-by-Investment (CBI) revenue for debt repayment.

The outlook for Fiscal Year 2022/2023, suggests a slight improvement in Government's fiscal position with the primary deficit moving to 4.7 percent of GDP owing to expected increases in revenue.

We are in the process of finalizing the Medium-Term Debt Strategy for the three-year period 2022 to 2025, and the Debt Portfolio Review for 2021 is on schedule to be completed and published by September 30, 2022.

Beginning this Fiscal Year, in order to improve management, governance, accountability and transparency, Government will implement a new reporting and monitoring system for State Owned Enterprises (SOEs). They will be mandated to submit quarterly, and annual financial reports based on approved standards. These reports will be reviewed by a Monitoring and Oversight Committee which will report its findings to the Cabinet.

### ***Estimates of Revenue and Expenditure for Fiscal Year 2022/2023***

Total revenues are estimated at \$1.13 billion and consist of the following:

- recurrent revenue in the amount of \$896.2 million;
- local capital revenue totaling \$5.1 million;
- receipts from loans in the amount of \$77.1 million;
- grant resources in the sum of \$155.17 million;

Fiscal Year 2022/23 will see a drastic increase in total expenditure reflecting the implementation of a transformative capital programme.

Total expenditure is estimated at \$1.2 billion. Of this amount, \$650.0 million is earmarked for recurrent expenditure (inclusive of debt amortization and interest) while \$566.4 million will be allocated to capital expenses.

#### **Recurrent Revenue**

In the Fiscal Year 2022/2023, non-tax revenue is estimated at \$513.8 million or 57.3 per cent of the total recurrent revenue. This is predominantly receipts from the Citizenship by Investment Programme. Mr. Speaker, despite the exogenous shocks affecting the global market the programme has withstood all adversities and continues to provide an avenue for sustainable development and resilience building.

Mr. Speaker had this Administration not restructured the CBI, our citizens would have had to shoulder a much heavier tax burden and many of the

development programmes which have taken this country forward so rapidly, could not have otherwise been put in place.

Total tax revenue is forecast at \$382.5 million or 43 per cent of total revenue with Value Added Tax contributing \$161.9 million. Mr. Speaker, the sums of \$87.2 million and \$66.4 million are expected to come from taxes on international trade and transactions and taxes on other domestic goods and services respectively. Personal Income Tax and Corporate Tax will collectively contribute 6.5% to the total recurrent revenue, while taxes on property amounts to \$8.9 million.

Mr. Speaker, the components of recurrent revenue are depicted in Table 1.

**Table 1: Breakdown of Recurrent Revenue**

Item	Estimates 2022/2023	%	Estimates 2021/2022		Projected 2021/2022	%
<b>Tax Revenue</b>	<b>382.5</b>	<b>43%</b>	<b>360.8</b>	<b>42%</b>	<b>351.6</b>	<b>42%</b>
Personal Income Tax	31.9	3.6%	30.9	3.6%	29.3	3.6%
Corporate Income Tax	26.3	2.9%	33.7	3.95%	24.1	4.0%
Taxes on Property	8.9	1.0%	10.2	1.2%	8.1	1.2%
VAT	161.9	18.1%	143.5	16.8%	148.8	16.8%
Other Tax on Domestic Goods & Services	66.4	7.4%	66.1	7.8%	61.1	7.8%
Int'l trade taxes	87.2	9.7%	76.3	8.9%	80.1	8.9%
Non-tax Revenue	513.8	57.3%	492.3	57.7%	473.0	57.7%
<b>Total Revenue</b>	<b>896.2</b>	<b>100%</b>	<b>853.1</b>	<b>100%</b>	<b>824.6</b>	<b>100%</b>

### Recurrent Expenditures

Total recurrent expenditure for the Fiscal Year 2022/2023 inclusive of expenditure provided by law is estimated at \$650.0 million. This amount is

equivalent to the amount approved for the previous Fiscal Year 2020/2021 bearing in mind the need for fiscal consolidation.

**Table 2: Recurrent Expenditure by Ministry/Department**

Ministry/Department	Amount (000's m)	%
Office of the President	1.0	0.2%
Integrity in Public Office	0.6	0.1%
Public and Police Service Commission	0.5	0.1%
Legislature	1.2	0.2%
Audit Department	1.1	0.2%
National Security and Home Affairs	61.1	9.4%
Elections	2.5	0.4%
Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development	2.3	0.3%
Office of the Prime Minister	12.4	1.9%
Finance	258.1	39.7%
Blue and Green Economy, Agriculture and National Food Security	8.2	1.3%
Education, Human Resource Planning, Vocational Training and National Excellence	78.8	12.1%
Housing and Urban Development	3.8	0.6%
Health, Wellness and New Health Investment	59.3	9.1%
Environment, Rural Modernization and Kalinago Upliftment	8.1	1.2%
Tourism, International Transport and Maritime Initiatives	17.3	2.7%
Sports, Culture & Community Development	12.4	1.9%
Planning, Economic Development, Climate Resilience, Sustainable Development and Renewable Energy	2.9	0.4%
Establishment	10.5	1.6%
Public Works and the Digital Economy	65.0	10.0%
Foreign Affairs, International Business and Diaspora Relations	19.4	3.0%
Cabinet Office	3.3	0.5%
Youth Development and Empowerment, Youth at Risk, Gender Affairs, Seniors Security and Dominicans with Disabilities	18.2	2.8%
Governance, Public Service Reform, Citizen Empowerment, Social Justice and Ecclesiastical Affairs	2.0	0.3%
<b>GRAND TOTAL</b>	<b>650.0</b>	<b>100.0%</b>

Mr. Speaker, the largest allocation of the recurrent estimate is under the Ministry of Finance in the amount of \$258.1 million. Of this amount, \$96.1

million is allocated to debt service payments, \$42.7 million is appropriated for retirement benefits, which includes payment of gratuities, pensions, compassionate allowances, contractual gratuities and non-contributory pensions.

The Ministry of Education, Human Resource Planning, Vocational Training and National Excellence will receive the second highest allocation of \$78.8 million. Mr. Speaker, this Government continues to invest in our human capital recognizing the importance of education to economic development, social stability, citizen empowerment and upward mobility.

The Ministry of Public Works and the Digital Economy has the third largest allocation in the sum of \$65.0 million. The allocation has been increased to facilitate the increased cost of road maintenance and electricity.

The Ministry of National Security and Home Affairs will receive an allocation of \$61.1 million, or 9.4 per cent of the total recurrent budget. This higher budgetary allocation will, in part, finance the transition to the e-passports, enabling our citizens to travel securely through borders.

The Ministry of Health, Wellness and New Health Investment will receive \$59.3 million or 9.1 per cent of the total recurrent budgetary allocation.

Table 3 below provides a summary of recurrent expenditure by economic classification.

**Recurrent Expenditure by Economic Classification (\$M)**

Classification	Estimate 2022/2023	%	Estimates 2021/2022	%	Projections 2021/2022	%
Personal Emoluments	160.7	25%	187.2	29%	177.7	29%
Goods & Services	250.8	39%	249.2	38%	217	36%
Interest	37.3	6%	35.0	5%	38.7	6%
Transfers and Subsidies	135.4	21%	113.0	17%	110	18%
Refunds	5.0	0.2%	5.0	1%	3.6	1%
Investment Financing	1.6	0.2%	0.5	0.1%	9.9	2%
Sub-Total	590.7	90%	589.9	91%	557	92%
Debt Amortization & Sinking Fund	59.2	9.1%	60.1	9.2%	45.6	8%
Total	650.0	100%	650.0	100%	603.0	100%

Mr. Speaker, the allocation of \$250.8 million for goods and services accounts for 39 per cent of total current expenditure. The sum of \$160.7 million or 25%

is estimated to meet the cost of personal emoluments. The sum of \$135.4 million is estimated for retirement benefits and transfers and subsidies, which comprise public assistance, grants and contributions to local, regional and international institutions. Mr. Speaker, the Government of Dominica will continue to service its debt obligations in a timely manner. In this regard, \$37.3 million has been allocated to interest payments while \$59.2 million is estimated for debt amortization and contribution to the sinking fund.

### **Capital Expenditure Budget by Ministry**

<b>MINISTRY</b>	<b>Total</b>
Office of the President	1,072,004
National Security and Home Affairs	7,894,823
Elections	1,250,000
Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development	16,083,331
Office of the Prime Minister	97,169,000
Finance	17,346,333
Blue and Green Economy, Agriculture and National Food Security	46,852,374
Education, Human Resource Planning, Vocational Training and National Excellence	19,437,861
Housing and Urban Development	86,900,695
Health, Wellness and New Health Investment	15,244,758
Environment, Rural Modernization and Kalinago Upliftment	25,317,495
Tourism, International Transport and Maritime Initiatives	15,334,598
Sports, Culture & Community Development	16,816,912
Planning, Economic Development, Climate Resilience, Sustainable Development and Renewable Energy	14,310,566
Establishment, Personnel and Training Department	600,000
Public Works and the Digital Economy	166,881,000
Cabinet Office	2,316,000
Youth Development and Empowerment, Youth at Risk, Gender Affairs, Seniors Security and Dominicans with Disabilities	3,487,973
Governance, Public Service Reform, Citizen Empowerment, Social Justice and Ecclesiastical Affairs	12,121,262
<b>Total</b>	<b>566,436,985</b>

**Fiscal resilience and consolidation are intended to build a sustainable economic growth for our people and country.**

## ***PILLAR 2***

### ***INVESTMENTS FOR RESILIENCE, GROWTH, AND SUSTAINABLE DEVELOPMENT***

Mr. Speaker, this year's Budget features major investments in infrastructure projects that will create jobs in Agriculture, Commerce, Tourism, Renewable Energy, Small Business and the Digital Economy.

#### ***Infrastructure Development***

During this Fiscal Year, Government will continue to invest in building robust and resilient infrastructure to ensure the safety of our people, enhance the aesthetics of the country, improve access and connectivity, increase social interaction across communities, and support the economic development of our country.

Mr. Speaker, we are all aware of Dominica's challenging terrain which makes it sometimes five times more expensive to construct one mile of road, compared to our neighbors. In addition, we have higher rainfall than most, but no one can deny we have some of the best roads in the region. That notwithstanding we will continue to invest in further improvements to make all of our roads more resilient to disasters.

#### ***Roads***

This year, we will see the completion of the \$18 million Layou East Road project with a new and improved road alignment. This new road will improve connectivity between the West and East Coasts and expand opportunities in the agriculture and tourism sectors.

The \$126 million rehabilitation of the East Coast Road from Bois Diable through Castle Bruce and the Kalinago Territory and into Hatton Garden is scheduled to be completed by June 2023. Once completed, Dominicans, and in particular, the people of the east will drive comfortably on a resilient



highway that is much wider and safer, with several new bridges and water crossings, and lighting.

In this Fiscal Year, we will also reconstruct the Wotten Waven/Morne Prosper link road. The previously used section of road leading to Wotten Waven was destroyed by Hurricane Maria and the current instability of the high cliffs poses a challenge for safe and economical rehabilitation of the area. Retaining walls will be constructed along the by-pass to allow for the widening of corners along with the construction of a new box bridge to improve the road's overall alignment. The estimated cost of this project is \$3 million.

With respect to the Loubiere to Bagatelle Road project, I am happy to report to the people of the south that the tender process is nearing completion. We are in final discussions with a contractor, and it is expected that a contract will be awarded for the works no later than September 2022. This means that work should begin before the end of this calendar year. The project will include the replacement of all the bridges from Loubiere to Grand Bay, road realignment and widening and a new drainage system. as well as construction of a new Bridge at Micham.

The Roseau Enhancement Programme continues this Fiscal Year with the reconstruction of Great George Street which will commence by September this year.

This Government, working hand in hand with our people, continues to transform the landscape of the City of Roseau. I take this opportunity to applaud the efforts of the many citizens and residents of Dominica who have answered the call of the Government to help transform the City. Over the past five years, we have seen the emergence of several new and attractively designed buildings throughout the City owned mainly by our Dominica people who continue to reside, work and reinvest their earnings here in Dominica.

Mr. Speaker, other major road projects to be undertaken this year include:

- Commencement of works on a massive retaining wall at Belles
- The rehabilitation of road edge failures along the Imperial Road and the Dr Nicholas Liverpool Highway;
- The procurement and installation of 3,750 meters of safety guard rails;

- The reconstruction of 50 meters of sea defence wall and the rehabilitation of 75 meters of the road at Scotts Head;

### Water Resource Management

In September 2022, capital works are expected to commence on various projects and capacity-strengthening interventions under the Water Sector Strategic Development Project. This will be undertaken at a total cost of \$107 million, utilising grant funds from the government of the United Kingdom. (FS confirm cost)

The primary goal of this Project is to build climate resilience in the water sector and will include substantial replacement of infrastructure and supply pipelines. Approximately 17,000 residents, will all benefit from improved water service.

Further, the proposed projects shall provide direct employment to at least 200 residents during the construction periods. The tourism, housing, and agricultural sectors will be impacted positively by the successful implementation of this Project.

In addition, new water intakes, water treatment plants, storage tanks, and the installation of associated pipelines will be constructed. The commissioning of these new facilities will result in vast improvements in water service reliability, in the communities of Capuchin, Dublanc, Bioche, Colihaut, Salisbury, Calibishie, Castle Bruce, Grand Fond, Morne Jaune, Riviere Cyrique, Shawford, Trafalgar, Fond Cani, Copt Hall, and Wotten Waven.

Meanwhile, water intake and access upgrade works, a new pumping system, and construction of a new storage tank at a higher elevation to serve the communities of Paix Bouche, Moore Park, and Borne areas will commence this year under the Caribbean Development Bank Basic Needs Trust Fund 10 Programme. The estimated cost of this Project is \$1.88 million. These major interventions will improve the overall efficiency and reliability of the Paix Bouche Water System.

## Ports

Mr. Speaker, in recent times we have been seeing increased activity at the Anse de Mai Port. The current traffic has outgrown the facility and even more activity is expected as Government constructs the international airport. In this Fiscal Year, Government will commence the construction of a new jetty, a protected bay using rock armour, a slipway to get the boats to safety, customs and immigration offices, improved commercial spaces for local residents and the enhancement of the fisheries locker rooms among other improvements. Designs have been completed and an invitation to tender for the works will be issued shortly. It is anticipated that works on this new Port will commence no later than the first quarter of calendar year 2023.

### *Administrative Complex for Portsmouth*

Mr. Speaker, decentralising Government services is an important component of a more resilient, more progressive Dominica. In this Fiscal Year, Government will construct a modern administrative complex in Portsmouth. This Complex will support the provision of increased public services to the North of the island, provide improved accommodation for public officers and the general public accessing services.

The new Complex will accommodate all of Government's financial services in the North including the sub-treasury, Dominica Social Security, and Inland Revenue. It will also include the Portsmouth Town Council, Government offices, conference, training and meeting rooms, among others.

A parking lot and a bypass road will also be constructed to facilitate access, and lands have been acquired for this project. The Designs have been completed and in the coming weeks, the community will be further engaged on the proposed plans for this project.

## ***The International Airport***

Mr. Speaker, work on the International Airport has commenced, and this major Project will be delivered to the people of Dominica by 2026. We have selected the right partner, to ensure that this becomes a reality.

During this Fiscal Year we look forward to the following key milestones:

- The completion of mobilization for the commencement of work,
- construction of culverts for waterways;
- Commencing earthworks by the end of this year; and
- Cut and fill activities to level the site

The development of this Airport will increase opportunities for contractors, construction workers, engineers, plumbers, electricians, and other service providers. Due to the high volume of work, the supplies which will be required, as well as the expected high level of employment, many people and businesses in Dominica are expected to benefit during the construction of the International Airport.

Mr. Speaker, as I have said before this airport will be a game changer for Dominica and its people.

I continue to call on Dominicans to equip themselves for the opportunities which will be available once the Airport is operational. I encourage students to begin pursuing relevant fields of study that will position them to take advantage of employment opportunities as air traffic controllers, specialized equipment maintenance personnel, firefighters, customs, immigration, and security officers among others.

## ***Tourism***

Mr. Speaker, earlier this month, Dominica was ranked by Travel and Leisure Magazine, as the Best Island in the Caribbean for 2022. In this ranking, Dominica is described in these words, “anything-but-average island lures eco-travelers with a jumble of rain forests, volcanoes, hot springs, thunderous waterfalls, and black-sand beaches. It has an undiscovered quality that can be rare not only in the region, but the world over. It's a dream for hikers, snorkelers, and all kinds of adventurers, but the island also offers pockets of

over-the-top luxury, including this year's best resort hotel in the Caribbean — Secret Bay.”

Mr. Speaker, this Government will continue to invest in the Tourism industry to position Dominica as a World Class Sustainable Tourism destination. This year, special focus will be given to four key areas:

1. Product Development;
2. Marketing - Re-imagining and Repositioning of the Tourism Industry
3. Access
4. Visitor Experience including
  - a. Capacity Building/ Training
  - b. Beautification and Restoration of the Environment

### **Product Development**

To ensure that Dominica continues to deliver a top-rated experience to our visitors, Government will continue to invest in upgrades, maintenance, and modernization of our main sites and attractions. In this fiscal year, five of our top attraction sites: Titou Gorge, Trafalgar Falls, Emerald Pool, Champagne, and Morne Bruce will be upgraded as we aim to ensure that our Facilities provide quality services and the amenities and ambience to enhance guest experiences.

We will continue to invest in Community Tourism in a number of areas including:

- supporting local groups,
- upgrading sites and attractions,
- assisting with marketing, and packaging of community tourism offerings,
- boosting village festivals to improve the livelihoods of smaller tourism service providers at the community level.

Our goal is to ensure that all Small Tourism Enterprises have a digital footprint so they can be easily discovered by visitors.

Mr. Speaker, the culture and the way of life of our indigenous people are an essential aspect of our tourism product offering. This Government having recognized this tremendous potential, established a task force to develop an action plan for the enhancement of the Kalinago Tourism product, with the aim to launch the 'Kalinago Pillar in this fiscal year. Towards this end, 350,000 has been allocated for the enhancement of the physical infrastructure, marketing support and creative tour packages. We are optimistic that not only will we augment our visitors experience but also increase the economic well-being of our Kalinago people.

Mr. Speaker, Dominica's cultural heritage is integral to our high-quality tourism product and distinguishes our island from other tourism destinations. We are looking forward to the hosting of our internationally acclaimed, World Creole Music Festival and Dominica's Carnival, The Real Mas, after a two-year hiatus due to COVID-19.

One of the largest cable car projects in the world will be constructed in Dominica from Laudat to the Boiling Lake, with an investment cost of \$148.5 million. On completion many who were unable to visit the Boiling Lake either due to time constraints or physical challenges will be able to visit this amazing attraction. The project will create direct jobs on the cable car operations, which include customer service representatives, operators, mechanics, tour guides, trail and facility maintenance. In addition, there will be new opportunities for taxi services, selling booths for local restaurants, and other services.

### **Marketing - Re-imaging and Repositioning of the Tourism Industry**

Mr. Speaker, this Government will continue to position Dominica as a destination of choice for eco-tourism, sporting events, festivals, cultural activities, and conferences. The rave reviews we received from the successful hosting of a thrilling weekend of International Cricket earlier this month reinforces the opportunities to make Dominica one of the best sporting venues in the Caribbean.

We have refocused our marketing strategy to particularly highlight our key attributes as a Nature Island under 5 areas of focus: Aqua, Health and wellness, Agrotourism, Adventure, and Festivals and Events. Two additional areas will be established in this financial year - Kalinago Tourism Development and Romance in Nature.

## **Access**

Upon completion of the International Airport, access to Dominica will improve significantly which will further increase tourism arrivals and trade, leading to economic growth and job creation. While the airport is being constructed, we will continue to improve connectivity to Dominica through our main ports of entry. To accomplish this, we will continue discussions with targeted airlines to increase the options for convenient travel to Dominica. Advances in air access to Dominica is complemented by the rapidly growing hotel sector. By the end of 2023, we anticipate that 498 new hotel rooms will be added to our hotel capacity.

## **Visitor Experience**

### Capacity Building/ Training

Mr. Speaker, in an effort to prepare tourism service providers for the growth in this sector, this year, priority will be given customer service training to enhance visitor experience. Guest experience is critical to expanding the industry. Therefore, it is important that tourism stakeholders, including workers in the industry, see themselves as ambassadors of our country in performing their functions.

### Environment - Beautification and Restoration

Another key aspect of our resilience strategy is our sharp focus on national replanting and beautification which enhances the tourism product. We have embarked on a National Highway Land Restoration and Beautification Project to beautify our highways while paying close attention to replanting trees which act as buffers to land slippage, trees which count towards reducing our carbon footprint (reforestation) and fruit trees which can contribute to food security. This will be done on a phased basis, focusing on the E. O Leblanc Highway to be followed by the Imperial Road—that is, from Canefield to Douglas Charles Airport.

Additionally, we will continue to strive towards reducing our carbon footprint throughout the entire tourism supply chain by being more deliberate in our choices of packaging materials, construction practices, and use of renewable energy.

Mr. Speaker, as we pursue this goal of an iconic, sustainable, world class destination, I wish to stress the importance of how our everyday actions as citizens impact the tourism product. We all have a role to play, to ensure that we provide a memorable visitor experience that exceeds guest experience. Our country must be kept clean and we must all continue to offer the warm Dominican hospitality to our fellow citizens and visitors. We must all embody the mantra that tourism is everybody's business.

The abovementioned interventions will all ensure that the Nature Island product is world class and second to none.

## **Agriculture**

Mr. Speaker, this Government has always made agriculture a priority. Since the passage of hurricane Maria, almost five years ago, my government has invested \$145.6 million in agriculture, to sustain livelihoods, ensure the consistent supply of fresh produce to meet local consumption and to meet export demand. This Government's investments have resulted in economic growth, increased employment, and higher foreign exchange earnings. As we have for the past 22 years, this Year, we will continue with our investments in agriculture to the tune of \$55.0 million (\$8.2 million under recurrent expenditure and \$46.8 under Capital); representing an increase of \$15.5 million over the last Fiscal Year. Our investments will be targeted to respond to the new and emerging global challenges as well as opportunities to increase market share locally, regional, and internationally. Our focus is on ensuring that we can increase productivity and production, while at the same time, generating individual and national wealth.

Our goal is to increase agriculture's contribution to GDP to 700 million by 2030. Our Agriculture 2030 Plan will focus on the following:

- A. Increase in Production of (i) Agricultural produce, (ii) Livestock, (iii) Horticulture, and (iv) Fishing to eliminate the need for importation and to increase our exports.
- B. Expand Market Share locally, regionally, and internationally to enhance the Nature Island brand.



C. Increase Agro-processing output to add value to our agricultural produce

This Budget is a demonstration of our efforts to establish a wide range of programmes and projects throughout the value chain to achieve our goals.

**Increased Production in Fruits and Vegetables**

Mr. Speaker, by expanding cultivation areas, scaling up production through innovation and technology, encouraging new entrants into the markets, adopting requisite technology and the introduction of new varieties, Dominica will be in a better place to produce consistently higher yields, volumes and quality.

Government has made the policy decision to ensure that our non-traditional fruit and vegetable subsector is an integral part of Dominica's food system and to facilitate the transformative role that the agriculture sector will play in the economy. Produce such as bell peppers, broccoli, and cauliflower are gaining popularity among local consumers, and fruits such as cantaloupes, dragon fruit, strawberries and blueberries can complement the local supply of watermelons and passionfruit. Tied to the global movement of an appeal for healthier foods, tropical and exotic fruits continue to appeal to local and foreign consumers, creating a strong position for Dominica to advance its agriculture sector.

**In Fiscal Year 2022/2023, Government will invest an initial \$1,000,000 in the provision of greenhouses, saran netting locally (also referred to as cover material), insect netting, equipment, irrigation systems, and other necessities to ensure that fresh vegetables and fruits will be available and affordable year-round – this is fundamental if we are to reduce our food import bill and achieve food security.**

Government will also continue its propagation programme to ensure a minimum of 600,000 seedlings are propagated and distributed to farmers at a subsidized price, as an incentive for production. Our propagation capabilities will be complemented by the increased capacity from the Agriculture Science Complex Building at One Mile, which is being constructed to the tune of \$13 million with grant funding from the People's Republic of China. It includes a

379 square metre tissue culture facility that will also afford us the ability to propagate more weather and pest- and disease resistant plants. In addition, it will allow for genetic testing of plants and the opportunity to introduce new propagation techniques.

Mr. Speaker, the consumption of bananas, is a good source of vitamins and minerals that can help lower blood pressure and contribute to the health of one's heart. Several farmers continue to produce bananas with the support of this Government, especially with inputs and to combat the spread of black sigatoka. Increased and targeted investments in bananas will take Dominica a step closer to satisfying the growing local demand and for exports.

**A special fund in the amount of \$1.0 million will be established to support large banana farmers. A fixed number of banana farmers will be targeted based on their historical performance and growth potential.**

#### **Expansion of The Livestock Sector**

Mr. Speaker, we have developed a livestock expansion plan to take into account the concerns of our farmers on the rising cost of animal feed and chicks, triggered by recent global events. We have the in-country capacity, infrastructure, and systems to increase our local production of chicks, to meet the demand for locally produced chicken and eliminate the need for imports.

For us to take full advantage of the poultry market, we must continue to build capacity in local production. To this end, Government will invest in an initial 10 poultry farmers to increase their capacity to 10,000 chicks. The intention is to enable local farmers to be able to fully supply the local market with whole chicken thereby negating the need for imports. In addition to this investment, government will also consider a tariff on whole chicken imported in Dominica.

This Fiscal Year we will rehabilitate the National Abattoir at a cost of \$3.8 million to improve its operations and output. We have already begun restructuring the operations of the National Abattoir to accommodate the increased capacity. Our enhancement plan will include provisions for special processing and cuts, packaging and branding of chicken and meats. We have

already begun work on the enhancement of our payment system to ensure that payments to local suppliers to the abattoir are made more efficiently.

Part of our livestock expansion effort also entails the development of a pasture, and forage banks of locally available plant species, undertaking the necessary research and development to formulate animal feed using local materials, as well as subsidize local hatcheries for a specific period of time till they are able to produce quantities and quality of chicks necessary to sustain local production and possible export. Government will invest \$345,000 to begin exploration of those activities.

### **Procurement of Agricultural produce**

Mr. Speaker, once farmers are assured of a reliable market at a reasonable price, they will produce. In our efforts to incentivize farmers to increase production, this Fiscal Year, your Government will make available an additional \$5.0 million to DEXIA as a revolving fund for the procurement of agricultural produce.

DEXIA, through the Multi-Purpose Packhouses, will become the organized buyer armed with the responsibility for logistics and packaging solutions to enhance our market needs of quality, price and consistency. These funds will enable DEXIA to expand its role as the main facilitator in the market and to channel Dominica's agricultural produce within our domestic and foreign markets.

In order to equip farmers to take advantage of this opportunity, we will provide \$3.7 million to strengthen at least five (5) new farmer producer organizations and crop production clusters to improve economies of scale. This measure ensures that producers can increase food production and are assured income by having stable buyers for their fresh produce.

### **Greater participation of Youth in Agriculture**

Dominica's youth, and in particular, young professionals with qualifications in agriculture and related fields are viewed as a respected resource for the modernization and advancement of agriculture in Dominica. They bring their technological competencies to complement our traditional farmer base that will help devise concrete solutions to the many challenges which confront the growth and true potential of the sector. Government is determined to

leverage the talents and skills of our youth as a game changer for agriculture in Dominica.

We are aware that there are several influencing factors which affect their participation in agriculture including their farming experience, access to credit, and land access, among others.

In Fiscal Year 2022/23, Government has earmarked \$1.0 million to support young people with the drive and passion to farm, and form alliances to set up on a farm for the first time or to modernize and expand their current farm facilities. This support will include grants for start-up capital, labour and supplies to eligible young people.

Through these investments, young Dominicans will be able to enhance their participation in Dominica's agriculture sector, boosting overall productivity and increasing individual and household incomes.

### **Climate SMART Agriculture**

We have developed an agriculture policy framework that is in keeping with the Government's commitment to become the World's First Climate Resilient Nation. It outlines a vision for a resilient and sustainable agricultural sector which promotes innovation and technology in order to guarantee increased yields, quality, consistency of production, safe and nutritious fresh produce.

In this financial year, at least fifty (50) farmers who are already in active production, will benefit from a greenhouse introduction and repair programme, and 40 acres of cultivated farms will benefit from farm irrigation units.

In this Fiscal Year irrigation systems will be installed in the farming communities of Calibishie and Salisbury. The estimated cost of these two systems is EC\$486,000.

### **Access to Agricultural lands**

We will also identify and build a register of vacant agricultural lands that can be put back into production. We will encourage the leasing or sale of these

lands either directly to the Government, or to private individuals. We anticipate that by next year, Government will have in place a system to make these lands available to interested farmers.

### **Reform of Extension Services**

As the agricultural sector develops and becomes increasingly commercialized, technology transfer and advisory services will need to be strengthened and specialized. This is particularly relevant within the context of the plans to transition towards greater use of innovative and technology driven extension services.

Our goal is to shift the focus of extension services to a demand driven service supported by a series of demonstration farms owned by the Government, and private farmers. This will allow farmers and new entrants into agriculture, to be introduced to new farming techniques, varieties, and the use of technology.

### **Increase in Market Share locally, regionally, and internationally – Enhancing the Nature Island Brand**

#### *i. Implementing measures to increase domestic consumption*

Mr. Speaker, our purchase of local produce will help to create employment for our people, reduce our food import bill, and improve our balance of trade (foreign exchange),

As we expand production of agricultural produce, livestock, and value-added products, we will implement a special licensing regime on imports where there is adequate domestic production to supply the local market.

DEXIA and the National Abattoir will work with supermarkets to ensure the consistent supply of quality local produce and products. We commend the owners of our local supermarkets for their existing arrangements with farmers. It is not our intention to disrupt any working relationships that exist. Our aim is to facilitate, strengthen and expand the linkage between local supermarkets and local producers where necessary.

#### *ii. implementing measures to increase exports*

Historically, Dominica has been a major supplier of agricultural produce to our brothers and sisters within the Caribbean and to a lesser extent, to North America and Europe. Our market share, continues to be challenged by competition from other regional and extra-regional competitors, inconsistent supply of quantity and quality, and new and increasing demands being made by consumers.

a. Support to hucksters

This year, DEXIA will reinstitute its credit facility to hucksters to facilitate their purchase of produce for exports.

b. Buy Dominica Depots

An additional \$1.5 million will be invested in the establishment of Buy Dominica Depots in strategic Caribbean markets. Collaborative arrangements will be reached with private investors in St. Kitts, Antigua and Tortola and full depots with ripening rooms will be established in St. Maarten, and St. Thomas. The investment in ripening amenities, cold storage, and vending outlets is meant to increase the country's attractiveness as a supplier and offer combined shipments and a wider assortment of fresh produce in larger volumes on the market.

Investing in these depot type facilities will help ensure that fresh foods are available, accessible, and affordable to all consumers; and will open new avenues to be part of untapped value chain opportunities in these countries. These are fundamental if we are to position ourselves to lead on the achievement of food security in the region in the years ahead.

Government will set aside an amount every year for more aggressive marketing and promotion of Dominica's products and produce. We will establish a special team within the Ministry of Trade, whose only tasks are to promote Dominica products and find new markets locally, regionally and internationally. This year we have allocated \$1.0 million for marketing and promotion of Dominica's produce and products. However, this allocation will increase once the team's strategy is in place and the programme is fully underway.

### **Value Added**

Adding value to our agricultural produce extends its shelf-life and increases its economic value. We are therefore, determined to support the growth and development of agro-processing to make a greater contribution to our economy and especially, to reduce our food import bill.

Work on the design and the necessary studies for the development of a national agro-processing facility, is ongoing in partnership with the CDB. To support the growth of micro and small businesses engaged in value-added production we will continue our support to them. Government will:

- Provide \$5 million in grants to small businesses, part of which will target micro agro processors engaged in developing value-added products.
- Provide a separate facility of \$1.0 million to support our producers of local juices to be able to expand and enhance their production
- Lease industrial sheds and land from the AID Bank from its Industrial Estates in Canefield and Grand Bay, to provide space for setting up of facility to provide support and services to micro-processors.

The world is moving towards organic/natural products and the Dominica Essentials Oils Cooperative wishes to position and capitalize on the opportunity that exists for organic products. There has been an increasing demand for natural essential oils and the market demand for bay leaf oil has also been growing exponentially. This presents great manufacturing and market potential opportunities for the use of the bay oil in development of highly priced products. Government will provide a grant in the amount of \$100,000 to Dominica Essential Oils to facilitate the production of hand sanitizers and other finished products using local bay oil.

### **Rehabilitation of Farm Access Roads**

Also, this year, Government will continue the rehabilitation of the following farm access roads:

1. Carholm Road via Mero;
2. Boplan at Paix Bouche;
3. Mango Gutter Wesley;
4. Formie, Castle Bruce;
5. Agriculture Station Road in La Plaine;

6. Grand Riviere, La Plaine
7. Macaton, Grand Bay
8. Middle Ridge Road, Calibishie

It is Government's intention to continue the farm access road rehabilitation programme with a group of roads every year, giving priority to those serving high production areas, until all of the roads are repaired;

### **Advancing the Blue Economy**

Mr. Speaker, rehabilitation work will continue on the Roseau and Marigot Fisheries Complexes. They will serve as a centralized location for fish postharvest and quality enhancement services, geared towards export and local market distribution needs. Over the last 6 to 8 years, net fish landings have increased steadily with greater emphasis placed on the quality of fish on the local market. This achievement has largely been attributed to sustained efforts from Government in partnership with the Government of Japan.

In addition, Government is in the process of establishing new management structures for the fisheries complexes including public-private partnership to provide professional services for the implementation and maintenance of a HACCP system to meet international standards.

Government will also focus on restoring, enhancing and establishing key services, infrastructure, slipways, and equipment on a community level at selected Fish Landing Sites, inclusive of FADSs owned by the Government. Interventions costing \$700,000.00 are expected to be undertaken in Scotts Head, Soufriere, Fond Cole, Mahaut, Bioche, Dublanc, San Sauveur among other Fish Landing Sites aimed at collectively improving the overall resilience of the fisheries sector.

The objectives of the upgrade of these community infrastructures are clear, for the development of sustainable local fisheries and to support growth of a range of blue economy sectors (namely tourism and trade).

Mr. Speaker, our farmers have assured me that they are ready to transform agriculture to achieve the target of \$700 million contribution to GDP. As has been presented, Government has begun putting measures in place to achieve this target. This will be an opportunity for sustainable development and



increased wealth for our farmers. There will be significant spill over benefits for agro processors and the private sector so we encourage every Dominican to give priority to the consumption of our local produce and products.

Mr. Speaker, these significant investments in the development of our agriculture sector will position us to secure our place as the food basket of the Caribbean.

The success of our efforts, the success of the efforts of our farmers, depend heavily on the consumption practices of our citizens and residents. I therefore reiterate my call to all of us, to give priority and preference to buying local.

### **Development of a Medicinal Cannabis Industry**

Mr. Speaker, as we move to develop a medicinal cannabis industry, we have been working with the IMPACT Justice Project to prepare the legislative framework. A technical committee which includes a wide cross section of stakeholders has been appointed by the Cabinet and is considering the significant elements necessary for a successful medicinal cannabis industry.

This Fiscal Year, while work is continuing on the new legislative framework, we will take legislation to the House, to permit agro-processors engaged in manufacturing by-products of cannabis to purchase cannabis locally. Agro-processors will be required to carry licenses granted by the Commissioner of Police and other regulating agencies. Furthermore, we will decriminalize the sale of by-products of cannabis such as, balms, oils and creams produced locally.

### **Small Business**

Mr. Speaker, micro and small business owners can now apply for fiscal incentives licenses at the Small Business Support Unit in line with the Government's decision to upgrade the Unit into a one-stop shop for small enterprises.

In last year's Budget Address, Government announced that the Small Business Unit would be refocused to expedite processes for small business applicants, including requests for concessions under the Fiscal Incentives Act.

The Cabinet has approved new guidelines for the granting of fiscal incentives licenses to micro and small enterprises effective July 1, 2022. The responsibility for investments by micro and small enterprises has been reassigned from Invest Dominica Authority to the Ministry of Tourism, International Transport and Maritime Initiatives.

The processing of fiscal incentives is a significant addition to the existing portfolio of the Small Business Support Unit, which provides grants, business advisory services, technical assistance and marketing support to small businesses.

Mr. Speaker, the \$27.8 million loan facility for small and medium enterprises remains available at the AID Bank. Earlier this month, Government and the AID Bank adjusted their Agreement to allow more flexible repayment terms for businesses engaged in seasonal activities, such as our taxi operators and craft vendors.

### **The Digital Economy**

Mr. Speaker, this year Government, with support from the UNDP, completed the development of the country's National Digital Transformation Strategy. That Strategy presents a vision that by 2026, driven by digitally skilled people, Dominica will be a vibrant, inclusive, and resilient digital economy with affordable, reliable connectivity and efficient online services to accelerate growth, innovation, and sustainable development.

The strategic priorities for Digital Transformation in Dominica include People, Business and Government. Government will focus on the transformation of key sectors such as education, healthcare, agriculture, fisheries, tourism and the financial sector.

The Government of Dominica will pursue internship opportunities to individuals who have successfully completing the digital training courses offered under the project. The individuals who meet the criteria will be placed at institutions, businesses and government agencies for a period of five months for on the job learning and development.

Further, the project will be rolling out a training program for small to medium business owners and managers which will equip them with digital skills such

as the ability to sell his or her products online, online content management, effective use social media, etc. This is part of an advanced digital skills development and job coaching program that is being implemented under the project.

We will also invest \$1.85 million to create fifteen (15) innovation hubs around Dominica. Government believes that no one should be left behind and this digital transformation is meant to benefit every citizen in every corner of Dominica. These technology hubs will be equipped with state-of-the-art equipment which will be used to provide free training courses and resources to educate and retool all our citizens. These hubs will provide a space to nurture and encourage innovation in the communities. The hubs will also serve as venues to discuss Information Technology Projects as well as a space to “pitch” ideas and projects to international, regional and local stakeholders.

### **Geothermal Development**

Mr. Speaker, generating power from renewable resources creates energy independence and can reduce the impact of the escalation in the price of fossil fuels on the international market. We therefore remain committed to the development of our first geothermal plant in the Roseau Valley.

#### Drilling

On February 15, 2022, a \$33.7 million contract was signed with Iceland Drilling Company, they will drill two additional wells in Laudat towards the end of 2022. In preparation for the drilling of the wells, a contract was signed with ACE Engineering Limited on April 28, 2021 for \$ 8.5 million, to prepare the well-pads and access roads. They are nearing completion of the first well pad and access road and have started work on the second well-pad. Once the wells have been drilled and tested, we will proceed with the construction of the power plant.

#### Power Plant

The preliminary designs for the power plant have been completed and we will sign the commercial agreements and begin mobilization for construction of

the power plant this year. The construction period is estimated at 18 months. We expect that by 2024 our 10 MW geothermal plant will be online.

#### Transmission Network

We have also awarded two contracts valued at US\$2.5 million, for the preparatory work for the development of the transmission network from the Roseau Valley to Fond Cole and from Fond Cole to Sugar Loaf.

This transmission network will make it possible to connect the hydro and geothermal power plants from the Roseau Valley to the rest of the country. The lines will be upgraded from the existing 11 kV to 33 kV and 69 kV. The upgraded lines will result in a reduction of line losses and will be built to withstand the impact of a major climate related event. This is a significant component of our climate resilience plan for the electricity sector.

Geothermal power will eliminate the fuel surcharge currently paid by consumers of electricity. This will result in a significant reduction in the price of electricity to all consumers.

Mr. Speaker, I say to our young people, that the investments that we are making in the development of our geothermal resource is for them. A future Dominica with high paying jobs and careers in the areas of geological sciences, geothermal energy, project management, mechanical, industrial and electrical engineering. There will be opportunities for our young entrepreneurs and the private sector to be innovative and develop new businesses in areas such as logistics services, utilities management, environmental management and spatial planning among many others.

**Against climate change and economic shocks, against pandemics and resource scarcities, against global market uncertainty and supply chain disruptions, this Government is building our people's resilience and securing our nation's sustainable development.**

## PILLAR 3:

### INVESTMENTS IN CITIZENS WELLBEING

Mr. Speaker, when this chapter of the Dominica Story is written, this Labour Party Government will be cited as the Government which represented the interest of every Dominican, and transformed their lives, livelihoods, and circumstances.

Over the past two decades, we have implemented a slate of programmes to support and protect the elderly, provide equal education opportunities for young people; grant incentives for micro, small, medium and large business; provide extensive financial and technical support to farmers and other producers; introduced numerous tax relief measures; upgraded main and community roads across the country; ensured access to new modern health care and health facilities; improved and upgraded sports facilities. All of these, along with many other measures implemented by this Government, have positively impacted the way of life of every resident in this country.

Mr. Speaker, as we forge ahead to implement our resilience agenda, our people remain our central focus. Therefore, notwithstanding the need for fiscal consolidation after two years of sluggish revenue collections, **Government has included all of its traditional social programmes in this year's Budget.**

#### Health

Mr. Speaker, Government will enhance the Primary Health Care System. The current system served us well in the past and remained a model system for several decades. However, we are of the view that we must, as a people, redouble our efforts to tackle head on, the issue of chronic non-communicable diseases (NCD's) through the enhancement of our Primary Healthcare System. PAHO has gladly accepted our invitation to partner with us in this endeavour and a roadmap has been prepared.

Activities under this initiative will include technical support to foster an integrated approach between primary care and hospital care. This will include Electronic Health Records integration; communication and coordination of health teams supported by an All-in-One Telehealth Platform with connectivity to the Dominica China Friendship Hospital for telehealth which will facilitate more timely care upon arrival at the Hospital.

Also, we will see an increase in health promotion and training of healthcare providers to support prevention and management of NCDs consistent with our healthy lifestyle and wellness goals. In an effort to advance and implement actions needed to combat NCD's in our country, the Ministry of Health, Wellness and New Health Investment will appoint a National Coordinator on NCD's, effective September 1, 2022. It is our hope that this and other actions taken by the Ministry will signal an urgency for all of us to take preventative measures to combat NCD's.

Additional improvements in primary health care will be facilitated by the recently commissioned Health and Wellness Centres. This year Government will commence construction of new Health and Wellness Centers in the City of Roseau, St Joseph and Grand Fond, while the Savanne Paille facility will be completed this Year. We also expect to commence and complete designs for the new Reginald Armour Hospital in Portsmouth, and for works to commence immediately thereafter.

These initiatives will ensure that a resilient Dominica is predicated upon healthy people and a sound, effective, health care system.

Mr. Speaker, with the opening of Dominica's two new hospitals, health care clinics and facilities, new skills and competences will be required. In addition, new jobs will become available. There will be a need for additional lab technicians, scrub technicians, nurses and other health care workers as well as pharmacists and other ancillary and support personnel. We encourage our citizens to ready themselves for these new employment opportunities.

## Education

Mr. Speaker, this Government is committed to helping our children build a solid foundation, to excel not only academically but also in their social development. To realize this goal we will upgrade the Kelleb Laurent, Jones Beaupierre, Salybia and Castle Bruce Primary Schools to increase access to earlier childhood education.

The designs for the Goodwill Secondary School, as well as the Thibaud, Tete Morne, Calibishie and Sineku Primary Schools have all been finalised and are on course for construction to commence in 2023. We are grateful to the People's Republic of China for its generous gift and also the patience and understanding of the residents of the communities where these schools are to be constructed. There are times we must all subscribe to the old adage that good things come to those who wait. I can say to these communities that your schools will be of the highest class and quality.

Mr. Speaker, I have said repeatedly that the Grammar School is an iconic school in our country, and no one can contest this, and therefore the architectural designs and aesthetics must befit its contribution to this country. Work has started on the new Dominica Grammar School and will continue in this Fiscal Year to bring this vision to reality. Mr. Speaker some \$43 million will be spent on this facility, and some of the amenities will include but are not limited to, a massive auditorium, sporting facilities, modern science labs and enhanced and improved facilities for teachers.

Further, Mr. Speaker, we look with excitement to the construction of an early Childhood facility at the Baroness Patricia Scotland Primary School in Vielle Case to be funded by the Maria Holder Memorial Trust.

Works will also continue on the rehabilitation of the Grand Bay Primary School and the Castle Bruce Secondary School.

We are determined to provide access and ensure a comfortable learning environment for all our children.

Mr. Speaker, experience has shown that student's enrollment in clubs creates a more balanced learning environment, builds student's confidence and social skill, and provides opportunities for them to undertake their civic duties. With

this in mind, Government will appoint a Director for 4H within the Ministry of Education to lead the expansion and development of 4H clubs in our Primary and Secondary school.

Additionally, the tender process for the rehabilitation of the Dominica State College is almost complete and a contract will be awarded by early August 2022.

### *New Medical School*

Mr. Speaker, since the departure of Ross University, Government has received several expressions of interest to establish a medical school at that facility. I am pleased to announce that after several months of negotiations, Government has entered into an agreement with CSOM Holdings Limited for the operation of a medical school at the former Ross University Campus at Picard which will be named the American Canadian School of Medicine.

The school will offer a 4-year medical degree (MD) designed for students who have already completed Bachelor degrees and will be run by an experienced team comprising doctors who have held positions at major universities in the United States including a former Vice President of Operations of the Ross University School of Medicine.

Most of the students are expected to come from Canada, the United States of America and the Caribbean. Initial preparations for a September 2023 commencement have started and will accelerate over the next few months.

I urge all Dominicans to be prepared for the opportunities which will be created with the return of a medical school to Portsmouth. We are optimistic about the potential of this new school and its positive impact on Dominica and on the people in the North in particular.

### **Housing**

Mr. Speaker, while housing traditionally has not been a primary responsibility of any Government, this Labour Party Government has recognized our social responsibility to our people. Natural events have also reminded us of how important it is to a family, to have a safe and secure dwelling.



This Government's housing revolution is unprecedented not only in Dominica, but I daresay in the Caribbean. This Government has facilitated thousands of families to own their own homes, by several mechanisms including the provision of funds at low interest rates to financial institutions; provision of cash and building materials to assist families to build their own homes and in most cases Mr. Speaker. the Government has financed and constructed homes for vulnerable families.

This year Government will construct no less than 700 new homes for vulnerable individuals and families across our country. It is important to note that we have the committed financing to achieve this.

Mr. Speaker, there are several components of the Housing Revolution but today I will focus on the newest component, "The Future Housing Programme" targeting young professionals and young people in our country. That programme was formally launched on July 17<sup>th</sup>, 2022, and has gathered tremendous interest from our young people.

Mr. Speaker, under this Programme Government will construct homes which be available for purchase by young people employed in the public service or private sector in Dominica, and to Dominicans residing in the diaspora. I am now pleased to report that we have commenced the first Phase of the Programme under the theme "Empowerment through Ownership - A Path to Generational Wealth". The first Phase will target young people residing in Dominica and employed in the public and private sectors. These homes will contain two (2) or three (3) bedrooms with an option to add other amenities based on the individual's financial ability.

To ensure the full participation and input of the youth to whom this Programme is targeted, we have established a 21-member group made up of young men and women within the public and private sectors who will serve as advisors to the government on this initiative. These millennials have already started working fervently on the Programme and have made recommendations on the master plan to include designs, amenities and landscaping. The group has also recommended a residence policy and a community management plan for the development.

Mr. Speaker, under this programme, my government will construct homes in Warner and in Cotton Hill in Portsmouth in the first instance. Government intends to extend this Programme to GrandBay and Hillsborough Gardens in the second phase. Mr. Speaker, I am also pleased to announce that we have tremendous support from the unions.

A number of the financial institutions have consented to partner with us to provide mortgages at discounted interest rates as low as 4 percent. These institutions include the National Bank of Dominica, West Coast Credit Union, Central Cooperative Credit Union, Republic Bank, Marigot Cooperative Credit Union, and National Cooperative Credit Union. Also Mr. Speaker some suppliers of building materials, furniture and appliances, insurance companies and contractors have accepted the invitation to partner with the Government in this effort, recognising that these investment opportunities can result in positive wealth creation and growth for all sectors of the economy.

The homes will be sold at highly discounted rates to the young people of our country.

## **Sports**

Mr. Speaker, our investments in sports will continue this year. Government will move ahead with a number of initiatives to use sports as a tool to achieve our goal of building stronger communities. The restoration of the lighting of the Windsor Park Sports stadium to boost the continued hosting of local, regional and international sporting activities after dark, will commence. This is expected to increase social and economic opportunities for our people, businesses and country.

In addition, work will continue on the rehabilitation and restoration of a number of playing fields and other sporting facilities, while in partnership with the Dominica Olympic Committee Government will actively pursue the establishment of an Olympic size synthetic athletics track at Pointe Ronde.

While we deal with arrangements to finalise the framework to establish the National Sports Council, Government is moving ahead and will create a National Sports Trust Fund by September 2022 at the National Bank capitalized with resources from the Government and the Dominica Lotteries

Commission totalling \$500,000. This Fund will be used to assist athletes and people engaged in other sporting events preparing for international competition.

Mr. Speaker, during the last Fiscal Year Government partnered with Clear Harbor to open a new Call Center at Jenner Hall in Portsmouth. This has created employment for 176 young people. We are in the process of setting up another call center targeting the employment of another 300 young people by October 2022.

**Dominica's social stability and the ability to retain our youth as nation builders, rest on our investment in citizen resilience and wellbeing.**

#### *FISCAL AND OTHER MEASURES*

##### **Introduction of a Tax on Abandoned Properties**

Mr. Speaker, in my last two budget addresses, I stated that this Government will introduce a tax on vacant and abandoned properties starting in the city of Roseau. This has been endorsed by several stakeholders including City residents, members of the DAIC, other businesses and institutions. In preparation for this measure, we have provided early notice and also reduced the land transfer fees to encourage owners of these properties to address any property ownership issues.

Two years after the first announcement, we are ready to implement the first phase of the Abandoned Property Surcharge on vacant land and abandoned properties in Roseau-- from the Roseau River to High Street excluding Goodwill, Bath Estate, Elmshall, Morne Bruce, Kings Hill and Newtown.

The surcharge will be applied at a rate 50 cents per square foot, per year payable by August 20 every year for the immediate 12 months ending July 31, or part of the 12 months when the property was vacant. This surcharge takes effect from August 1, 2022. Therefore, the first payment is due on August 20, 2023.

This tax is payable to the Comptroller of Inland Revenue, and it will be in addition to the taxes due to the Roseau City Council.

Mr. Speaker, this is not a revenue measure. Instead, it is for the safety and health of resident and users of the city, and to improve its aesthetics. It is our hope that the introduction of this surcharge will encourage owners to put their properties into good use.

I take this opportunity to alert property owners in other prime and heavily populated areas that it is Government's intention to extend the surcharge to other parts of the country on a phased basis.

### **Removal of Charges and Taxes applicable to the import of Pleasure Crafts**

Mr. Speaker, two years ago, we announced the removal of VAT and import duty on pleasure crafts and excursion boats, measuring at least 45 cubic metre, and their engines in order to begin stimulating economic activity in that area. This year, Mr. Speaker, to further stimulate yachting activities, we are taking this initial measure one step further.

With effect from September 1, 2022, we will remove all duties, taxes, levies and charges on all pleasure crafts—and engines of pleasure crafts, imported into Dominica.

Increased number of vessels anchoring in Dominica for extended periods, will result in increased employment and business opportunities for Dominicans; help diversify and sustain the economy; and create yet another avenue for Dominicans to recreate.

### **Establishment of a Small Ships Registry for Pleasure Crafts**

In addition, Mr. Speaker, with effect from September 1, 2022, we will create a small ships registry opened to small pleasure boats of up to 75 feet long at a cost of US\$250 for one year or US\$650 for three years. Fee will be payable online via the Government Payment Portal. This small ship registry, will only be open to pleasure boat owner from Dominica, other CARICOM member

states, Dutch St. Maarten, and the French overseas territories of Martinique, Guadeloupe, Marie Galante, the Saints and St. Martin.

Qualifying pleasure craft owners must present evidence of ownership and insurance. No maritime inspection and no cruising permit will be required.

Mr. Speaker, this measure will encourage pleasure craft owners from neighbouring islands to register their vessel and make Dominica their home.

### **Removal of VAT on Agricultural Tools and Potting Soil**

Mr. Speaker, when the VAT was implemented in 2006, Government exempted the import and supply of agricultural inputs, equipment, machinery and other products used in agriculture. We exempted motor vehicles imported, by qualifying farmers, from excise tax. Import duties had already been removed on these goods.

To support our efforts in achieving increased production in agriculture, effective September 1, 2022, Government will also remove VAT on agricultural tools and potting soil.

### **Grants to First Time Home Buyers**

Mr. Speaker, the maximum \$10,000 grants to first time home buyers and builders which started in September 2020 will continue this year. An amount of \$1.0 million has been allocated for this Programme.

### **Permanent Reduction of Land Transfer Fees**

From September 2020, Government temporarily reduced the fees on the transfer or purchase of land. This reduction will be made permanent when the temporary measure expires. Therefore, effective November 1, 2022 the following fees will be applicable on the transfer of land:

- Stamp duty            2 percent
- Judicial Fee            1 percent
- Assurance Fund    1 percent
- Fee to Lawyers    A maximum of 2 ½ percent

The fees payable by the seller of the land will remain at 2 ½ percent

In addition, Mr. Speaker, it has been brought to my attention that several individuals lost their certificates of titles during Hurricane Maria and are having great difficulty in obtaining a replacement title. This is so because the fees for a replacement title are similar to that of new titles. The current Government fees are as follows:

- Assurance Fund 1 percent
- Judicial Fee 1 percent
- Stamp Duty \$7.50

In order to facilitate these individuals, with effect from August 1, 2022, such persons will only be required to pay to the Government the lesser of the current fees or \$5,000.00. This means Mr. Speaker that the maximum a person will pay to replace a certificate of title is \$5,000.00.

### **Temporary Reduction in Motor Vehicle Licenses and Removal of Highway Levy**

Mr. Speaker, as all of us are aware, the price of fuel has increased worldwide as a result of shortages caused by the Russia-Ukraine War. We are mindful of the negative impact on all residents. Therefore, effective May 2022 we began granting subsidies on import of diesel and gasoline.

Notwithstanding these subsidies this Government remains concerned of the impact of the increased fuel prices on the people who provide transport services, for example our bus, taxi and truck owners.

Therefore, Government will grant a 50 percent reduction in the motor vehicle licenses on:

1. Public service vehicles used for carrying passengers, for example, taxi and public buses;
2. Trucks and dumpers available for hire

This measure will be for **one year** effective August 1, 2022 to July 31, 2023.

In addition, Government will discontinue the Highway Maintenance Levy which was imposed in September 2015 also effective August 1, 2022.

The discontinuation of the Levy will result in savings of \$100 for owners of private vehicles and \$150 for owners of commercial vehicles, truckers, dumpers and trailers.

Therefore Mr. Speaker, between these two measures, a mini bus owner who currently pays \$880.00—that is, \$730 for motor vehicle licences and \$150.00 for Highway Levy—will pay \$365.00 on renewals between August 1, 2022 and July 31, 2023; thereby saving \$515.00 over the next year; and \$150.00 thereafter. The savings are much higher for the large truck drivers and dumpers.

### **Reduction of VAT on Electricity**

Mr. Speaker, the rising price of fuel, has caused our electricity bills to increase sharply since January 2022. Whilst Government is not in a position to remove all of the VAT charged on electricity, effective August 1, 2022 we will increase the number of VAT free units from 100Kwh to 150 Kwh of electrical energy provided by DOMLEC to domestic consumers per billing period. Mr. Speaker, currently, I have been advised that this measure will benefit the 14,534 domestic customers whose consumptions are currently above 100 units.

In addition to this Mr. Speaker, effective August 1, 2022 there will be NO VAT on fuel surcharge charged on DOMLEC Bills. This means Mr. Speaker, the VAT on fuel surcharge on DOMLEC electricity services will be zero-rated from August 1, 2022.

This complete removal of VAT on fuel surcharge on electricity bills will apply to all category of consumers, namely, domestic, commercial, industrial, Government and hotels. Mr. Speaker, this measure will assist all of DOMLEC's customers except those who are already receiving the VAT free service.

DOMLEC is working on the recommissioning the PADU Hydro Plant which has been out of operation since Hurricane Maria. It is expected that this plant will be operational by November 2022. This will provide further relief by reducing the amount of diesel generated electricity and thereby reducing the fuel surcharge.

**In the current global climate, many governments are increasing taxes, or asking their citizens to carry greater burdens. This Labour Government is not taking money from our people, we are putting money in people's pockets. We are placing confidence in, and investing in the people of Dominica. In turn, we ask only for your best effort, your kindness and courtesy toward each other, and for your support and cooperation in the national interest.**

## **CONCLUSION**

I have spoken at length to our achievements in the last Fiscal Year, achievements that were hard fought for in a difficult global climate; and achievements that were hard won on behalf of every Dominican and residents of this country.

In framing our efforts to achieve development that is sustainable, we must be clear about the foundation on which we are building our social stability and economic growth and how these will be underpinned by principles grounded in the protection of our natural and built environments. We must be unrelenting in building the foundation and structure of national resilience, always asking the questions:

- *How do we become resilient as a nation, as communities, as individuals?*
- *How do we build our toughness, our capacity to withstand external shocks, to recover from these shocks quickly and with the least possible harm to infrastructure, property, limb, life, and livelihoods?*
- *How do we continue to put our people first and at the centre of national development?*

The Government has determined that the foundation of our development will be:

- **The People of Dominica** – ensuring access to quality health care, education and opportunity. We are investing in the people of Dominica and building the country's social capital, because of this Government's unwavering confidence and determination to achieve all that the Almighty has ordained for this Nation and its citizens.



- **The Agriculture Sector** – as the traditional bedrock of our community, a strong base for meeting regional needs for food and nutrition security, and the core of the Nature Isle.
- **The Digital Economy** – which is transforming the way in which people live, work, recreate and socialise, creating greater efficiencies, expanding business and economic opportunities, democratising the market place, empowering the individual as an agent in their own cause, and is central to what people refer to as the future of work.
- **The Renewable Energy Transition** – to give people and businesses an ease in energy costs and to serve as a lever for greater economic growth, while reducing our national carbon footprint.
- **The Tourism Sector** – is a clear taker of agricultural products and environmental services, as well as for revenue and foreign exchange earnings, job and wealth creation. The new international airport has a major role in the national tourism strategy.
- **The Small Business Sector** – contributes to jobs, community empowerment, the upliftment of families and a provider of new activity and services. They are at the heart of national growth.
- **Resilience Building** – at every level of society, economy and environment, in every sector and community.

I have today spoken to how we will build a future on a solid foundation, how we will protect, secure a prosperous Dominica for all Dominicans.

Mr. Speaker, external and natural shocks have caused us to stumble and fall in our efforts and aspirations for development, but we have never stayed on the ground. We have gotten up, joined hands and looked to the task ahead in faith, in the quiet assurance that it is not beyond us. And in faith, after each fall, we have risen stronger, more resilient, more successful, more determined, holding even more firmly to our personal dreams and our national aspirations.

Caribbean writer, Roselle Thompson puts it this way,

*“Never give up!*

*It's not that we fall, it's how we rise.*

*Sometimes you have to take night and make day!*

*When one door closes, many others will beckon you.*

*Perseverance and determination can break any barrier.*

*It's not how others see you, but how you see yourself; so crystalize that vision of you.”*

We are firmly on the road to building a resilient Dominica, to building a sustainable Dominica. We have achieved much in the worst of global climates. Together, let us keep fighting for our future, for a Dynamic Dominica that is a beacon state in the Caribbean and among small island developing states.

When we join hearts, hands, minds and effort with Almighty God, nothing can defeat us. Nothing can stop us from rising, Nothing can stop our forward march for our seniors, for our youth, for our future.

This is the agenda, commitment and promise of the Government of Dominica to all this country's people whether at home or abroad.

Let us rise above the challenges;

Let us see far beyond the horizon;

Let us embrace every opportunity;

Let us lift our eyes to the hills, to the mountains of this country from whence cometh our help, knowing that our help comes from God and with Him we will build and live in Dynamic Dominica..

May God continue to bless Dominica

