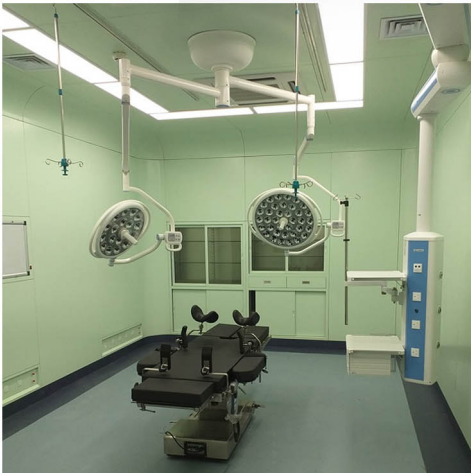




GOVERNMENT OF THE
COMMONWEALTH OF DOMINICA

2019 BUDGET



RECOVERY: MODERNISATION: TRANSFORMATION
A NEW SEASON OF DEVELOPMENT FOR DOMINICA

Presented by Hon Roosevelt Skerrit
Prime Minister and Minister for Finance

July 30, 2019

Madame Speaker, Cabinet Colleagues, Members of this Honourable House, Distinguished Guests, Fellow Dominicans, Residents and Friends.

I come to this Honourable House today to present my fourteenth Budget as your Prime Minister and Minister of Finance and to boldly proclaim “Glory! Glory to the Most High!”

I thank God for His grace and mercy, for showering His blessings on our country and for showing the way to new and better days for all of us.

Less than two years ago we were a nation and a people fearful for our future, written off by many as without a hope or a chance, living amongst the rubble of broken homes and shattered dreams. Our businesses and lives were bruised and battered. We had fallen, thrown to the ground by one of the most powerful weather systems the world had ever seen. But God has picked us up.

Today I say “Glory” for broken spirits reborn, for a recovering Dominica, for a renewed Dominica, for a resurgent Dominica.

Today, let us as a Parliament, a Nation, and a people say, “Glory” because with nothing more than our faith and determination, the support of good friends, we have moved from the loss of 96% of GDP caused by tropical storm Erika and 226% of GDP caused by hurricane Maria, to an economy that is growing at nine percent (9%) this year.

This is a significant and indeed miraculous rebound, given the enormity of the destruction that we had first to face, and then to overcome. This is why Madame Speaker, on Sunday 11th August, we will re-dedicate this Nation to the Lord, who has spared us from utter destruction. Together as a Nation, we will give Him the glory and praise.

He has touched the hearts of friends and partners throughout the world, and they in turn have assisted in lifting us out of the most tragic and destructive episodes of our history, as an independent country.

I also thank you, the people of Dominica, at home and in the diaspora, for your steadfast and persistent prayers, your unflagging words of encouragement and support for the Cabinet, my family and I. The confidence you continue to demonstrate in this Government, has strengthened our determination and deepened our commitment to serve you with every ounce of energy the Lord has given us.

Madame Speaker, when the Dominica Labour Party took on the challenge of leadership nineteen years ago, we inherited a country that was highly indebted and virtually bankrupt. Public Officers were not being paid on time. Their social security payments were being deducted by Government and not being paid the Dominica Social Security.

The United Workers Party (UWP) Government had mismanaged the country and the economy. The United Workers Party had contracted expensive loans, some at interest rates of fourteen percent (14%). These loans were so outrageous and unreasonable: they represented such poor judgment and leadership decisions that you the taxpayers are still paying for today.

The people of this country, put the UWP behind them, placed their faith in Labour, and with your support we were able to stabilise the economy, and turn the fortunes of this country around. We built a solid economy, improved health care and education, created greater opportunities for young people, modernised the national infrastructure and led the country in a way that has caused it to be respected across the globe.

It was not by accident that the international community lent support to get Dominica back on its feet. It is the result of the excellent international relationships, that this Labour Party Government has built in the region and the wider world. It is the result of the respect Dominica has garnered under this Administration. It is because the leaders of this Dominica Labour Party are respected and have credibility across the globe. Madame Speaker, that is what is needed in times of trial and trouble. That is what is needed, when calamity comes to our country.

This Labour Party Administration was tested like no other in this region, and as few across the world have been. But when it mattered, this Administration was able to take the necessary steps on the global stage, to immediately make a difference in our country. And you know Madame Speaker, when you looked around after hurricane Maria, it was the Labour Party that you saw in every community. It was the Labour Party that made the difference in the disaster. It is the Labour Party that really cares!

These nineteen years have not been without their challenges. As a Small Island Developing State with an open economy and limited resources, we remain extremely vulnerable to external shocks. The world economic crisis in 2008 had considerable impact on our development action plan and affected the growth rates of many economies in the developed and the developing world, including our own and others right here in the Caribbean.

Over this period, we have also suffered the debilitating impact of climate related disasters. We had tropical storm Ophelia in 2010, the Christmas Eve trough in 2013 and the brutal tropical storm Erika and hurricane Maria in 2015 and 2017 respectively. Though these storms have severely set back plans that we had to grow the economy, and develop our infrastructure, we are bouncing back at a faster rate than many could have imagined. Those who have visited New Orleans and other areas hit by Hurricane Katrina in 2005, say that to this day, there are still abandoned communities, houses and infrastructure that have never been repaired or rebuilt, schools and facilities that are yet to be repaired. And that is in the mighty United States of America.

Glory! The story of Dominica today is not doom, gloom and disrepair, but renewal and revitalisation – houses, roads, lights, water, hospitals, schools, businesses, communities. Our story is one of a political party that, with the help of God and the resilience of our nationals, worked a miracle.

Not only are we in full recovery mode, but we have charted a course for the development of this country, as the First Climate Resilient Country in the world. One that has captured the imagination and garnered the support of our friends and partners, regionally and internationally. The eyes of the global community are now on us for the pioneering policy which is emerging from one of the world's smallest nations.

Many of us have been able to move on with our lives today, as if there had been no Erika, as if there had been no Maria. I say to all Dominicans today, that had it not been for the prudent fiscal management by this Government, the vision of this Government, and the sincere friendships which we have cultivated over these years, our recovery would not have been so swift.

Madame Speaker, hundreds left the country after Maria, fearing that this country was doomed, that we would not recover. But I will tell you, most of them have returned.

They have returned Madame Speaker, because this Dominica Labour Party Government, has not missed a salary payment, nor was any public servant sent home;

They have returned because, all schools are operational;

They have returned because, all public services and utilities have been restored;

They have returned Madame Speaker, because this Government is pursuing an aggressive and successful housing programme, across all parts of this country;

They have returned, because with direct and indirect support from the Government, the economy is recovering, farmers are planting, selling and exporting;

Madame Speaker, tourism is doing well, our hotels have been re-opening and new ones are coming on line;

Businesses have reopened and expanded, roads are being repaired and new ones built.

Phase 1 of our new state of the art hospital is set to open next month, that is August 2019.

New jobs and decent work is available to our young people.

They have returned because Dominica is on its feet once more, and we are open for business.

In short, there are opportunities in our country, for all those who are prepared to take advantage of them.

Madame Speaker, the theme of resilience means stability and sustainability. It must become the Dominican way of life. It means building properties and infrastructure that are hurricane resistant, so that our lives, society and economy are not devastated every time a powerful weather system

comes calling. It requires us to build using methodologies and technologies that make them strong enough to stand up against the effects of climate change.

Climate resilience is not a fancy term. It has to remain central to everything that we do. It will ensure Dominica's survival. I caution that climate proofing Dominica will be more expensive, will require international help to achieve, and will take time to accomplish, but we will get there, because our citizens have embraced our vision, and it has found favour locally and internationally. We must get there, if we are to survive and indeed, if we are to succeed.

MAJOR ACHIEVEMENTS OF 2018/19

Madame Speaker, I will now highlight some of the major achievements that have taken place over the last year as part of our national recovery effort.

Agriculture

Madame Speaker, it is a well-known fact that hurricane Maria decimated our agriculture sector. We lost the majority of our bananas, tree crops, coconuts, vegetables and livestock. Approximately eighty-five per cent (85%) of fishing infrastructure including boats, landing sites, fishing complex and other assets were destroyed. This Government immediately embarked on the rehabilitation of the sector.

Our first priority was to ensure food security, and access to fresh food for our people. It was important that our farmers went back to planting in the quickest possible time. To achieve this, we started a massive vegetable seedling production programme, and provided farmers across the island with seedlings. Within a few months after Maria, farmers had vegetables available for consumption.

We focused largely on the production of medium term crops, for the local and regional markets in order to further strengthen our food security, and to restore the economic viability of the sector. More specifically we targeted the following crops:

- Bananas & plantain
- Dasheen, yams and tannia
- Sweet and white potatoes
- Passion fruit

Madame Speaker, since Maria, we have imported a total of thirty thousand (30,000) banana plantlets, which were delivered to us in two tranches. The first fifteen thousand (15,000) are currently being distributed to major banana farmers, and the second set of 15,000 is being hardened and will be available later this year. This is expected to cultivate up to 43 acres. Within this financial year, banana production is projected to return to pre-Maria production level.

Madame Speaker, our experience taught us that both white and sweet potatoes proved to be resilient crops, which in the days and weeks in the aftermath of hurricane Maria, helped sustain the nutritional requirements of many families. In light of this, the Ministry of Agriculture continues to provide support to this subsector. Thirty-two (32) acres of white potato cultivation, yielded 295,218 lbs. Based on the success and the demand by the markets, we are doubling the importation of seed material to provide to our farmers.

Our investment in agriculture is reflected in the fact, that over the nine (9) to twenty (20) months period, post hurricane Maria, short and medium term crop production bounced back significantly. This is reflected by the abundance and variety of produce at the Roseau market, a sight we had lost for many months post hurricane Maria.

I thank all of the hard working farmers of Dominica, who have stayed the course and gone back to their farms. I thank them for the resilience they have shown, and the confidence placed in this Government, in building back the agricultural sector.

Madame Speaker after Hurricane Maria we imported ninety-five thousand, three hundred and ninety-five (95,395) layer chickens over a period of eight (8) months, into our country. I can report that the country has ended the importation of eggs in May this year, and we are back to being self-sufficient in eggs again.

During the period 2018/19, one hundred and twenty-four thousand, eight hundred and sixty-eight (124,868) broiler chicks were imported into Dominica, most of which were processed through the National Abattoir, yielding four hundred and forty-four thousand, seven hundred and sixty-seven (444,767) lbs. This represents a thirty percent (30%) increase over the pre-Maria levels. This is a significant increase from pre-Maria figures, and indicates also, an increased demand for a healthier and wholesome local product.

Madame Speaker, with a total of three five-star hotels in operation by the end of the year, our farmers have a ready, captive market, that can consume all the eggs and chicken that they can produce, and an abattoir that can slaughter the chickens, to meet the standards that will be expected by the hotel industry. Government will continue to support, facilitate and encourage key stakeholders within this sub-sector.

The Health Services

Madame Speaker, this Labour Party Government is committed to improving the lives of every citizen, and to ensuring that optimal health care services are available to all, but more particularly to the most vulnerable among us. Let me remind us that it was this Government who removed hospital user fees, for children 18 years and under and our elderly 60 years and above.

It is this Government that initiated a pilot health insurance scheme to provide health insurance to single Mothers under the age of 35 who were either pregnant, or who had children aged three years and under. This was subsequently extended to children up to the age of 16.

Not only have we improved access, but we continue to expand and modernise our health services. We have made significant investments over the last few years, upgrading our health service infrastructure, medical equipment, and in training of health care providers. This Government has been pursuing a very deliberate programme to deliver the best possible health care to our citizens.

Madame Speaker, in respect to the new Marigot hospital, we accepted that the source of financing and process for eventual drawdown had become too protracted so we have therefore decided to fund its construction utilising our own resources, raised from the Citizenship By Investment

Programme. We now have in our possession the architectural drawings which will be shared with stakeholders very soon and we expect that work will start this year. This hospital once completed will be a source of pride and satisfaction for everyone in the Marigot Health District, and will be the envy of many. This is a commitment to the people of Marigot and Marigot Health District.

Staffing for Medical Services

Madame Speaker, the human element is critical in delivering on optimal health care for our citizens, and this requires the upgrading and training of our health care service providers. We have been pursuing vigorously, the on-going training of our medical personnel at all levels, ranging from the specialisation of our doctors, to the training of twenty-six (26) new Community Health Aides. The expectation is that, the deployment of these community health aides to the various health districts, will spark a resurgence in preventative health care, at the primary health care level.

Our local capacity continues to be supplemented with support from our Cuban and Chinese friends. We have the combined support of fifty-nine (59) health care providers in various fields, under the Cuban Medical Brigade programme. They serve with diligence and love, alongside the staff in our health care facilities.

We say “gracias”, thank you to you our Cuban Comrades and the Cuban Government for their steadfast support to our health services, not only through the Cuban Brigade, but in training of our doctors over many years. We will always stand in solidarity with the Government and people of Cuba.

Similarly, we have had the support of Chinese Medical Specialists. Currently, there are four (4) Specialists, in the areas of Oncology, Ophthalmology, Cardiology and Urology. We say thank the Government of the People’s Republic of China for its commitment to assisting in improving our health services.

Education

Madame Speaker, this Government continues to attach high priority to education, as we consider education to be the best means of empowering our people and the catalyst in our developmental thrust. This is why we have created many opportunities in education, for our citizens to ensure that they have the necessary knowledge and skills, to act as the drivers and guardian of a resilient and prosperous nation.

We have always considered education as a catalyst in our developmental thrust. In the 2018/19 fiscal year, Government provided assistance to our young people studying overseas, in the amount of approximately twenty-three million dollars (\$23.0 million).

Madame Speaker, after the passage of hurricane Maria, we gave the assurance to every child who was the holder of a commitment letter from this Government, that we would ensure that our financial obligation to them was met, notwithstanding the Government’s fiscal challenges.

It is with a distinct sense of pleasure, that I inform this Honourable House, and this nation, that the Dominica Labour Party Government, kept that promise. I give the assurance to the over 600 students, who have received letters of commitment from the government for this upcoming school year, that we shall honour these commitments. However, I say to them and their parents, that these opportunities must not be taken for granted. These opportunities have been created, because this is a government who cares about people and a government that believes in the empowerment of its people.

It is this Labour Party Administration who in 2002, created the Dominica State College, at a time when Dominica was under an International Monetary Fund (IMF) stabilisation programme, and revolutionised tertiary education in Dominica. To ensure that no one was left behind, we took the unprecedented decision to allow for universal access to tertiary education in our country, with the elimination of the payment of tuition fees, and the cancellation of arrears, effective May 2019. There is no better gift that a government can give, especially to its young people, than a sound education.

Following the passage of hurricane Maria, the Ministry of Education embarked on a rehabilitation drive to get our schools back on track. An amount in excess of \$10.8 million dollars was expended on the renovation of schools. To date, five (5) new Early Childhood Education Schools have been built in the communities of Belles, Warner, Concorde, Trafalgar and Roseau. Preliminary works are being undertaken for the six (6) new schools which will be financed by the Government of the People's Republic of China, and major rehabilitation of four (4) schools to be financed by the Government of Canada.

Tourism

Madame Speaker, in last year's budget, I stated that Tourism would play a major role in rebuilding economic resilience, maintaining sustainable livelihoods and in enhancing the ability of our economy to rebound after a disaster. Today, tourism continues to be one of the main pillars of growth in our economy.

Madame Speaker, we must never forget that our tourism sector was dramatically impacted by Maria; we had reduced air and sea access for several weeks and for some period our roads remained impassable. However, we were not daunted. The Ministry of Tourism executed a recovery plan that has resulted two years later, in a remarkable recovery of our tourism sector. We have not only returned to pre-Maria visitor arrivals, but we have surpassed and exceeded our expectations.

According to the visitor's statistics report, a strong performance in stayover visitor arrivals in the first half of 2019, was recorded at forty-three thousand, seven hundred and seventy-four (43,774). The numbers show an upward trend as compared to 2016 and 2017.

The decision of this government to use the Citizenship by Investment Programme (CBIP) to help develop five-star branded hotels, is part of a wider effort to expand economic activity and creation of sustainable jobs and opportunities for our people.

Madame Speaker, the first of the CBIP projects, Jungle Bay Resort, is now open to guests and employing sixty-two (62) full time staff. The Cabrits Resort and Spa, a Kempinski branded Hotel, is accepting reservations for October 2019 and they have already started employing full time staff.

During construction of these properties, including the Anichi hotel, branded by Marriot and Tranquillity Beach resort, branded by Hilton, it is estimated that over 800 construction workers are employed. As I stand here, over five hundred and fifty (550) workers are on the Kempinski site, working to ensure they are ready for the opening of the hotel on 14th October 2019.

Significant emphasis has been placed on the training of our people and stakeholders to ensure that visitors and locals, receive consistent excellent service. It will be necessary for us to deliver five-star service at all levels of this society, if we want to position ourselves as the destination of choice. We have to be ready to deliver the level of service that this requires.

Housing

Madame Speaker, in the last fiscal year, significant sums were spent for home repairs and construction of new homes. An amount of approximately eighty-six million dollars (\$86.0 million) was spent, in assisting residents to repair, renovate and build new homes.

Madame Speaker, not only have we completed construction of over five hundred (500) brand new homes in the period following hurricane Maria, and as I speak, there are one thousand and sixty-eight (1,068) houses under construction in various communities. All of this is being done with the exclusive use of government funds and does not include homes built by the many NGO's who came to our aid after hurricane Maria.

Madame Speaker, as we progress with this revolutionary housing programme, we have also explored areas for sustained employment in that sector. A condition of the contract with the Sustainable Housing Solutions Company, was a commitment to erect a factory for the production of pre-cast concrete homes in Dominica. That factory, which will be constructed in Jimmit, will no doubt improve the efficiency in construction, and enhance the technology used in home construction in our country. The factory will also allow us, as a country, to move from an importer of the technology, to becoming a net exporter of the said technology to the OECS.

Geothermal

Madame Speaker, the concept design of the geothermal project has been completed and the 'no objection' of the World Bank was received on July 9, 2019. The Dominica Geothermal Development Company (DGDC) will soon release the Bid documents for the construction of the geothermal plant. The bid period is ninety (90) days and the bid evaluation period is also ninety (90) days. A contract for construction of the Plant should be awarded by the 4th quarter this year. Construction is expected to last 18 months.

Madame Speaker our geothermal project has also just received an award from GEOLAC 2019 for the Best Financing Program-Geothermal Risk Mitigation Project. This reflects the tremendous effort that has been made to bring this project thus far.

Establishment of the Dominica University School of Medicine

Madame Speaker, I am pleased to confirm to the nation, that an investor has been secured to establish a medical school at the Picard Campus. The Government has entered into an agreement with the Dominica University of Medical Sciences (DUSM) to allow the university to function.

We have been advised by the principals, that they have been aggressively pursuing the completion of recruitment of the faculty and they continue to conduct interviews to fill non-academic positions. They have also been in discussion with landlords on matters related to the housing needs of students.

The DUSM projects a growth in the student population of no less than two thousand, five hundred (2500) students by 2023. The DUSM also proposes the establishment of a School of Nursing and a School of Pharmacy.

Physical Infrastructure

Government is well on its way to achieving its goal of having one hundred percent (100%) of all main and secondary roads in good condition by calendar year 2023. Despite the setbacks caused by the ravages of hurricane Maria, Government has continued an aggressive road maintenance and rehabilitation programme. There are visible signs all over the country, of the significant improvement in our road network, continuing on from the work, which started prior to tropical storm Erika.

Madame Speaker, during the last fiscal year, we completed rehabilitation works on a number of roads and it will take time if we are to list all of them. Just to name a few:

- Several roads in Upper Goodwill;
- Several roads in Canefield;
- Grand Fond Main Road;
- Road from Pagua to North End, Marigot
- Cochrane Road; and
- New Tantane Road from Purple Turtle to Belle Hall.

The works being undertaken on E.O. Leblanc Highway, under the west coast road project, have recommenced and is very advanced. The three bridges being constructed at Macoucherie, Batalie and Pointe Ronde will be completed this year. In fact, the latter is virtually complete save for the railing and approaches.

Madame Speaker, this government has already expressed its vision to transform the city of Roseau by developing a modern urban centre. We have started this journey with the construction of the Roseau river walls, to be followed by the Roseau River Promenade. This will include the installation of new drainage systems, underground utility infrastructure, and full rehabilitation of the road, in line with the designs of the Roseau Enhancement Project.

The Project will continue during the fiscal year, with the construction of rivers walls next to the Roseau market, and along the northern and southern riverbanks, between the E. C. Loblack and Bath Road/Goodwill Link Bridge.

Water Resource Management

Madame Speaker, during the past fiscal year, DOWASCO was able to continue implementation of the following large capital projects which had been in progress from the previous fiscal year:

- Water Area 1 Upgrade, consisting of the construction of a pre-treatment facility and upgrading and expansion of the filtration plant at Antrim;
- West Coast Water Storage Tanks Project, which comprises the construction of storage tanks and associated supply and distribution pipe works in Cottage, Guillet, Grange, Glanvillia, Picard, Bioche, Plat Ma Pierre, and Morne Rchette and new intakes on Picard and Coulibistrie rivers;
- Extension of water supply from Tete Morne to Soufriere;
- Installation of the distribution network for the Bellevue Chopin and Petite Savanne Resettlement Area;
- Implementation also commenced on four water projects funded under the Basic Needs Trust Fund (BNTF).

Madame Speaker, Members of this Honourable House, as we press on with the objective of bringing the economy to full recovery, we are laying the foundation for the emergence of a modern, resilient and sustainable Dominica.

It is in this context that I speak of **“Recovery” “Modernisation” and “Transformation”**.

It means, for example, that every Dominican family and every household, will be assured that the home or apartment which they own or occupy, is in much better condition than the one which they occupied in 2017. Moreover, it will be sufficiently resilient to withstand the hazards of a category five hurricane.

It means that social services, such as health and education, are being delivered from climate-proofed facilities that are always adequately resourced to cope with events that could otherwise be disruptive.

It means the end of dislocation of communities and of the crippling of commercial activity due to impassable roads and bridges after torrential rains and land slippages.

When we speak of “Modernisation”, we mean insulating the country and economy as far as is possible, from the risks and threats of climate change.

We mean making Dominica internationally competitive by transforming our ports to efficiently handle containerised cargo and to directly attract flights from international destinations.

We mean adopting protocols for environmental and resource management that regenerate our forests, protect our water resources, and enhance the beauty of our towns and villages.

Critical to all of this Madame Speaker, is the availability of a cadre of Dominicans, trained and skilled in the cutting-edge technologies that set apart the most successful economies from the rest.

By accomplishing these objectives, which this Government is well on the way to doing, Dominica will be transformed.

BUDGETARY PROPOSALS FOR 2019/20

Madame Speaker, the estimates of revenue and expenditure for fiscal year 2019/20 will build on the achievements I outlined earlier. My Government and I have carefully reviewed what has been done and crafted a way forward to a better Dominica for all. I will now present this vision using the estimates for fiscal year 2019/20:

The main components of the \$1.02 billion budget are as follows:

- Recurrent Revenue of \$818.1 million
- Local capital revenue of \$5.1 million
- Capital grants of \$117.3 million
- Current grants of \$4.1 million
- Loan receipts of \$72.3 million
- Total expenditure, inclusive of debt amortisation and sinking fund, is estimated at \$1.1 billion and comprises the following:
 - Recurrent Expenditure inclusive of debt amortisation and sinking fund of \$611.3 million
 - Capital expenditure \$481.8 million
 - The primary balance (after grants) is estimated at negative seventy-six million thirty-eight thousand eight hundred and twenty-six dollars (-\$76,038,826)

Madam Speaker, Table 1 below shows the overall summary for fiscal year 2019/2020.

Table 1: Overall Summary (\$ million)		
	Estimate 2019/2020	Estimate 2018/2019
Revenue		
General Revenue	818.1	788.8
Current Grants	4.1	4.1
Capital Grants	117.3	126.0
Loans	72.3	23.4
Other Inflows	5.1	5.1
Total Revenue	1016.9	947.4
Expenditure		

Compensation	179.0	171.4
Other Current Operating Expenditure	359.9	353
Debt Service	23.6	25.7
Project Expense	481.8	454.3
Total Expenditure	1044.3	1004.4
Current Account Balance	255.6	238.7
Primary Balance	-76.1	-54.8
Primary Balance (% of GDP)	-4.6%	-4%
Debt Amortization	48.3	48.1
Sinking Fund	0.5	0.5
Total Expenditure plus Debt Amortization and Sinking Fund	1093.1	1053
GDP (Market Prices)	1659	1383

Recurrent Revenue

Madame Speaker, Table 2 presents a breakdown of the amount projected in this fiscal year for recurrent revenue amounting to \$818.1 million:

Table 2: Breakdown of Recurrent Revenue (\$ million)						
Item	Estimates 2019/2020	%	Estimates 2018/2019	%	Projected 2018/2019	%
Tax Revenue	379.5	46.4%	360.0	45.6%	432.4	62.7%
Personal Income Tax	32.0	3.91%	36.8	4.7%	30.3	4.4%
Corporate Income Tax	24.0	2.9%	21.0	2.7%	56.5	8.2%
Taxes on Property	9.0	1.1%	7.8	1.0%	8.7	1.3%
Tax on Domestic Goods & Services	220.3	26.9%	212.2	26.9%	232.4	33.7%

Int'l trade taxes	94.2	11.5%	82.2	10.4%	104.5	15.1%
Non-tax Revenue	438.7	53.6%	428.8	54.4%	257.5	37.3%
Total Revenue	818.1	100%	788.8	100%	689.9	100%

Madame Speaker, collections from non-tax sources are estimated at \$438.7 or 53.6 per cent of the total. This category is primarily driven by proceeds from the Citizenship by Investment Programme (CBIP), which is expected to bring in \$417.5 million. Indeed, this improved performance relative to the previous fiscal year is reflective of the success of this major policy initiative.

Madame Speaker, tax revenue stands at \$379.5 million, with Taxes on Domestic Goods and Services amounting to \$220.3 million or 26.9 per cent. The sum of \$94.2 million or 11.5 per cent of Recurrent Revenue is expected from Taxes on International Trade and Transactions while the sum of \$32.0 million and \$24.0 million are expected to come from Personal Income Tax and Corporate Income Tax respectively.

Recurrent Expenditure

The total amount budgeted for Recurrent Expenditure, inclusive of interest and debt amortization, for fiscal year 2019/20 is \$611.3 million. This compares to \$598.6 million for the previous fiscal year 2018/2019.

Table 3 below shows the distribution of expenditure by Ministry/Department.

Table 3: Recurrent Expenditure By Ministry/Department	Amount \$ million	%
Office of the President	1.48	0.2%
Integrity in Public Office Commission	0.5	0.1%
Public & Police Service Commissions	0.51	0.1%
Legislature	1.13	0.2%
Audit Department	1.14	0.2%
Ministry of Justice, Immigration and National Security	54.41	8.9%
Elections	3.37	0.6%
Ministry of Trade, Energy and Employment	2.94	0.5%
Office of the Prime Minister	19.21	3.1%
Ministry of Finance	244.63	40.0%
Ministry of Agriculture, Food and Fisheries	8.71	1.4%
Ministry of Education and Human Resource Development	77.54	12.7%

Ministry of Housing and Lands	4.32	0.7%
Ministry of Ecclesiastical Affairs, Family and Gender Affairs	7.59	1.2%
Ministry of Health and Social Services	72.35	11.8%
Ministry of Environment, Climate Resilience, Disaster Management and Urban Renewal	8.28	1.4%
Ministry of Tourism and Culture	19.32	3.2%
Ministry of Information, Science, Telecommunications and Technology	4.61	0.8%
Ministry of Kalinago Affairs	0.48	0.1%
Ministry of Youth, Sports and Constituency Empowerment	8.86	1.4%
Ministry of Commerce, Enterprise and Small Business Development	0.75	0.1%
Ministry of Planning and Economic Development	2.28	0.4%
Establishment, Personnel and Training Department	8.34	1.4%
Ministry of Public Works, Water Resource Management and Ports	36.27	5.9%
Ministry of Foreign and CARICOM Affairs	19.35	3.2%
Cabinet Office	2.9	0.5%
GRAND TOTAL	611.3	100.0%

Madame Speaker, the largest allocation of the budget is under the Ministry of Finance in the sum of \$244.6 million. This includes an amount of \$23.6 million for the payment of interest and an amount of \$48.8 million representing debt amortization and sinking fund contribution. The sum of \$36.5 million represents retiring benefits paid to former public officers as well as the payment of compassionate allowance and non-contributory pensions to citizens over the age of seventy.

The Ministry of Education and Human Resource Development will receive the second highest allocation of \$77.5 million. Government continues to recognize the importance of education to the development of our people and nation. An additional \$2.0 million is allocated to the Dominica State College bringing the total subvention to \$6.2 million. This increase is in keeping with the recent policy decision to eliminate tuition fees at the Dominica State College and other new programmes to be implemented.

The Ministry of Health and Social Services has been allocated \$72.4 million or 11.8 per cent of the total recurrent budget.

The Ministry of Justice, Immigration and National Security will receive an allocation of \$54.4 million dollars which is \$4.2 million above last year's allocation. This higher budget allocation will, in part, finance the approved increase in the size of the Commonwealth of Dominica Police Force by one hundred (100) to six hundred (600) officers. The increase in the size of the

Police Force will augment the number of officers in the various divisions and units to ensure optimal efficiency and productivity within the Police Force.

The Ministry of Public Works and Ports is allocated \$36.3 million or 5.9 per cent of the recurrent expenditure.

The Ministry of Tourism and Culture and the Ministry of Foreign and CARICOM Affairs each has been allocated \$19.3 million and \$19.4 million, that is 3.2 per cent of the total each.

The Office of the Prime Minister receives an allocation of \$19.2 million or 3.1 per cent of the total.

Madame Speaker, the table below provides a summary of recurrent expenditure by economic classification.

Classification	Estimate 2019/2020	%	Estimates 2018/2019	%	Projections 2018/2019	%
Personal Emoluments	178.97	29.3%	171.4	28.6%	162.8	26.9%
Goods & Services	238.95	39.1%	238.5	39.8%	196	32.4%
Interest	23.60	3.9%	25.7	4.3%	27.7	4.6%
Transfers and Subsidies	115.41	18.9%	108.9	18.2%	154	25.4%
Refunds	5.00	0.8%	5.0	0.8%	12.1	2.0%
Investment Financing	0.50	0.1%	0.5	0.1%	0.5	0.1%
Sub-Total	562.43	92.0%	550.0	91.9%	553.1	91.0%
Debt Amortization & Sinking Fund	48.84	8.0%	48.6	8.1%	52.6	8.7%
Total	611.3	100%	598.6	100.0%	605.7	100.0%

Madame Speaker, expenditure on Goods and Services account for 39.1 per cent of the total or \$239.0 million. The sum of \$179.0 million or 29.3 per cent of the total is estimated for meeting the cost of personal emoluments which is made up of salaries, wages and allowances.

Total expenditure related to transfer and subsidies totalled \$115.4 million or 18.9 per cent of the total recurrent budget. Transfers include grants and contributions and retiring benefits.

Public Sector Investment Programme

Madame Speaker, the Public Sector Investment Programme (PSIP) seeks to execute the Government’s national development objectives through viable capital projects. It promotes a pathway towards resilience in all sectors of the economy. The Medium Term PSIP for the period 2019-2022 outlines an investment portfolio of capital projects which is aligned to both the Medium-Term Policy Framework (MTPF) and the National Resilience Development Strategy (NRDS).

Madame Speaker, Table 5 of the printed text presents the allocation of the capital budget by Ministry and Department. Every project in this Budget contributes to the achievement of the goal of making Dominica the first climate resilient nation and contributes to our realisation of the New Dominica!

MINISTRY	Total	GOCD	Loan	Grant	% of Total
Office of the President	2,700,000	2700000	-	-	0.56%
Justice, Immigration and National Security	8,699,014	8,699,014	-	-	1.81%
Trade, Energy and Employment	54,736,678	18,210,438	15,365,340	21,160,900	11.36%
Finance	2,718,567	710,271	-	2,008,296	0.56%
Agriculture, Food and Fisheries	20,245,694	13,245,694	3,000,000	4,000,000	4.20%
Education and Human Resource Development	22,028,800	4,239,300	-	17,789,500	4.57%
Housing and Lands	77,418,240	60,036,000	5,000,000	12,382,240	16.07%
Ecclesiastical Affairs, Family and Gender Affairs	10,662,072	440,823	-	10,221,249	2.21%
Health and Social Services	24,724,805	10,154,629	5,786,100	8,784,076	5.13%
Environment, Climate Resilience, Disaster	43,973,349	9,324,272	20,203,339	14,445,738	9.13%

Management & Urban Renewal					
Tourism and Culture	9,742,000	9,742,000	-	-	2.02%
Information, Science, Telecommunications & Technology	6,830,000	6,830,000	-	-	1.42%
Kalinago Affairs	1,610,000	1,610,000	-	-	0.33%
Youth, Sports and Constituency Empowerment	12,207,207	11,936,207	-	271,000	2.53%
Commerce, Enterprise and Small Business Development	7,500,000	7,500,000	-	-	1.56%
Planning and Economic Development	1,730,302	130,000	-	1,600,302	0.36%
Establishment, Personnel and Training Department	2,778,870	2,778,870	-	-	0.58%
Public Works, Water Resource Management and Ports	167,761,920	123,660,287	22,931,698	21,169,935	34.82%
Cabinet Office	3,718,500	276,000	-	3,442,500	0.77%
Total	481,786,018	292,223,805	72,286,477	117,275,736	100%

I will highlight some of the more strategic interventions at this time.

Agriculture, Food and Forestry

Madame Speaker, the Government negotiated a financial package of \$67.9 million with the World Bank specifically for investments in agriculture. We did so Madame Speaker, recognising the important role agriculture plays in food security and job creation and the impact which it has on the balance of trade and the economy as a whole.

Madame Speaker, the interventions will be geared towards the restoration of the productive base for recovery of agricultural livelihoods at a total cost of \$44.8 million. I must say at the onset that the Kalingo Territory will be specially targeted under the World Bank project. This project will help small, medium size and commercially oriented crop and livestock farmers.

Fisher-folk will be assisted in restoring their fishing capacity through the provision of support to acquire new boats, repair damaged ones and assisting in the recovery of boat-building facilities. The Government will provide technical assistance for the development of more productive, climate resilient systems and the promotion of agri-business capabilities.

The project consists of three sub components.

Subcomponent one, involves the restoration of cropping systems and is valued at \$25.3 million. Support will be provided for the recovery and increase in the production capacity of small and medium sized crop farmers growing dasheen, tannia, yam, sweet potato, banana, vegetables as well as commercially oriented farmers inserted into value chains generally producing perennial crops and fruits such as coconuts, cocoa, citrus, ginger, avocado and coffee.

This support will result in enhanced food security for small and medium sized households, particularly those headed by women, and even greater volumes of fresh produce in our local markets, thus helping the sector in retaining its market share against competition from imported fruits and vegetables. Under this subcomponent, the project will finance procurement of inputs.

Under subcomponent two of this initiative, we will also be undertaking the restoration of livestock and fisheries systems at a cost of \$13.6 million. This component will assist in the restoration of livelihoods of livestock farmers and fisher folk, enhancing climate resilience and efficiency of production systems and building agri-business capabilities. Farmers will be provided with incentives for investments in developing livestock and fisheries through adoption of highly productive and climate-smart technologies and enhancing resilience in the long run.

Support to medium scale commercial livestock farmers:

Madame Speaker, the livestock interventions aim to re-establish the livestock production base that was severely damaged by hurricane Maria and build a more sustainable and climate resilient sector. The interventions are aimed at

- a. Supporting targeted commercial livestock farmers (poultry, pork, small ruminants, rabbits and bee-keeping as a primary source of income), with a minimum livestock mass according to commodity;
- b. Providing targeted technical assistance in management of livestock systems and adoption of modern technology and mechanisms to increase resilience; and
- c. Carrying out training and capacity building activities on feeding, breeding and preventive animal health care.

For commercial livestock, producers the project will cover up to fifty percent (50%) of a farm investment plan. Eligible expenditures will include materials, tools and other essential inputs. This scheme will support about two hundred (200) livestock producers where an estimated 20% will be women. In addition, the project will provide technical support for the design and construction of resilient infrastructure.

Support to fishers:

The fisheries sub sector interventions are aimed at stimulating a rapid expansion in the fish supply in order to restore livelihoods and revenue streams in the local economy. This subcomponent aims to provide assistance that would contribute to the increase in fish catch, value added and improved fisheries management regulations targeting 150 eligible fishers.

The project will contribute to consolidating and capitalising the fishing sector, ensuring rapid recovery from post-storm events in an increasingly challenging global climate. Specific interventions to be supported by the project include:

- a. recapitalising fisher folk by co-financing the repair of up to a maximum of around 150 boats;
- b. recovering around five boat building facilities.

Madame Speaker, this is even more critical with the availability of several new hotel rooms and an anticipated increase in visitor arrivals in our country.

Climate resilience

Building of climate resilience and agribusiness capabilities is the third subcomponent.

To adequately support the investment at the farm level under subcomponent one, the project will engage industry experts and prepare development strategies specifically needed for Dominica's context. This takes into consideration Dominica's current situation, vulnerability conditions, relative competitiveness constraints, and development strategy, for key agricultural products. This will inform the direction of investments in regard to changing weather patterns and market opportunities, as well as providing long-term development direction for each crop industry. Market assessments of key crops and subsequent technical advice would facilitate the scoping of potential market opportunities, identify existing constraints and devise potential solutions, and determine the corresponding capacity needs.

Agribusiness

This sub component which will focus on agribusiness, will contribute to building agribusiness capabilities among small-to medium-size crop and livestock farmers and fisherfolk who would have benefited under subcomponents one and two. This will assist the country to boost its regional and international agricultural market share. Once implemented, the subcomponent envisages building marketing and agribusiness capabilities

Training and technical assistance to farmers

Madame Speaker, training and technical assistance will be particularly focused in the adoption of new and effective technologies such as contour farming and conservation buffers, soil and water management, reduced tillage, adequate cropping systems, using rotations and intercropping, new harvesting and handling practices, among others. It will also focus on modern inputs including the use of high quality seeds and seedlings, new improved and more resilient seed varieties, to gradually increase climate resilience in the agricultural sector.

The project will strengthen farmers' capacity through demonstration plots that promote adoption of more diversified high-value crops such as cocoa, white potatoes, citrus and ginger. This will promote new and improved production technologies that support climate adaptation technologies such as water harvesting, mulching, adoption of more weather-resistant crop species, marketing and farming as a business, among others.

Forestry

Madame Speaker, a critical component of the project is dedicated to our forests. The project intends to restore proper access as well as public and community forest ecosystem services lost in the storm and build long-term capacity for comprehensive forest resilience planning. Another critical intervention is the rehabilitation or reconstruction of 130 kilometres of walking trails, as these are major contributors to the local tourism industry. Government's infrastructure that

supports the maintenance, promotion, and management of the forest and trails to enable monitoring, research, public outreach, and emergency services will be either rebuilt or upgraded.

Madame Speaker, I highlight two other initiatives in the Ministry of Agriculture. One is our engagement of our friends from Serbia to assist with the introduction of new technologies in green houses, hydroponics and aquaponics and tissue culture. Cell phone and solar power technology will be used to control irrigation and fertigation systems. The necessary agreements have been signed between our Governments and soon we will begin the work to derive the benefits from these initiatives.

Madame Speaker, I also wish to articulate the main components of a major initiative provided with the assistance of the Government of the People's Republic of China through the Chinese Agriculture Technical Mission.

Work at the Portsmouth Agriculture Station will continue to focus on the introduction of new vegetable crop varieties and demonstration, seedling propagation and technical training and extension services. Madame Speaker, the feasibility study for the construction of an agricultural complex has been completed. The 1200m² three-storey building will include a tissue culture lab, training centre, meeting rooms, and accommodation and offices for the Chinese agricultural experts. We expect an agreement between the Government of Dominica and the Government of the People's Republic of China for the construction of the Complex to be signed later this year.

I wish to thank publicly the Government and people of the People's Republic of China and the Government and people of Serbia to for their support for our ever important agricultural sector.

We have no doubt that we shall see a transformation of agriculture through the use of technology, access to financing by farmers, and greater resilience in agriculture. Research and development in respect of plant pathology will play a critical role in our thrust to building an agricultural sector utilising new technology and farm practices.

Madame Speaker, there are three very important visible and noteworthy signs in agriculture which happened in the last three years.

- i. An increase in the involvement of young people in agriculture;
- ii. An increase in the involvement of young professionals in agriculture;
- iii. An increase in the involvement of women in agriculture.

I believe that it is important for me to name but a few people. Today I salute:

Mr. Kondwani Williams
Mr Kareem Guiste
Dr. Curlson George
Mr. Glenworth Cyrille
Mr. Lenny Aubrey
Mr. Sheldon Royer
Pastor Jodi Andrews
Ms. Seraphine DeJean

Madame Speaker, I say without fear of contradiction that with these comprehensive investments we have made and will continue to make in agriculture, and with the foundation laid by the pioneers in agriculture who are still practicing, the future of the sector and its contribution to the economy is assured.

Madame Speaker, the future is bright for the agricultural sector. The development of the agricultural sector is unfolding in a very positive manner. This is an exciting time for our youth interested in agriculture. I therefore encourage them to take full advantage of the new economic opportunities presented by our vision and investments in agriculture.

Education and Human Resource Development

Madame Speaker, in this fiscal year, emphasis on the development of our human resource base will remain a priority. As we build the New Dominica, we recognize the importance of education to achieve our long term development goals.

In this regard, the Government has taken a decision to undertake a review of our education system to better align it with our development thrust: to ensure that our people are equipped with the appropriate skills to take full advantage of the opportunities that are currently available. We have gotten a commitment from the OAS to assist with this exercise.

In this current global dispensation, having a skill is not sufficient. One has to be able to present a certificate to substantiate his proficiency in a particular skill. It is for this reason that Government has taken a decision to introduce, under the aegis of the Dominica State College, a national skill certification programme. This programme will be conducted mainly in the evenings which will ensure the fullest participation. We intend, with the use of technology to establish education hubs at our various secondary schools to help achieve this objective.

So, Madam Speaker, commencing January 2020, we will begin to celebrate hundreds of our citizens graduating from the DSC, many of whom may not have completed primary or secondary school. With this certificate, our skilled men and women will now be in a position to take advantage of the free movement of skilled labour within the free movement framework of CARICOM.

Housing and Lands

Madame Speaker, this Labour Party Government can be dubbed “*The Housing Government*” as this is the only Government that has invested significantly into housing our people. Unfortunately, we were set back by tropical storm Erika and hurricane Maria.

Following the passage of Erika, we indicated we will relocate the residents of Dubique and the large village of Petite Savanne. We were chastised and ridiculed by the Opposition who said this could never happen. Madame Speaker, we kept our promise. We have successfully built comfortable resilient homes for the residents of Dubique and Petite Savanne which are the envy of the region.

With the passage of hurricane Maria, with over ninety per cent (90%) of our homes affected in one way or another, Government then boldly declared that it would build five thousand (5,000) climate resilient homes for its citizens. Less than two (2) years since the passage of hurricane Maria, we have built five hundred and eleven (511) new homes and one thousand and sixty-eight (1,068) are currently under construction.

I give the assurance that every community will be adequately catered for under the housing of a nation initiative. And I say with no fear of contradiction that these homes are climate resilient. In the weeks ahead, several families will receive keys and commitment letters for their new homes.

Madame Speaker, with respect to all of these interventions, these homes have been largely funded by revenue from the Citizenship By Investment Programme.

Madame Speaker, in all of these investments in housing which I have just articulated, in the furtherance of our efforts to house the nation, we successfully negotiated a financial package with the World Bank, to the tune of \$104.0 million. We have no doubt that this substantial sum of \$104.0 million will cater for a significant number of families requiring a home for themselves. This project is separate and distinct for other ongoing projects which are implemented by the Ministry of Housing.

Thus far, we have established the Project Implementation Unit and commenced public consultation, both of which are prerequisites to the implementation of the project.

We wish to express our profound thanks to the World Bank.

Madame Speaker, Government has also given the Dominica Social Security, (DSS), the green light to proceed with the use of their lands located at Warner, for the development of a gated community to cater for young professionals, the middle class and Dominicans in the diaspora. This housing development is open to the private sector and any investor, to partner with the DSS to make this a reality. This is a huge opportunity. Interested people will choose from a range of designs, with the option to do customized changes.

Madam Speaker, all of these housing interventions, it is clear that this Government has a comprehensive strategy towards the improvement of housing for our citizens.

Health and Social Services

Madame Speaker, the Government plans to revolutionize and strengthen its health system: one that is people and community centred while providing comprehensive and quality services, in an integrated manner to ensure efficiency, accountability, affordability and effectiveness of health services delivery through an enhanced management and governance framework.

We intend to implement the following six initiatives in order to achieve our objective:

- i. Expand the capacity of the Primary Care Services
- ii. Improve the management of the Dominica China Friendship Hospital
- iii. Integrate levels of care

- iv. Develop of a Dominica Health Services Authority
- v. Strengthen the Ministry of Health and Social Services and
- vi. Enhance financial arrangements

The Government will expand the capacity of the Primary Care Services by transforming the current Type III Health Centre to Polyclinics with expanded capacity to provide a wider range of services. We will also transform the current Type I facilities to Community Health and Wellness Centres.

Madam Speaker, Government will strengthen delivery and management of health services and this will be achieved by:

- a. the creation of the Dominica Health Services Authority for the purpose of managing the integrated health services delivery network and will have as part of its structure a Board of Directors and a reconfiguration of the management structure.
- b. the establishment of an integrated management structure for both levels of care by:
 - the introduction of a new CEO position responsible for all levels of care within the network
 - Management structure responsible for the whole network
- c. Introduction of performance management for all levels and
- d. Development of policies and guidelines to strengthen accountability and efficiency in the utilization of resources

We thank Pan American Health Organisation (PAHO) for their extraordinary advice, guidance and support, the framing of the paradigm shift in the management and delivery of health care services in Dominica.

We also thank the Health Commission, for detailing for the Government, the activities which must underpin and guide the transition to the occupation and operationalizing of the new hospital.

With the commissioning of the first wing of the Dominica China Friendship hospital, citizens and residents of our country will benefit from a number of new and expanded health and diagnostic services. These include, but are not limited to, the introduction of an MRI machine, the High Intensity Focussed Ultrasound (HiFu) machine and an increase in the number dialysis machines.

This is a Government known for ‘first things’. Just as we were the first Government to introduce an Intensive Care Unit (ICU), we are the Government to introduce an MRI and HiFu machine to Dominica.

These are things for which we all need to set aside our partisan biases and applaud the Dominica Labour Party Government for. These are major advancements in the availability and delivery of optimal medical care to all. When the new wing is opened to the public at the end of August 2019, it will bring an end the need of our citizens to travel overseas for an MRI. This will bring peace of mind to us all knowing that we now have these facilities right here in our country.

With respect to the HiFu machine, Madame Speaker, we will be able to provide non-invasive surgical interventions not only to our citizens and residents, but also to citizens of other countries because we have been advised that there are only two HiFu machines in the region; Dominica being one of the two.

In respect to dialytic services, progress has been made in respect to dialysis care in our country. When we came into office we moved from four (4), then to seven (7) and eventually to twelve (12) machines. The new wing of the hospital will be outfitted with fourteen (14) dialysis machines, in a more modern and advanced setting.

Tourism and Culture

The opening of the Kempinski five-star resort in October 2019 is no doubt great news for the people of Dominica, the tourism sector and players in the sector.

With the expected opening of the Marriott branded, Anichi hotel, along with the Moroccan funded hotel, we can well appreciate the economic transformation that will take place in the north of the country.

In respect to Jungle Bay, the number of rooms available are expected to increase by year end with a staff complement of 150 people.

The construction of the Tranquility Beach, branded by Hilton Curio, a 75 room resort located at Grand Savane, Salisbury, is proceeding smoothly with the creation of 40 construction jobs currently.

Our very own, locally branded Secret Bay Resort, has commenced construction of an additional thirty-six (36) villas, adding to six (6) which have already been completed making for a total of forty-two (42) villas. The service at this resort, Madam Speaker, is beyond a five-star. Ninety-nine percent of the resort staff are young Dominicans.

In October 2019, we will see the commencement of construction of the Sanctuary Rainforest Eco Resort and Spa, a 72 villa resort situated in the Roseau Valley.

In a few weeks time, Government will sign agreements for three additional tourism developments, one in the Portsmouth area and two in the Roseau.

We are also witnessing the reconstruction and expansion of the Fort Young Hotel which will take its total room to 100 rooms on completion. We are advised by the proprietors that there is a strong positive possibility of being international branded.

Madame Speaker, with all these hotel projects, we are starting to see the manifestation of the vision and declared objectives of the Government where tourism is concerned. The establishment of these hotels is good news for those seeking jobs; it is good news for the farmers, it is good news for the taxi operators; it is good news for fishermen; it is good news for

all those who engage in the provision of services to visitors to our shores. And I say to “God be the Glory”.

Madam Speaker, the National Employment Programme (NEP) has been a training ground for several hundreds of citizens and a source of employment for many since its inception. Many of those who were engaged under the NEP have been able to find full time employment. Government is eager to have many more fully engaged and as such participants under the NEP are being targeted to ensure that they take full advantage of opportunities that are becoming available in the tourism sector.

Madam Speaker, there are also small business owners, farmers, fishers and other service providers who have an opportunity to gain employment with, or related to, the operations of the new establishments. Suffice it to say, we believe that many can find employment in the value chain that should lead to a visitor having an ultimate, unmatched experience in Dominica.

The Government’s aim is to ensure that as much of the goods and produce that are required by the new hotels can be sourced locally. The new hotels also represent an ideal opportunity for entrepreneurs, those with cottage industries and those making artisanal products from sweets and jams to floral arrangements and soaps, to make their products available for sale in the restaurants, rooms and shops of the new hotels.

With the advent of all of these investments in tourism and because of our environmental practices, our country will become a major centre for hosting of international conferences. We believe the solution to our air access challenges in a sustained way, is the construction of the international airport. Where this is concerned, we have commenced the process to its realization.

A reputable American aviation and airport construction firm, Landrum and Brown, was contracted to advise the government **on** the most suitable site to locate the international airport. Guided by its professional advice, a site comprising approximately 332.53 acres of land in the vicinity of Wesley and Woodfordhill were identified and selected.

It is our view, that the construction of a project of this magnitude must be done prudently and in full conformity with international standards. We have therefore, secured the support of a key partner, the World Bank, in providing technical support to the project. They will be actively engaged in facilitating our analyses, financial modelling, and institutional structuring to make this project a success for generations to come.

The American firm has been engaged further to carry out the geotechnical and architectural work for the international airport project. Soon they shall embark upon the drilling of five very large bore holes, as part of the geotechnical survey, which will provide critical data to assist with the final engineering designs for the runway and associated works. The contract for this exercise has already been signed. We expect to receive draft designs for the terminal building, control tower, fire and rescue block, fuel farm, and maintenance facility by the end of 2019 as per the schedule submitted to us by the Landrum and Brown.

Let us be very clear, that this Government will build the international airport. We intend to finance the airport with a mix of financing, of grants, concessional loans and CBIP funds.

A New Cruise and Container Port

Madame Speaker, there is no question that we need to modernize our cruise and cargo ports. Therefore, we have embarked on a process towards the realization of two critical pieces of infrastructure in our country. We shall establish a cruise village which will include services to the ferries and duty-free shopping.

The cargo port will be constructed and with advanced technology and equipment to assist with the efficient operations of the port. The port will be financed through a private public partnership which will help limit the Government's financial contribution to its construction.

Madame Speaker, I shall lead a delegation to Florida to meet with Executives of the various cruise lines in order to share with them first-hand, the concept and drawings of the port.

Public Works, Water Resource Management and Ports

Madame Speaker, we are modernizing Dominica's physical infrastructure as part of our overall development strategy. We pursued this strategy in order to enhance our competitiveness, attract additional foreign direct investment and further stimulate the local private sector.

As we continue to focus on the diversification of our economy, we are well aware that a well-developed infrastructure is a prerequisite to a successful tourism product and the development of commercial activity. It is with this in mind, that we have continued to make significant investments in our road network. For example, the road from Pagua Bay to Portsmouth will be reconstructed with a view to realign it and shorten the journey. This project will include the construction of double lane bridges

Plans to improve the road network from Loubiere to Bagatelle and which will include the Mitchum Bridge are well advanced and will be financed by a grant from the Government of the United Kingdom. Final designs have been completed, and we expect the procurement process to be completed by December 2019, to allow for the commencement of works by February 2020.

Madame Speaker, I give residents of Dominica the assurance, that we will make Roseau a climate resilient and modern City. Coming off the construction and commissioning of the New West Bridge, we have moved to phase II – the building of solid river defences to protect the city from the risk of flooding while at the same time providing a conduit for drainage within the city.

In the upcoming months, you will see the unfolding of our vision for the City. Before long, the Roseau River Promenade will be a reality. This will improve the general aesthetics of the city and boast of vending stalls, a recreation area in a well-manicured environment. Madame Speaker, this is merely a glimpse of what is envisioned for Roseau. Within the next three months we will also see the commencement of works along Great George Street which will include the installation of a proper drainage system and the undergrounding of the utility lines and new

sidewalks. To achieve our objective of building a resilient city, the project will focus on better drainage, underground cabling of utility wires, new sidewalks and improved lighting.

To our citizens who traverse the E. O. Leblanc highway, I wish to give you the assurance that your drive will soon be a much better experience. The building of the bridges at Macoucherie, Batalie and Pointe Round will be completed and commissioned by October 2019. Major edge failures and cliff stabilizations will also be completed. I wish on behalf of my Government and the people of Dominica to once again express my sincere gratitude to the Government and people of the People's Republic of China.

As we forge ahead to continue to build a resilient road network, we are pleased to announce the commencement of a number of major infrastructure projects during this fiscal year.

Madam Speaker, works are to begin by October 2019 to reinstate a very important artery, that links the west and east coasts of Dominica, which serves one of our major agricultural regions and is critical to the tourism sector. I am referring here to the construction of a new road between Hillsborough Bridge and York Valley Bridge with a new alignment which is for the most part away from the river bank. Notwithstanding the new path, that project will also see the construction of river walls to reduce the risk of flooding and erosion in this low-lying area.

Meanwhile designs for the road section from York Valley to Pond Casse are being reviewed. It is Government's intention to commence work on that section by February 2020.

Madame Speaker, everyone in our country can attest to the remarkable efforts, and great success we have achieved, in the improvement of our roads across the length and breadth of our country. These efforts will continue apace, as we expand the programme through the recommencement of the community road enhancement project.

This has been augmented by the procurement of three mobile concrete trucks, and the importation of a large quantity of cement. Every community in our country will benefit from this initiative.

Disaster Vulnerability Reduction Program (DVRP)

Madame Speaker, Dominica's geographic location, its terrain and physical geology is what makes it unique in the Caribbean Region. This characteristic has exposed us to many disaster risks. Madame Speaker, in order to mitigate against these risks, we have contracted a loan with the World Bank of \$184 million, for the implementation of the Disaster Vulnerability Reduction Project (DVRP). This project involves the rehabilitation of the east coast road at the cost of \$122 million.

The project will cover extensive reconstruction of the roads from the Emerald pool to Castle Bruce, through the Kalinago Territory into Pagua, as well as from Castle Bruce to Petite Soufriere. This component will be tendered in the coming weeks.

Justice, Immigration and National Security

The Ministry of Justice, Immigration and National Security

The portfolio of projects under the Ministry of Justice, Immigration and National Security will focus on the continued rehabilitation and modernization of the structures that house our essential services in this Ministry. Some of these include:

- Construction of a new Police Training School
- Rehabilitation of the Coast Guard Base
- Construction of a new police stations in Castle Bruce and Delices

Trade Energy and Employment

Considering the success of the Multi-Purpose Pack Houses since its inception in 2016 in boosting the export of fresh produce an additional amount of \$3.2 million is allocated to its expansion.

The Ministry of Trade and the Ministry of Agriculture, continue to work with local farmers to ensure we have production that meets market demand and standards.

To enhance market competitiveness, we have allocated \$1.6 million to ensure that the Fresh Produce Act is implemented, and \$2.0 million will be spent on the Bureau of Standards to construct a new building to house the Metrology Laboratory Infrastructure.

The NEP continues to be a flagship programme for employment creation and expanded opportunity for our youth to develop skills and gain vital work experience and on the job practical training

Kalinago Affairs

Madame Speaker, I want to congratulate, Mr. Lorenzo Sanford, who has created history in the Territory by being one of the youngest men to be elected Kalinago Chief. We expect that he will bring fresh ideas and a new vigour to the Territory. This Government that I have the privilege to lead will work with the new Kalinago Chief, and other local community leaders, to continue our efforts at improving the quality of life and expanding the economic opportunities for the Kalinago people.

The projects to be implemented in the Kalinago Territory in the 2019/20 financial year will include:

- The continuation of the small business development fund which will provide grants to new and existing small businesses;
- The establishment of an agricultural centre to provide the farmers and households with seedlings and other planting materials;
- The development of the craft industry through training, marketing and financial support to those engaged in its production;
- The rehabilitation of several community roads;
- Construction of 100 new climate resilient homes.

Youth, Sports and Constituency Empowerment

Madam Speaker, the Ministry of Youth Affairs, Sports & Constituency Empowerment will continue rehabilitation works for infrastructure and lighting of the Windsor Park Sports Stadium at the cost of \$3.3 million. Other projects to be undertaken in the FY 2019/20 include:

- Renovation of the Youth Division Building
- Rehabilitation of Geneva Playing Field
- Rehabilitation of Colihaut Playing Field
- Rehabilitation of Massacre Playing Field
- Covering of the Massacre Basketball Court
- Construction of Tennis and Netball Courts at Portsmouth
- Construction of the National Gymnasium
- Construction of a multi-purpose court for Roseau

Three million dollars (\$3.0 million) is allocated for the start of construction of the National Multi-Sports Complex at Stock Farm. The project which will be implemented on a phased basis will cater for Basketball, Volleyball, Netball, Lawn Tennis and Swimming.

Commerce, Enterprise and Small Business Development

Madame Speaker, the Ministry of Commerce, Enterprise and Small Business Development continues to play a pivotal role in ensuring an enabling environment that strengthens and promotes resilient enterprises. Not only have many businesses bounced back from the impact of Hurricane Maria but new companies have emerged in Dominica, while some have expanded.

The Government of Dominica will continue to provide support through the provisions of grants, the four credit facilities at the Aid Bank, as well as technical assistance, and necessary training. In the last financial year, a major realization was the OECS Partial Credit Guarantee Scheme, which will facilitate improved access to financing by small and medium sized enterprises.

Madame Speaker every day we see an increasing number of Agro-processors involved in the production and adding value to our primary products. Many of them are exporting their products such as cocoa sticks, virgin coconut oil, honey earning foreign exchange and creating employment for themselves and others.

We want to mainstream the cottage industry providing support to them to establish central processing facilities which can reduce costs and improve standards. We are fully aware that there are markets both locally and regionally for these products, however these small businesses are constrained by access to finance, the use of appropriate technologies and facility, and the human capital for effective management. We will work with them to build their capacity to deliver quality goods and take advantage of new opportunities and niche markets.

This year we will roll out a Business Acceleration Initiative for Dominica, targeting businesses with potential for expanded production, for local and regional markets and with the capacity to increase employment and foreign exchange earnings. We will provide funding which will help take these enterprises to a higher level. An initial allocation of a million dollars has been provided towards this Initiative.

Madame Speaker, on the request of the Dominica Manufacturers Association, Government will give consideration to the review of the terms and conditions of the special loan facility at the AID Bank. This we hope will improve access to the funds. During the expected review of the VAT legislation during this financial year we intend to explore the possible benefits of the removal of VAT on specific raw materials imported for use in manufacturing.

POLICY INITIATIVES

Madam Speaker, in last year's Budget Address, the policy measures focused on the business environment and taking action to improve some basic procedures so that service delivery by the public service would be improved. The measures identified, were largely implemented and we continue to work towards the goal of improving the business environment. I will now focus on the measures which will be implemented during this fiscal year.

Towards a Digital Economy

Following the destruction caused by Hurricane Maria in September 2017, the majority of our Government's aging telecommunications and IT infrastructure was destroyed. We could have simply replaced this network and equipment with what we had before, however, we set ourselves the challenge of deploying a highly resilient, cost effective and future proofed network, which will form the foundation for our Government's digital transformation strategy, making advanced digital e-Government services a powerful reality for every citizen of the Commonwealth of Dominica.

We intend to propel the Commonwealth of Dominica into being the most digitally advanced society in the English-speaking Caribbean within the next decade.

The built for purpose fibre optic network will connect every single Government site across Dominica, including all Government offices, every educational institution, medical centres, police and fire stations, and post offices, and provide telecommunications, internet, data, cloud and other ICT services to all of these Government sites.

The network includes several layers of resilience, including underground ducting to our core Government sites in Roseau to include all Ports, the Dominica State College and the Princess Margaret Hospital, overhead fibre, microwave and satellite. Whilst the deployment will not be fully completed until January 2020, our core sites will be ready for the height of this year's hurricane season, ensuring that we remain connected to the rest of the world despite what Mother Nature might throw at us.

The enhanced digital services will also facilitate the effective implementation of the smart learning and advanced safe city solution. Through the Ministry of Education, we will ensure that our students have access to the most advanced learning techniques.

Put simply, from September, every teacher and child from Grade 4 Primary and upwards in the Commonwealth of Dominica will have free access to an enriched online learning experience. The students will be able to follow the syllabus in their schools, including access to e-books,

interactive videos, games and notes, as well as tutorials and teacher-guided chats, thereby ensuring our children benefit from the best possible education experience.

As part of the agreement, the Government of the Commonwealth of Dominica will introduce innovative, citizen-centric, cutting edge digital services, reduce our ICT costs, improve our productivity, increase our country's attractiveness to foreign investors and create new revenue streams for our public sector. The initial 24x7 e-Government services will encompass Connected Health, Smart Learning and advanced Safe City solutions.

The highly resilient, robust and future-proofed network will form the foundation for Government's Digital Transformation, making new advanced digital e-Government services a powerful reality for every citizen of the Commonwealth of Dominica.

In summary, Madam Speaker, our Government's Digital Transformation will provide far reaching benefits for every citizen, business and Government Ministry. It will foster the growth of indigenous small and medium size enterprises in Dominica, deliver positive impacts for every sector of our economy, and place our great Nation at the forefront of the Global Knowledge Economy.

Madame Speaker, rapid digital transformation is re-shaping the global economy, permeating virtually every sector and aspect of daily life, changing the way we learn, work, trade, socialize, and access public and private services and information.

As the global digital economy grows, Dominica must position itself to capture a fraction of this growth potential. In that regard Government has agreed to participate in a Regional Digital Transformation Programme which the World Bank is willing to fund.

The programme includes four components, namely Digital Connectivity, Digital Platforms and Services, Digital Skills and Entrepreneurship and project management. The Digital Connectivity component aims to support universal access to affordable and safe and resilient broadband internet services to individuals, businesses and public institutions. The Digital Platforms and Services component will support the development of specific digital platforms and applications for financial and delivery of public services. The Digital Skills and Entrepreneurship this component aims to address the skills-jobs gap.

It is expected to create a critical mass of digitally skilled workers and entrepreneurs to attract digital investment and drive digital innovation, business and job creation. It will be particularly targeted at youth and disadvantaged populations, through development of professional certifications and employment-ready skills programmes.

This programme, Madame Speaker, complements the vision we have for Dominica and for ensuring that we benefit from the opportunities that the digitalized environment will bring.

Modernizing and transforming the administrative structures of the teaching and nursing services

This government has for a number of years challenged the Public Service, to give priority to the continued modernization of its administrative structures, systems and processes. We have always been of the view, that every effort should be made towards creating a more productive service, starting with a special focus on selected essential services.

The Ministries of Education and Health have been directed specifically, to come up with more progressive structures that would address the numerous complaints and support the professionalism, output, security, career development and upward mobility of these services.

1. Proposed structure of the government secondary school.

Madame Speaker, education has evolved rapidly over the past decades. Secondary schools for example have moved from student populations of under 100 in the 1950's to in excess of 800 in 2019. With those rapid increases, the structures have remained the same, except for limited modifications.

Modern education systems call for robust management, supervision and support structures within schools. Our current framework is limited on a career development path for teachers.

Additionally, the current school level organisational structure lacks a clear career path and provides limited opportunities for middle management. Currently, only a small stipend is given to teachers who are chosen to be deputy principal or Head of Department at secondary schools. Since these positions are not established, then there are no job descriptions and consequently roles and responsibilities vary from school to school.

It is within the above context that the restructuring of school level supervision and student support services is proposed. The structure is premised on the need to maximise the use of existing human resource while concurrently providing an acceptable structure for staff mobility.

Proposed Organisational Structure for Schools

The organization structure for secondary schools will include the following categories of Teachers:

- Principal 1
 - Deputy principal 2
 - Assistant Deputy Principal 2
 - Heads of Department
 - Senior Graduate Teacher
 - Graduate Teacher
 - Senior Qualified Teacher
 - Qualified Teacher
-
- **Deputy Principal:** This is a position of management responsibility to assist the principal with supervision functions and to serve as principal in the absence of the principal.

- **Assistant Deputy Principal:** This is a position of Curriculum or pastoral responsibility. The Assistant Principal assists the principal in the delivery and monitoring of the school Curriculum and related activities. Consequently, the Assistant Principal leads instruction, assessment, behaviour management or pastoral care provision at the school.
- **Head of Department:** This is a position of responsibility for supervision of staff. Head of Department
- **School Counsellor:** To advice and counsel students, refer students and keep confidential records.
- **Graduate Teacher and Senior Graduate Teacher:** A trained teacher with a Higher Education Degree in addition to teacher training qualifications. These levels will be so configured to have a graduate and senior Graduate Teacher to provide greater opportunities and upward mobility for the more experienced graduate teacher.
- **Qualified Teacher and Senior Qualified Teacher:** Teachers entering the system with a Certificate in Teacher Education. Position of permanent appointment after a minimum of two years as a Temporary Qualified Teacher. This category will also be configured to have an additional position of senior Graduate Teacher for the more experienced.
- **Clinical psychologist:** To conduct various tests and provide psychological evaluation as well as establish remedial programmes for referred students.

2. Proposed structure for the nursing service

Madame Speaker, in the health care system, the nursing work force is predominantly the largest professional group. This suggests that to a large extent, health care outcomes will be influenced by the morale, productivity and improved quality of patient/client care levels within the nursing service.

In recent times the global shortage of registered nurses, has brought the issue of nurse migration to the fore and has brought particular attention to the factors and challenges faced by nurses that would encourage migration. Two key factors highlighted are the lack of professional development opportunities and lack of promotional opportunities.

Analysis of current structure

Under the current structure, upward mobility is very limited since the structure only provides for promotion from the clinical level to the management and administration level. At the clinical level, nursing positions are mainly Staff Nurses, Graduate Nurses, Nursing Assistants, Mental Health and Primary Care Nurses.

Madame Speaker, the proposed structure will include an increase in the number of nursing management positions. The Nursing Service will be Headed by the Chief Nursing Officer.

The following management positions will be created to assist the Chief Nursing Officer.

- Director, Hospital Nursing Services
- Deputy Director, Hospital Nursing Services
- Director, Advance Nursing Practitioner
- Director, Public Health Nursing Services

Some of the other specialized nursing positions include:

- Nursing Managers
- Senior Family Nurse Practitioner
- Nurse Practitioner Grade 1 and 2
- Senior Nurse Anaesthetist
- Nurse Anaesthetist Grade 1 and 2
- Senior Public Health Nurse
- Public Health Nurse Grade 1 and 2
- Nursing Supervisors
- Staff Nurse Grade 1, 2 and 3 which includes Nurses with specialization
- Nursing Assistant Grade 1 and 2
- Nursing Intern

More significantly, however, is the creation of three grades within the specific categories of nursing which will provide an additional level at the entry level to upward mobility namely;

- Nursing Practitioner Grades 1 and 2
- Nurse Anaesthetist Grades 1 and 2
- Staff Nurse Grades 1, 2 and 3
- Nursing Assistant Grades 1 and 2

In addition, the following categories will provide support to the nursing service.

- Public health Aides
- Nursing Aides
- Operating Room Scrub Technicians
- Dialysis technician

Madame Speaker, the creation of these new positions both for the teaching and nursing service, will follow the prescribed process in law.

The Creation of a Hospitality Institute

Madame Speaker, the relative ease of travel and the portrayal of lifestyles, sports and entertainment via television, have had a profound influence on the aspirations of Dominicans, especially on that of our youth. In a renewed and modern Dominica, aspirations and dreams must be matched by knowledge, training and skills. Moreover, the foundational skills and training must, in the first instance, be available and accessible right here, and to citizens of all ages and circumstances.

With the advent of the establishment of a number of 5 star hotels, international airport and cruise village, Dominica is at the cusp of a major transformation of its tourism industry. If we

are to cater as a country and to provide services to our guests at the 5-star level, then we should have a commensurate level of service.

We now have justification to go well beyond the efforts of the past and to establish a fully-fledged Hospitality Training Institute. This Institute will be structured and operated to produce professionals for the hotel and tourism industries.

To achieve the establishment of the hospitality institute we shall collaborate and partner with the Dominica Hotel and Tourism Association, property developers and other stakeholders. We shall also receive technical assistance from the Organisation of American states in that regard. Therefore, the institute will become the incubator for making Dominica a five-star service delivery country, across all sectors.

The Minimum Wage

Madame Speaker, the Labour Standards Act makes provision for the appointment of an Advisory Board to advise on the setting of a minimum wage. This advisory board will be appointed on August 12, 2019, and will thereafter submit recommendations to the Minister.

Let me make it very clear Madam Speaker, that this Government pays all of its employees above the minimum wage. We recognise however, that we cannot unilaterally impose an increase in the minimum wage on the country. This is something that requires discussion with stakeholders, including trade unions, employers and other stakeholders.

An increase in wages is something that employers will have to factor into their cost of doing business and it is critical that the employer be allowed time to make the necessary adjustments. We propose that the new rates developed after consultation will take effect on or before January 2020.

Sports Enhancement

Madam Speaker, I am now moved to recall the latin motto of my alma mater, the Dominica Grammar School, "*Mens sana in corpore sano*", which translates "A healthy mind in a healthy body". While the skills and other training to which we attach high priority, challenge the mind, the condition of the physical body is critical for a full and productive life, the value of sports and sporting activities is an indispensable contributor to a full and healthy life. There is also abundant evidence that sports is a rapid growth industry, handsomely rewarding those who take it on as a profession.

During the new fiscal year, the spotlight will fall on the construction of a number of sporting facilities that will create additional avenues for development of the talents of our youth, and position Dominica as a major contender in the hosting of regional and other tournaments, similar to what has been achieved with the construction of the Windsor Park Sports Stadium.

Madame Speaker, we have now received the final designs and cost estimates for the construction of the Indoor Sports facility at Stockfarm. The facility has been designed to accommodate swimming, tennis, netball and basketball, all with international levels.

We will be in a position to sign a contract for the start of construction works towards the end of this year.

Sporting activities within the City of Roseau will also get a boost with the building of tennis, netball, volleyball and basketball courts at the forecourt of the Windsor Park Sports Stadium. These facilities will brighten up the city on evenings, as young and old find their way to the stadium to socialise, and to voice their support to the teams competing at the various events.

A contract has been signed and works have started on these courts, which will be specifically for the residents of Roseau Central.

Madame Speaker, we believe the construction of a golf course in Dominica will give a major boost to our tourism product. We have before us, a proposal for the construction of a nine-hole golf course. The government will embark on a comprehensive stakeholder consultation in order to arrive at a consensus.

Banning of Single Use Plastic Bags

Madame Speaker, during the budget address presented in 2018, a pronouncement was made regarding the ban on Styrofoam and single use plastics items used in the food service. The ban on importation took effect from 1st January 2019 with an attendant phase out period of six months up to June 2019. In an effort to meet this objective, government initiated a public awareness campaign utilizing all forms of media, including meetings with stakeholders. The ban was accompanied by a reduction of the import duties on a wide range of biodegradable alternatives to 0%.

I am happy to report Madam Speaker, that the data reveals that consumers made the switch before the end of the phase out period, increasing the demand for biodegradable alternatives. We can conclude that the switch to biodegradable and compostable items has been successful.

It is proposed that Dominica moves one step further in its efforts to reduce the use of plastics with the banning of Single Use Plastic Bags. Consumers have already been encouraged to use reusable shopping bags as an alternative to plastic bags. The Private Sector has taken the lead on this initiative, with a number of large and medium sized businesses promoting and providing reusable bags to customers.

It is therefore proposed that effective 1st January 2020 that there will be a ban on importation of single use plastic bags within a six month phase out period, up to June 2020. Government will make available 10,000 reusable bags to as many households as possible with priority being given to low income families.

Madam Speaker, Government is also aware that a number of people use the plastic shopping bags to dispose of garbage. Given that the matter of solid waste management is also a major concern, effective 1st January 2020, the rate of duty applied to biodegradable plastic bags will be zero percent.

Madame Speaker, this is an important initiative and we expect over time to reduce significantly our use of plastics and to make our contribution to protecting the environment. In the implementation of this policy, Dominica is now one of the leading countries in the Caribbean on what is quickly becoming a global trend.

Marijuana

Madame Speaker, I indicated last year, that after engaging stakeholders, consideration would be given to the possible decriminalisation of marijuana. We have had the opportunity to hear the views of members of the public, many of whom have been engaged in expressing their views on this issue in the media.

Madam Speaker we recognize the sensitivities on this issue. We are of the view, however, that in all the circumstances, particularly having regard to the empirical data, and the growing international importance of medical marijuana and the world trend of decriminalization of marijuana for medical, religious and recreational use, that the Government should bring to the Parliament for consideration, legislation to decriminalize the possession of marijuana.

The Government will therefore propose that the possession of not more than 28.35 grams (1 ounce) of marijuana, be decriminalised.

We will go further and make the necessary amendments to have struck off from the record of those convicted for marijuana possession, any conviction in respect of the possession of 28.35 grams (one ounce) or less. Madame Speaker, we do not believe that it is fair, that an individual should be punished eternally for such an offence. This measure will impact in a positive way, many of our citizens.

The Government will continue to explore the medicinal benefits that can be derived from the use of marijuana, including its economic value.

Proposal to encourage the use of electric vehicles

Madame Speaker, the use of vehicles that do not utilize fossil fuels has a direct impact on the levels of carbon emissions. In support of the goal of becoming the First Climate Resilient Nation, Government is taking action to encourage the use of vehicles that are more environmentally friendly. Electric vehicles are those with an electric motor only. It is more environmentally friendly than those which utilize only fossil fuel.

As such, effective 1st October 2019, the import duty and value added tax on the following vehicles, will be reduced to zero percent:

- HS 8702.40 that is electric buses
- HS 8703.80 that is electric cars
- HS 8711.60.90 that is electric motorcycles

Hopefully Madame Speaker, this measure will encourage citizens to make the switch to the more environmentally friendly vehicles and overtime to have more of these vehicles being imported into Dominica. There is also an opportunity for individuals to provide the support services for these vehicles. Charging stations will be need for example and there must appropriately trained

mechanics to provide maintenance services. We trust that the investment in these areas will be made.

Measure to improve the fleet of buses available to the cruise sector

Madame Speaker, it has been noted that many of the buses used for tours provided to cruise visitors are the standard 16-seater buses. While these appear adequate for regular taxi operations, they appear not to be ideal for the transportation of cruise passengers. This is deemed to be the case, as cruise tours normally include larger groups, tours are longer and arrangements are sometimes made for refreshments to be provided while on tour. The larger buses are generally used for organized cruise tours.

Organized tours are central to the cruise business and the provision of services to support cruise lines in offering tours to its passengers is critical. A cruise line is more likely to keep a destination on its schedule, if that country is able to facilitate the organised tours. As such, wherever possible, efforts are being made to keep Dominica on the schedule of as many cruise lines as possible.

To address this issue Madame Speaker, a waiver of import duty and excise tax will be granted, on buses which seat between 21 and 29 people, and no older than five years. These are to be used for organised tours for the cruise sector. The new policy will be similar to that which applies to agriculture.

Only buses to be used in the cruise sector are to benefit. Prospective beneficiaries will have to meet stipulated conditions and the programme will be administered through the Discover Dominica Authority, so the new policy will allow for zero percent import duty and zero percent excise tax. This measure will take effect, 1st October 2019.

Increasing Citizen Opportunities for Wealth Generation

Madame Speaker, Section 48 (a) of the Income Tax Act, allows a resident to deduct from his taxable income, interest paid on a mortgage or loan up to \$25,000 per year, in respect of the acquisition of, or improvements to an owner occupied residential property. Government proposes two measures related to mortgage interest deductions.

The first measure will allow a resident to deduct from his taxable income, interest paid on mortgage loans in respect of the acquisition of, or improvements to two (2) residential properties. The resident will be allowed to deduct, up to \$30,000, mortgage interest per year on one owner occupied property, and up to \$15,000 on a second property.

Further, Madam Speaker, residential rent is taxable and could be taxed at a rate of up to 35% on net rent (gross rent less expenses) based on the person's taxable income. For example, a person earning over \$80,000 per year, with no deductions other than the personal allowance of \$30,000 per year, would be required to pay tax of 35% of his net rental income.

The second measure being proposed by Government, is that the tax on residential rental income, be set at a flat rate of 20% after allowing for deduction of interest expenses related to the property and property insurance.

There are residents who will benefit now from this measure, and it will also encourage others to invest.

This measure will take effect in tax year beginning January 2020.

Increase in the Maternity Grant

Madame Speaker, the Dominica Social Security currently pays \$575 per child as a maternity grant to eligible beneficiaries. The Government notes that while this amount has proved to be helpful to many parents, we recognise that there is a need to have the amount increased to better assist in meeting the costs needed for newborns. In this regard we propose an increase of the maternity grant to \$1,000 per child for eligible beneficiaries. This measure will take effect on August 1st, 2019

Removal of Value Added Tax:

Madame Speaker some years ago the Government removed the import duties on a wide range of baby adult items including but not limited to diapers and baby wipes.

We have noticed that there is a growing number of seniors who use adult diapers on a regular basis. This has caused some financial distress for many families.

In respect to babies and infants, the sheer cost of baby diapers makes it prohibitive for some families to be able to afford. In our continuing effort to make the two most vulnerable groups in our society more comfortable the Government proposes the removal of VAT on the following items:

- Adult diapers
- Lifting chairs
- Bathroom aides and reclining beds
- Baby diapers
- Baby wipes

This measure will take effect September 1, 2019.

Community Care

Madame Speaker, we on this side of this Honourable House, are guided by a philosophical foundation geared at creating an environment for social and economic justice, that leaves no one behind.

Our efforts at building a modern and resilient Dominica, remain critically focused on ensuring that every single Dominican, achieves in accordance with his God given ability, and that no one suffers because of existing gaps in providing for his fundamental needs.

Our signature social projects, as defined by the Yes We Care, the School Transfer Grant, the School Transportation allowance and the stipend to seniors over seventy, to name a few, are all testament to our commitment to level the social order.

However, Madame Speaker, it is in meeting one of the most basic needs of man, shelter, that this government has established an exemplary record of performance that is unmatched, and which most likely, will remain unmatched in the foreseeable future.

Over the last decade and a half of this Labour Party Government, what has been described as the most comprehensive housing revolution ever in the OECS, has been in progress right here in Dominica.

Hundreds of families who were once squatters on government lands and had no hope of owning a house and a lot of their own, are now proud owners of a piece of the real estate, that they once could have been called on, to vacate at any time.

The regularisation of squatters was the forerunner of a wave of transformational initiatives within the housing sector, that saw the elimination of pit latrines, extensive housing repairs, and the construction of new homes. Concessional lines of credit, targeting public officers and private sector workers, were established or facilitated by this government, so that mortgages were not burdensome, especially for first time homeowners.

Madame Speaker, this revolution is in full swing and being brought to a higher level in the climate resilient apartment complexes and stand-alone homes, under construction, or nearing completion in many of our communities. Our objective is to do all that is possible, within the resources available, to ensure that no Dominican family goes through life without a home, or without access to safe and secure shelter, particularly in this age of climate change and horrendous weather events.

Madame Speaker, our quest for economic justice is being tackled on many fronts. We continue to invest heavily in improving our physical infrastructure, a vital requirement for attracting investment, both local and foreign investment, and for generally stimulating economic activity, so that our citizens can have access to the jobs they need and deserve.

CONCLUSION

Madame Speaker, there will be more time in the coming weeks to elaborate the full vision and new direction and the new basket of benefits for all Dominicans. What I can say today, is that after four terms, this Labour Party Government and your Prime Minister still keep their promises, and we intend to lead this country to greater glory.

My vision and that of the Dominica Labour Party is to build a resilient Dominica, characterised by a vibrant and sustainable economy and strong social capital. A country in which all citizens have an acceptable standard of living and are proud to call Dominica “home.” A country in which all Dominicans, here and abroad have a stake, and a country in which they are keen and happy to stay and contribute.

My Dominica, your Dominica, our Dominica, the Dominica the Labour Party Government will continue to build, will provide opportunity for our youth and security for our seniors. It will have high-quality health care and education. Our technology and WIFI access will be world class. From work, to living standards to recreation, we will create a Dominican brand that becomes recognised internationally. We will foster opportunity and prosperity on the most climate smart island in the Caribbean.

My Dominica, your Dominica, our Dominica will achieve a level of resilience that is unprecedented globally. The Labour Party intends to construct and promote a new level of sustainable social and economic wellbeing, in a country where our natural environment is protected, our built environment is climate resilient, and the needs of our citizens are being met and the potential exists for all Dominicans to realise their dreams.

Our team has the experience, skills, international recognition and track record to deliver.

Work with the Dominica Labour Party toward this future. Work with me toward this future.

Out of a global economic downturn and the ravages of the hurricanes, we stand today on the cusp of a stronger, more secure, more sustainable, more resilient Dominica; a new Dynamic Dominica.

I say to all Dominicans everywhere to join with the Labour Party in embracing and delivering this new vision and building our new season of development, as we say thank you to God for his goodness and look forward to what is to come.

Let all Dominicans everywhere shout “Glory” for the future of our country. Let us build together to push Dominica into that new season of glory, for truly God has blessed us.

For everything that we have faced. Glory!
For all that we have overcome. Glory!
For the bright future that will be ours. Glory!

Glory to Almighty God! Glory for Dominica!

GLORY!

Madam Speaker, I am much obliged.