



# **COMMUNICATION**

**BY**

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**MINISTER OF STATE FOR FINANCE**

**&**

**MINISTER OF STATE FOR GRAND BAHAMA**

**IN THE OFFICE OF THE PRIME MINISTER**

**OPENING STATEMENT**

**FY2021/22 SENATE BUDGET DEBATE**

**TUESDAY 22 JUNE, 2021**

# Introduction

Madam President,

It is indeed a privilege for me to commence the debate on the government's fiscal year 2021/22 budget in this honourable chamber.

Just a few weeks ago Prime Minister, the Most Honourable Dr. Hubert Alexander Minnis tabled in the Lower House two of the most important documents produced by this government:

- The 2021/22 fiscal year budget; and
- The government's *Accelerate Bahamas Recovery Plan* or the *Accelerate Bahamas* plan.

Madame President,

**Jeremiah 29:11** says “For I know the plans I have for you,” declares the Lord, “plans to prosper you and not to harm you, plans to give you hope and a future.”

I am grateful that no matter the situation God always inspires and gives hope. As leaders, we must always seek to inspire hope. This is a budget of hope.

Hope for a better future, hope for a better economy, hope for a better Bahamas! Make no mistake about it, I am optimistic about our future.

Yes! The Bahamas has endured two back-to-back catastrophes, the magnitude of which have not been experienced in recent history. First, a natural disaster, and second, a global public health crisis. Many have suffered loss. We may have suffered financial loss, job loss, some have even

experienced family loss. BUT Madam President, I am absolutely convinced that ALL IS NOT LOSS!

Thankfully, Madame President, the stewardship of this Administration has buffeted us from the destabilizing impact of these catastrophic shocks.

While in the last 18 months, our nation has weathered the most pressing challenges of the last century, we are now turning the corner—moving from recovery to expansion, from restoration to growth.

Now I am under no illusions, the answers are not simple or easy, and I understand where we are. Unprecedented challenges in our economy, high unemployment, and an unsustainable deficit.

But we are ready to fight for the future of our people. Make no mistake about it, it will be a fight! If there ever was a time and a reason to fight it is NOW. And if there ever was a leader who has proven his ability to fight for us in the most difficult and trying times, IT IS DOCTOR HUBERT MINNIS. He has accomplished more in the hardest of times than some have in the best of times.

We can talk about growth and hope for a full rebound because Doctor Minnis and this government have continuously made the intentional choice to invest in the strength and resilience of the Bahamian people.

Madame President,

### **Resilient Bahamas Recap**

Last year, we announced the Resilient Bahamas Plan! The plan was designed to support rebuilding in the wake of Hurricane Dorian and to provide critical support to citizens and businesses as the

true scope of the COVID-19 pandemic became clear. We set a plan. We delivered on the plan. We did what we said we would do!

We could not have anticipated the breadth of the pandemic's impact on our lives or our economy, but this government did not panic. We did not waiver. Instead, we stepped in with an aggressive and forward looking plan that all reasonable commentators agree was the absolute right prescription to meet the enormity of the dire situation.

Madame President,

Through end-May 2021, our government provided \$284 million in support for households by way of the NIB's unemployment benefit programme and its unemployment assistance programme. We were with you in hard times and will be with you in an even better future!

From September 2019 to May 2021, these programmes assisted more than 86,000 people who were employed in tourism, wholesale and retail and professional services sectors.

The support for our recovery did not stop there. The Ministry of Social Services also provided support through its rental assistance, food assistance, and clothing and footwear assistance programmes! Additionally, our government - indeed your government - provided \$35.9 million for the National Food Distribution Task Force programme that supported more than 72,000 beneficiaries at the end of Phase 3 with basic food needs. We were with you in the hard times and will be with you in an even better future!

Yet again, this government's support for our recovery did not stop there.

Madame President, our government, also funded the Small Business Development Centre (SBDC) so that it could provide business continuity loans, grants and equity financing of \$45 M to over 1,020 businesses. Of that total, 450 businesses received grants.

These are real businesses, with real Bahamian owners and real Bahamian employees who were able to survive the necessary shut-down of the domestic economy through our strategic support for the private sector.

I am reminded of the Charley's Philly Cheese Steaks franchise. The Bethels, who own this franchise, said plainly that their business would not have been able to survive without the assistance of the SBDC. But because that funding was available, they were able to cover rent expenses, support their payroll and settle some of the debt they had with vendors.

This is not rhetoric, Madame President, This is real life!

### **'Accelerate Bahamas' Summary**

Now, Madame President, the economy is beginning to show signs of recovery. People are feeling more hopeful about the future! There is a reason to be HOPEFUL! We are moving from recovery-mode to putting down the building blocks for sustainable growth.

This is not something that will happen overnight. To ensure sustainable economic growth, we have to tackle some of the big, fundamental, structural issues with which we have become all too familiar. Slow and uneven economic growth, persistent unemployment, and diminishing government revenues—these issues have been inflamed by the twin crises.

Like last year, this government has a clear strategy, a clear plan and a clear vision of the impact we will have. Our Accelerated Bahamas Recovery Plan will shift the economy from recovery-mode to growth-mode, for individuals and businesses.

The plan targets the critical areas that have continued to plague the Bahamian economy and provides vital resources to underpin growth for the short, medium and long term.

Madame President, we are focusing on:

1. Job creation
2. Small business development
3. Tourism development
4. Public & private sector investment
5. Healthcare improvements & vaccinations
6. Digitization & innovation and, of course,
7. Fiscal responsibility

Each of these priorities have been carefully chosen and each one represents our commitment to building an economy that is resilient, dynamic, sustainable and inclusive.

This provides a ROAD MAP, IT PROVIDES FOCUS, AND PROVIDES CLEAR PRIORITIES FOR GOVERNANCE.

THIS ALSO SENDS A CLEAR MESSAGE TO THE PEOPLE, PRIVATE SECTOR AND THE INTERNATIONAL COMMUNITY.

Madame President,

The Prime Minister and my other colleagues in the Lower House have detailed the extensive initiatives and measures that make up the Accelerated Bahamas Recovery Plan.

**WE MUST CREATE JOBS, JOBS AND MORE JOBS!**

Support for private sector growth has been allocated through a number of Tax Credit and Tax Deferral programmes. These programmes are designed to bolster the launch of new SMEs and the expansion of existing businesses. This is a new and innovative way.

To drive an increase in employment opportunities, our government will implement the Government Employment Incentive Programme. Businesses will be allowed to claim VAT tax credits of \$400/week for up to 10 new employees.

Madame President,

We are going a step further to shore up this private sector support by expanding the provisional licensing framework.

This framework allows low-risk rated businesses to apply for and receive a temporary business license to operate, while the requisite approvals are obtained from the relevant government agencies, such as the Ministry of Works and the Department of Physical Planning.

The turnaround time for obtaining a business license has been reduced. What was once a potential hindrance to becoming a part of the formal economy has now been removed. We are certain that this expanding initiative will continue to launch us ahead in the Ease of Doing Business rankings from the World Bank. This is just another step in tearing down the barriers to Bahamian ownership,

and ultimately, economic growth. We are looking at how we streamline the process of opening a business even more. I will have more to say on this in the coming weeks.

Madame President,

Bahamian SMEs have consistently lamented the lack of opportunities for financing in our country. Our government started by establishing a new, inclusive and responsive means of funding through the SBDC that was free from political interference. Four years ago this did not exist! I also understand that many have applied and many have not been able to access the grants or loans yet.

Since we are all about hope for the future we have continued enhancing access to financing by committing to allocate \$250M in financing over the next 5 years, with \$30M for small business support this upcoming fiscal year. We are also reinforcing the work of the Bahamas Development Bank with an additional \$4M funding per year for a two year period. For those who have not yet gotten let me say this, DO NOT GIVE UP ON YOUR DREAM!

While we bolster the institutions that have been catalysts for private sector growth, we are also embarking on new territory.

I cannot stress this principle enough; in fact, I want this to get into our spirits. In times of crisis, do not panic, do not flinch, be clear eyed and deliberate. Find the opportunity in every crisis. During this time businesses need funding and investors need easier ways to invest. We also need more opportunities to share the wealth.

Madame President,

Shortly, new crowdfunding rules will be released which will allow MSMEs to tap into financing collected by pools of people. This type of financing vehicle would also provide another option for



Bahamian entrepreneurs to obtain capital via a diverse pool of investors. Additionally, it also provides Bahamians an opportunity to diversify its investment portfolio by obtaining ownership in these SMEs. Bahamians can now invest in small start-up businesses that would otherwise be unable to access financing through the traditional commercial banking route.

Primarily, these new crowdfunding rules allow for entrepreneurs and small businesses to use technology and digital platforms to raise necessary funds up to \$3 million from the general investor public to start or expand their business. This gives the entrepreneur a powerful new channel to get capital. At the same time it provides greater opportunities for interested Bahamians to invest in and benefit from interesting and innovative business opportunities which they otherwise would not be able to invest in.

Think about how powerful this is Madame President. For example, an enterprising young Bahamian may be making specialty items from Bahamian native resources. That person may have persons locally and internationally who want to buy containers full of the items every week when the entrepreneur only has sufficient capital and reach to provide a few cases per week. Well, with the crowdfunding rules and legal framework, the promising entrepreneur will be able to use approved crowdfunding financial platforms to mobilize capital up to few million dollars to be able to radically expand and transform their business without having to go through the conventional banking and financial institutions.

This also means that start-ups can now target crowdfunding by investors that have a passion for the type of industry or sector they are entering. Farmers can now target crowdfunds that wish to specifically support the agriculture/agritech businesses. Crypto and other FinTech companies can access funding from investors specifically interested in funding tech startups.

The Bahamas will join its regional counterparts - Jamaica, Barbados, Trinidad & Tobago and St. Lucia - as nations developing frameworks for crowdfunding legislation, regulations, and ecosystems that support expanding domestic ownership and economic growth.

Very simply, Madame President, what this means is that the options for financing have expanded. Once again, we are undoing the barriers that Bahamians have faced to owning their economy.

### **State of Revenue Flows**

Madame President, Let's talk Revenue.

The success of Accelerate Bahamas hinges, in part, on an increase in government revenues as we reduce the need for the most severe restrictions required to curb the spread of COVID-19. Some have raised concerns about this budget's revenue projects. However, I intend to lay these concerns to rest.

Already, Madame President, with the opening of the economy in November 2020, the country has experienced higher than expected or projected growth in revenue inflows from main tax categories such as VAT, Customs and border taxes.

In fact, revenue for the five months ending November 2020 totaled only \$530 million, a contraction of 42.4 percent compared to the same period of the prior year. But if we look at revenue for the last six months - the period of December 2020 to May 2021, preliminary data places revenue ahead of budget projections by 13.5 percent (\$126.6 million). Revenue collection for the 6 months ending May 2021 is also ahead of actual revenue for the same period in the prior year by a marginal \$5.4 million.

Obviously, we do not expect revenue inflows to compare to the pre-Dorian/pre-Covid levels, but as I have said Madame President, we are trending in the right direction and well on track to meeting this fiscal year's revenue estimates. The momentum is building, the economy is on a good path and THE BAHAMAS IS COMING BACK!

Early indicators from the Ministry of Tourism have demonstrated that pent up demand from main source markets has begun to bear fruit with the opening of borders and the success of local and international vaccine strategies.

The restored confidence levels of travelers are resulting in the resumption of airlift to the country, greater numbers of passengers, higher occupancy levels and more hotel openings as the world adapts to the "new normal".

Madame President,

We are once again building on a foundation that we set well before the global pandemic. This is no accident! This didn't just happen! We have been aggressive and intentional in our approach to accelerating the development of the tourism industry over the past 4 years resulting in over 7 million visitors to our shores in 2019, the highest level in Bahamian history.

In the midst of the pandemic, our continued aggressive and intentional approach to restoring the tourism industry has resulted in new home-porting opportunities that expand the economic impacts of the cruise industry. REMEMBER CRISIS BRINGS OPPORTUNITY! This alone is a monumental shift in the Bahamian tourism sector, allowing for increased opportunities for local businesses in the tourism value chain and improved revenue collection from cruise passengers.

Following the first 7-day cruise, the first movement of cruise passengers through Lynden Pindling International Airport took place on Saturday, June 19, with approximately 900 passengers

departing Nassau for the United States. The airport can now reliably anticipate heavy arrivals and departures of cruise passengers every Saturday and Sunday, and estimates the number to grow to 3,500 passengers each weekend by July.

In a recent statement issued by LPIA to tourism stakeholders, they also project an increase in land-based passenger arrivals and departures at LPIA, with a potential addition of 4,500 US bound passengers between Saturday and Sunday each week as the recovery progresses.

Despite the naysayers, a close look at the revenue projects show that we are not passively relying on a tourism rebound or general economic growth. We have identified new streams of revenue to capture.

One of these new streams is revenue from the vacation home rental market through providers such as the AirBnBs.

Based on our data, we already see the potential for the development of this sector in enhancing our tourism product. We estimate that the tax potential of this sector is in excess of \$30M per year.

It is for this reason that during the budget debate the Prime Minister announced our government's intent to support Bahamians who wish to enter this market with \$2 million in funding via the SBDC.

### **Debt Management Strategy**

Madame President,

Even with these positive revenue trends, the country is still working its way back from a massive setback, and to sustain targeted social support and invest in economic growth, we will have to borrow.

We know where we are in terms of the current levels of debt. Unfortunately, we could not survive the aftermath of Hurricane Dorian and the global pandemic without accessing debt financing. And so yes, we borrowed to focus on supporting the people, families and communities most impacted by the dual catastrophes.

To disperse the desired level of assistance required us to make some HARD decisions. We could have chosen to provide only minimal assistance to households, businesses and the healthcare sector and maintain pre-crisis levels of debt **OR** we could have chosen to temporarily deviate from our debt plan to provide crisis-time levels of support to keep Bahamians afloat. We chose to do the latter. You know what, THIS WAS THE RIGHT DECISION! ECONOMIST agree, this was the right decision even the IMF agreed this was the right decision.

Let me be clear when I make this statement.

**We knew then that providing adequate support would increase our national debt over a short period of time, but we knew it was a worthy sacrifice to take care of the Bahamian people in the midst of a crisis.**

It was WORTH IT to save the thousands of businesses, It was WORTH IT to feed the thousands of households, it was WORTH IT to put money directly in the hands of those who lost their jobs

Madame President, we knew it would be worth it.

Despite this departure from our original fiscal targets, debt management and debt sustainability remain central tenets of the government's overall plan for fiscal responsibility and macroeconomic stability. We did not abandon our debt targets, we simply chose to responsibly delay the achievement of our debt reduction timelines. Our prudent plan to restore our debt to GDP ratio on a downward trajectory is set out in our 2020 Fiscal Strategy Report, published in December

Our actions should leave no doubt: Fiscal responsibility remains a key priority of this government. And our future actions are cemented in the Accelerate Bahamas budget plan for the upcoming fiscal year. In fact, our commitment, and more importantly, our tangible actions have been recognised and lauded internationally.

Madame President,

This Administration is responsible for enacting sweeping legislation that represents the most significant fiscal reform in the country's modern history.

The recently enacted Public Debt Management Act, 2021, provides a new governance and institutional structure for the management of public debt in all its forms. This legislation provides for better oversight and time sensitive management of the government's debt portfolio going forward: a critical aspect of the solution to regulate our debt levels in the short, medium and long terms. The Act takes effect in July and we will immediately begin the process of implementing these important rules.

Madame President,

I want to stress this point: the Public Debt Management Act alongside the new Public Financial Management Act, the new Public Procurement Act and the new Statistics Act this year, provide further support to the establishment and execution of the Fiscal Responsibility Act in 2018. The importance of these advancements cannot be overstated!

For those on the other side who seek to criticize, what did you do? You know the saying: don't judge me by what I say. Let me add this: don't judge me by how I criticize. Judge me by what I actually do.

You left a 600 million dollar deficit with no plan, no strategy on how it would be serviced. The very fact that we are having these conversations is because of our transparency!

If you want someone to describe your problem....Tell you who to blame for your problem... Go with them. If you want someone to fix it COME WITH THE FNM!

Madame President, no one FORCED us to enact these pieces of legislation. We took it upon ourselves to not only identify the deficiencies in the current public financial management system, but we actively sought to remedy the deficiencies.

Madame President,

You don't have to take my word. The path we have taken has been hailed by Caribbean Economist Marla Dukaran, who recently stated in her review of the annual budget that the government's commitment to fiscal responsibility articulated in the Accelerate Bahamas budget plan is "commendable and unique." She said that she was "not aware of any independent country in the Caribbean which has legislated and implemented any such fiscal responsibility framework / fiscal rules, without the commitment to do so under an IMF supported program."

In her assessment, Ms Dukaran added: "The fact that the government of The Bahamas has maintained a reasonable level of socioeconomic stability so far is testament to their capabilities, political will and ability to access assistance from external parties, including the multilateral lending institutions — most recently the World Bank."

This is not us patting ourselves on the back. This is not anyone who is seeking any accommodation from this administration. This is an assessment from an expert with no proverbial horse in the race.

Again Madame President, these results did not come by chance.

As part of our debt management strategy, first we have been strategic about the kind of debt we have taken on, and the avenues we use to fulfill these obligations.

Madame President,

Not all debt is created equal!

We have a well-established profile with the international financial agencies and we have been able to leverage this profile to secure concessionary terms on rates for this lending, unlike if we were to simply rely on an open market for our financing needs.

Even rating agencies view debt from the international agencies differently from the mainstream banking institutions because of the positive development impacts associated with such borrowing. This is why we have given more priority to the management of these relationships, creating dedicated units in the Ministry of Finance, such as the International Financial Institutions Unit (IFI) and the soon to come Debt Management Office (DMO), to guide and support the borrowing strategies and the subsequent portfolio management of our book of loan instruments. The new Debt Management Office, with the support of technical cooperation grant funding from the Commonwealth Secretariat and the United Nations India Trust Fund will establish a governance and policy framework for public debt management, including the institutionalisation of the Medium Terms Debt Management Strategy in line with global leading practices. So Madam President, Yes, this is an unprecedented situation but it has been a deliberate, focused approach to debt management and eventually debt reduction.

Secondly, to prepare for the eventual repayment of these loans, the government has opted to use sinking funds. Sinking funds allow the government to set money aside in a dedicated account to



pay debt obligations once they become due. Deposits are made to build up the balance and to ensure that we have sufficient funds to make payments on the debt when necessary. STRATEGIC AND A FOCUSED APPROACH.

Madame President,

We understand and acknowledge that the work for fiscal reform and tax reform is far from over. We appreciate that this unprecedented crisis has caused a significant diversion in our path to fiscal consolidation. It has caused our debt levels to move temporarily higher than we had planned. We always remind the side opposite that, despite their noise, it is this Minnis administration that made the tough decisions to set aside political expediency and take the steps to reduce the deficit early in our term.

As we were then, we remain today. We do not shy away or sugarcoat the reality of the situation. But neither do we embrace the negativity or cynicism of those who try to portray the country as on the brink of some sort of fiscal collapse. Our Resilient Bahamas plan laid out and executed a strategy that has kept the government solvent, that has allowed for hundreds of millions of dollars in direct support to Bahamians and that has ensured that our Bahamian dollar has remained as strong as it ever has been!

Because we confront the gravity of the situation with resolve and resilience, we have indicated that this administration will continue on tax reform efforts, as was recommended by the Economic Recovery Committee (or ERC). We have accepted their position that tax reform must continue and that we must improve our framework to move toward more fair and more equitable taxation across the country. We also agreed with the ERC that any future significant reform should be

preceded by an in depth, empirical assessment regarding the efficiency of our tax systems and the relative burdens of taxation in the country.

To this end, we are undertaking the in-depth tax study and preliminary work has already begun. By September of 2021, the study will be in full swing and we will likely have preliminary results by end of the year. We will publish a white paper on the findings of the study and will ensure broad consultation and input from the public regarding the outcomes of the assessment. We want to ensure that whatever significant changes we propose to the tax framework, that these changes are informed by reasoned and empirical analysis, and not simply the conjecture and posturing that too often gets attention when matters such as this are raised in the public domain.

At the end of the day Madame President, we want to ensure that we reform our tax system in a way that supports even greater opportunities for Bahamians to thrive in our country.

The discussion is also particularly timely Madame President because of the recent declaration of the Group of Seven Countries (known as the G7). This grouping, which represents the world's largest economies, has indicated that it will seek to impose a minimum tax rate on large businesses that operate within their borders, regardless of where the headquarters of these businesses may reside. They have indicated that they will not permit these businesses to book the entirety of their profits in so-called "low tax" jurisdictions.

This administration has gone on record to assert the sovereign right of The Bahamas to maintain a tax system that is best suited for the current and future needs of The Bahamas. Indeed, the Bahamas has representation at the table where these discussions are taking place. We continue to work with other similar established and credible international financial centers to remind the international community that we have been meeting, and will continue to meet all conventions and

treaties to which we are signatories. We are a well regulated jurisdiction and we consistently operate within the parameters of all arrangements to identify and address persons who would attempt to use our jurisdiction to evade legal obligations anywhere.

That said, we recognize that as the G7 seeks to make further changes to the global tax architecture, we cannot sit idly on the sidelines. We are participants in a global environment. We embrace the notion that, even in the midst of changes, there are always opportunities. This is the approach we must take. While change may be coming, we must be ready to embrace the new opportunities. We have already begun the dialogue with the financial services sector to gain an understanding of how the proposed new global tax protocols may impact their business. At the same time as we contemplate tax reform, we are going to work with stakeholders to determine how best to position the changes in the global landscape to adjust both our tax systems and the portfolio of products on offer by our international financial institutions to ensure that we create more opportunities here in The Bahamas. I am pleased to say that industry partners have embraced this proactive approach. We will have much more to say on this in the coming months.

Madame President,

Another part of our debt management approach I want to highlight is the introduction of the National Infrastructure Fund, developing under the guidance of the Inter-American Development Bank (IDB).

This Fund is expected to mirror the management structure of the Arawak Port Development Company (APD). This new investment fund will be a privately owned and managed mechanism, with government oversight, to pool financing for much-needed infrastructure development.

Madame President,

We are not burying our heads in the sand. We are clear-eyed about the national debt and we have a serious plan to manage the debt portfolio.

**A simple part of the Debt Management strategy also means balancing tax breaks and concessions with tax measures. Some will say take care of the people, now is not the time to focus on debt reduction and others will say this is unsustainable and we must stop the spending and tax breaks or even raise taxes to reduce the debt level. This budget strikes a necessary balance.** It provides very targeted and focused tax breaks and concessions that are principally geared on accelerating the pace of economic activity and recovery. Most importantly, the tax breaks and concessions are paid for by the incremental tax measures outlined in the budget. We made the deliberate decision that the concessions would have to be matched with corresponding revenue gains to pay for them.

### **Accelerating Grand Bahama's Recovery**

Madam President,

I now turn to Grand Bahama.

There is no full national recovery without the return of the Grand Bahamian economy.

Madame President,

The success of Grand Bahama means success for us all.

There are a number of developments already moving ahead, initiated by this government, and under this government that will help Grand Bahama to rise.

Madam President

**I have never been more optimistic and hopeful about the future of Grand Bahama!**

Prior to the passage of Hurricane Dorian, THIS Government executed a Heads of Agreement with Carnival Cruise Line Corporation for the development of a \$100M cruise port.

The port is to be the largest purpose-built cruise facility ever constructed in The Bahamas. We expect that this new development will attract about 1 million guests annually to the island. The permitting stage continues.

But, Madame President, that's not all...

IT WAS THIS government who also signed an agreement for the sale for the Grand Lucayan Hotel in anticipation of the \$200M hotel and cruise port project in a joint venture with the Royal Caribbean Cruise line and the ITM Group.

While both projects have been delayed because of COVID-19, I am pleased to say we are nearing an end to the transaction and will have more to say in a few weeks.

Russell Benford of Royal Caribbean and I stress this did not come from the Government. He stated at the launch of RCL Homeporting Ceremony in Grand Bahama that their investment will be in the “hundreds of millions on Grand Bahama and will boost the Bahamian economy over the next 25 years and beyond, with:

250 additional ship visits to Freeport and more than 1.5 million additional cruise passengers, annually

Hundreds of new jobs for Bahamians, annually during the six-year development phase and thousands more annually, once in operation.”

Again, it doesn't stop there...

Royal Caribbean has launched home porting cruises which not only stop in Grand Bahama but also provisions its ship in Grand Bahama.

Taxi Drivers, Bus drivers, store owners, tour operators, restaurants and entertainment facilities all benefited from the return. But also for the first time local businesses, food stores and wholesalers also benefited. And yet again, Madame President, there is more...

**Weller Group Discovery Bay Project** We are also pleased that the Government has approved the new Discovery Bay Project. The Company intends to develop a mixed-use resort consisting of a 25 key boutique hotel and restaurant, 30 residential estate lots, 12 townhouses, 12 bungalows, a beachfront rental pavilion, a 30-slip marina (to be situated in the existing canal system), and a back of house facility. It is estimated that this investment at the end of all its phases will exceed 100 million dollars.

Some \$21M has also been expended on the refurbishment of the Rand Memorial Hospital, of which the first phase has now been completed.

For Grand Bahamians, the renovations to the Rand Memorial Hospital have meant access to a new pharmacy, new pediatric ward, new medical and surgical wards, and new operating rooms.

Additionally, \$19M has been allocated to construct a new four-story level addition for in-patient services and care.

The Public Hospitals Authority has been granted Cabinet approval to engage an architectural firm to develop detailed architectural and engineering plans for a new climate-resilient hospital and clinic facility and a local committee has already begun work on the new design.

Still, there is more to come, Madame President...

The Government came to an agreement with Hutchison for the purchase of the Grand Bahama Airport for \$1 plus the assumption of a portion of staff-related costs. We said we would buy the airport and we have done what we said. The acquisition was completed earlier this month – the government now has full responsibility through the Airport Authority.

A Special Purpose Vehicle (SPV) will be created to operate and redevelop the airport – as was done with the Lynden Pindling International Airport.

The government has stressed the priority for Grand Bahama's airport to be rebuilt as a world-class facility that can withstand major storm conditions in the future.

We look forward to the upcoming PPP process that will engage with private sector capability, capacity, and efficiency to seek competitive redevelopment proposals that deliver value for money to The Bahamas. The Government will also be holding an industry forum this month to meet with persons interested in submitting proposals.

Still more, Madame President...

Grand Bahamians can expect a boost to both medical tourism and opportunities for tertiary education.

Western Atlantic University School of Medicine Ltd. is a medical university that intends to operate a School of Medicine on the island, granting to students who complete their degrees a Doctorate of Medicine. Construction has already commenced and they intend to commence receiving students by January 2022.

**Doctor Hospital has announced their new hospital project in Grand Bahama** – Doctors hospital has announced plans to commence this year a new private hospital in partnership with the Cleveland Clinic

**East End School Construction-** \$1.9 million is included in this budget to commence construction of a New school

**East End Micro Grid Project:** 4 million out of the 30 million dollars for Renewable Energy Projects is for Microgrids in East Grand Bahama, with the buildout to commence this year

**Mcleans Town Housing Project** The Subdivision McClean's Town settlement and comprises serviced lots *which includes roads and water. We will complete the electricity. There are* forty (40) residential lots, seven (7) multi-family lots, five (5) commercial lots and a two (2) acre green space/park site. Cabinet approved the plan for the redevelopment of the subdivision which includes offering these lots, which were assessed at between approximately \$20,000 and \$10,000, at half the price. They will also be entitled to the same concessions as the Prospect Ridge Subdivision in New Providence

Despite everything that the island has experienced and the trauma of these experiences, Grand Bahamians have persisted.

Grand Bahama is strong, and it is not alone. We are working around the clock to bring these opportunities to fruition. Madame President, the future is bright for Grand Bahama.

### **Public Service Digital Transformation**

Finally, Madam President,



I would like to turn my attention to another passion of mine. Like the rebirth of Grand Bahama's economy, much of my tenure as a member of this government has been devoted to the acceleration of the public service's digital transformation.

Madame President,

Technology and innovation is the way to the future! I am personally pleased to report on the continued progress of the MyGateway project. This platform is ushering in a fundamental shift in the way the government delivers services not seen since independence. At its core is digital payment and digital delivery of all government services.

While MyGateway began pilot testing in October 2020, and was only launched to the public on 10 May 2021, in this short period of time our platform has been received by the public with great excitement.

As of 31<sup>st</sup> May 2021, more than 8,000 users from across the islands have already signed up for the platform. We have intentionally sought to include the Family Islands in our plans.

Madame President,

We are not only providing service but we are connecting islands and bringing a level of service we have not seen. I am pleased to say that, to date, we have users from over 16 islands registered, participating and able to access government services from the comforts of their home.

Since its launch, 11 services are now available for the public to access from anywhere in The Bahamas and around the world. These services include everything from the renewal of driver's licenses to post office box rentals.

Overtime, we will expand the platform to include 200 government services. More than 1,400 Bahamians have renewed their driver's license online to date, with more than 600 requesting a police certificate.

Again, we are redesigning government services in a way that ensures convenience, efficiency and accessibility. The old way of doing business was particularly difficult for individuals who rely on the bus or may have other trouble getting around. Today, I am proud to say, no longer will you have to go to Thompson Boulevard to collect a police record, then head downtown to collect your marriage license and then head to the stadium to collect your driver's license. You will be able to collect all of your documents from a single location at the post office located at the Town Center Mall, a location that is convenient, safe, easily accessible by public transportation, and designed to be accessible for people with disabilities.

Madam President,

As we continue to build and expand our platform, we will also continue to incorporate the use of cashless payment options in more of our services.

The public has already seen the benefits of this transition to cashless solutions, allowing for quick and easy service delivery by the government.

One example that many people, particularly in New Providence, can relate to is the new process for vehicle inspection at the Road Traffic Department.

In describing their experience at the cashless Road Traffic inspection site, one citizen commented on social media:

*“I arrived twenty minutes before my appointment time and I was served immediately. The entire process took me less than twenty minutes in and out. The entire team at Road Traffic must be commended for putting in place the tools and resources to ensure that we are able to do business easily and stress free in this Country.”*

Hundreds of others are experiencing the same seamless experience. This FNM Minnis led administration is committed to advancing a digital transformation agenda that is accessible for all and delivers government services with improved efficiency.

Madam President,

The transition and expansion of digital technology throughout the public service is not being performed in isolation. As we roll-out and deploy new technology and offer new solutions to improve the everyday lives of Bahamians, the private sector is also at the table to ensure solutions are interoperable and that information sharing can occur seamlessly.

This partnership will be crucial as the government moves forward in launching innovative solutions such as a national digital ID. Currently, in The Bahamas, to conduct simple business activities such as opening a bank account or to execute a lease requires the presentation of sometimes multiple pieces of paper or plastic forms of identification.

We are pleased to announce that as the government rolls out its new national digital ID system, these issues will be a thing of the past. With the new interoperable national digital ID system, data and identification information will be stored and preserved in a secure virtual environment. For private sector vendors, we will also be exploring the option of using the national digital ID platform as a means of verification for services in the private sector.

Madam President,

As we increase use of digital technology in government, we recognize that there is the increased risk of cyber security threats.

Without a robust cyber security framework, there is an inherent risk of criminals illegally gaining access to the personal and financial information of Bahamian residents and citizens.

This administration is well on its way to launching national cyber security legislation to establish the governing structures to regulate and monitor threats to cyber security.

This will allow the country to prevent, detect and respond to cyber threats and incidents. This legislation will provide crucial statutory support for the work beginning under the recently launched Cyber Security Project. The project is being implemented in conjunction with the Information Telecommunications Union, the IT arm of the United Nations. Through our new cyber security focus, the government will deliver on the implementation of a National Cyber Security Response Team which will detect, defend, protect and respond to cyber-attacks.

Madam President,

We are building the workforce of the future. And, being mindful of the need to prepare the next generation to be competitive in the global marketplace, this administration continues to provide free education at BTVI and UB to ensure we have a cadre of well trained technicians in the future.

We are also focused on exposing students to the possibility of new career paths that can create prosperity.

With this in mind, our staff in the Department of Transformation and Digitization is already in the early stages of planning the first of what will be an annual government hack-a-thon.

Using this hack-a-thon, we plan to highlight the potential for youth in the technology sector. If we wish to build a technology driven economy, we must start at a young age and we must include young Bahamians no matter their gender, background or geographical location.

Madame President,

When we give Bahamians an opportunity to learn, grow and put their expertise to work for the advancement of their own country, we empower them to lead.

In that same vein, I am pleased to announce that as part of the IDB funded Government Digital Transformation loan, \$90,000 is available to fund private sector technology projects that will improve government service delivery. Details will be forthcoming as to the criteria for vendors to bid on such projects and how projects will be evaluated for eligibility. But one thing I can confirm in this Honorable Chamber is that the funding will only be allocated to Bahamian projects that are able to provide transformative solutions to improve our everyday life.

## **Conclusion**

Madam President,

As I conclude, I would like to thank the leadership and staff in the Ministry of Finance. I also wish to thank the leadership and team of DTAD and the Digital Transformation Unit. Collectively, we have talented and skilled professionals.

I also would like to thank the leadership and team at the Office of the Prime Minister in Grand Bahama.

Finally, I wish to thank the people of The Bahamas who have embraced the change that digital transformation brings at each phase in our development. It is critical that we remain focused on our why.

Regardless of the changes in technology, our Government believes in a people centric approach. It's all about the People and it's about their future.