

Nevis Island Assembly

Throne Speech



September 12th 2011

Delivered by:

His Honour The Deputy Governor General Mr. Eustace John

THRONE SPEECH

September 12, 2011

Honourable President,

Honourable members of the Nevis Island Assembly,

Ladies and gentlemen,

We have assembled here today to begin the first session of the Assembly since the local elections in July of this year. The Nevis Reformation Party (NRP) was returned to office after a hard fought election in which it obtained the popular vote and won the majority of seats. The people of Nevis must be commended for the trust and confidence reposed in the NRP-led government to continue to lead them in these challenging times.

I am extremely happy that disputes over the electoral system have been referred to a court of law, and opposition leaders have desisted from attempting to subvert the democratic process by inciting illegal violent protest action. This is a clear testimony of the strength and maturity of democracy in our blessed island, Nevis. Our people have demonstrated a keen awareness that democracy is not just about freedom of expression, and the conduct of elections, but how we govern ourselves when outcomes are not in our favour.

Despite the pain of defeat, I make a clarion call for solidarity. We are one people committed to common goals and aspirations. Let us put our differences aside and continue to work together for the economic and social advancement of all Nevisians. We must also continue to demonstrate the spirit of caring and sharing, being our brother's keeper, as we weather the turbulent storm of economic recession. Please rest assured that this government will continue to be inclusive, engaging and equitable as we progress the people empowerment agenda. We will also represent the interest of all Nevisians and residents regardless of race, social status or political viewpoint.

As I speak to you this morning, we are experiencing a period of great uncertainty. The global recession has not abated and there are fears that the situation could deteriorate further. With the Caribbean economies lagging behind the United States, it is expected that growth

will be subdued in 2012. However, the lingering recession has not dampened this government's optimism for a return to normalcy, and a brighter future for Nevisians. There is optimism because our island has coped with the challenges much better than some countries; our people have shown resilience and determination; and the government has demonstrated its capacity to act decisively. We have invested over \$10 million in various capital projects, including community centres, schools, the Charlestown Public Market and the Cotton Ground Police Station, in an effort to stimulate the economy and soften the impact of the recession. Our efforts have helped to stabilize the economy, to keep people employed, especially construction workers, and to stave off a potential economic collapse.

In addition, our policies and programmes over the past five years have been transformative. Despite the recession, we have experienced a level of progress that has surpassed any other period in our history. Please allow me to give a synopsis of our remarkable achievements.

We have:-

- Created 1,000 new jobs.
- Pioneered the exploration of geothermal energy.
- First in the Organisation of Eastern Caribbean States (OECS) to use wind energy to generate electricity.
- Constructed over 300 affordable homes including the Cherry Garden residential community.
- Negotiated and facilitated the reopening of the Four Seasons Resort which currently employs about 775 persons.
- Facilitated the opening and expansion of Brown Hill Communications. The company presently employs 125 people and this will double to 250 when the new building becomes fully operational.
- Increased the water supply by 1.1 million gallons per day resulting in a 24- hour service to all communities even during periods of drought.
- Installed cameras in strategic locations to reduce the incidence of crime.
- Negotiated with the Federal Government the amendment to the Income Tax Act to empower the Inland Revenue Department to collect income taxes from all companies doing business in Nevis.

- Launched a social action programme that includes the home work assistance programme, senior citizens recreational programmes, and community libraries.
- Reduced poverty from 32% in 2000, to 15% in 2009.
- Provided scholarships for vocational and tertiary education to more than 200 young Nevisians.
- Constructed a drag racing strip in St. James to boost entertainment and sports tourism in Nevis.
- Partnered with the Republic of China (Taiwan) to construct the performing arts theatre at Pinneys.
- Negotiated the Civil Service Loan Scheme with the Social Security Board to empower civil servants to buy land, build new homes and improve existing homes at reduced interest rates.
- Upgraded sports facilities throughout Nevis.
- Established the Nevis Investment Promotion Agency (NIPA) as a one stop shop for doing business in Nevis.
- Introduced the annual consultation on the economy ahead of the budget debate to canvass the views of the public sector, private sector, social groups, religious organisations and civil society as we advance our development agenda and make refinements where necessary.
- Increased tax concessions granted to hotels, and small and medium sized businesses.
- Provided free laptops to fifth form and sixth form students.
- Introduced community festivals.
- Constructed modern police barracks at Bath and Butlers.
- Constructed new village roads and upgraded the island's road network.

All of these programmes were deliberate actions taken by this government to protect incomes, create jobs, and give a boost to the communities. As the recession recedes, we have begun to focus our mind on finishing the work that we started over 5 years ago. We have to capitalize on our strengths and implement new programmes and policies that would make us more competitive in a modern world economy. During this five-year term, our guiding principles will be security, fiscal stability, and economic prosperity; and high priority will be given to growth and Jobs.

However, the first order of business must be fiscal stability. The cost of servicing the debt accumulated over the past 20 years is stifling growth and thus the need to return to fiscal balance is axiomatic.

RESTORING FISCAL BALANCE

As a result of the global financial and economic crisis, it was necessary to increase the debt and run budget deficits especially over the past three years. This is not unique to Nevis. Governments worldwide have been forced to undertake similar fiscal expansion to mitigate the effects of the crisis. Consequently, the stock of debt has increased to \$359 million as at June 30, 2011. Similarly, the costs associated with servicing the debt has increased. As Nevisians, we come from a history of financial conservatism, and have been known to live within our means. There is no doubt that we expect our government to do the same.

Consequently, Nevis, along with the Federal Government, has embarked on a fiscal and macroeconomic stabilization programme in collaboration with the International Monetary Fund through its Stand-By-Arrangement to restore fiscal balance and place the debt on a downward trajectory. We have already implemented a number of revenue reform measures, the most significant being the Value Added Tax (VAT). In the future, we will concentrate on expenditure reduction and debt management.

Our strategy is very clear and will include the following measures:

- Begin immediately to wind down the stimulus programme.
- Exercise greater control over current expenditure which would result in a moderate reduction in the size of the public sector and the freezing of wages.
- Reduce the annual capital expenditure budget to a realistic and affordable level while maintaining and pursuing critical projects that generate growth and create jobs.
- Strengthen the monitoring and evaluation of budgets to eliminate waste, and focus expenditure on priority areas.
- Rationalize expenditure on goods and services, transfer payments and overhead costs.

- Initiate a review of administrative functions to improve efficiency and eliminate duplication.
- Conduct audits in all departments to ensure value for money and the achievement of planned outputs.
- Access training in debt management for Treasury and Ministry of finance staff.
- Establish fiscal and debt targets for the government consistent with the ECCB guidelines.
- Develop a comprehensive debt strategy to guide the borrowing of the government. The objective will be to meet debt obligations in a timely manner and finance projects at the least possible cost.
- Utilize the Regional Government Securities Market to access cheaper financing for government's projects and operations.

These measures will require some sacrifice by all of us in the short and medium term, but are necessary to build the foundation for a strong and resilient economy in the future. We have insisted in our discussions with the IMF, the need to maintain the safety net programmes as well as transfer payments to health and education to protect the most vulnerable in the society. It was agreed that these programmes will be maintained at existing levels during the implementation of the fiscal adjustment programme. We are optimistic that by the ending of 2013 the fiscal situation would have improved significantly.

INVESTMENT AND GROWTH: CREATING JOBS AND BUILDING INDUSTRIES FOR THE FUTURE

Nevisians have always been an enterprising people. After the abolition of slavery and the end of the apprenticeship period, many of our forefathers left the sugar plantations and started various trades and micro businesses to eke out a living for their families. It was extremely difficult to survive without access to capital, but they persevered and were able to build a foundation for all of us today.

It is important that we continue the tradition of hard work and enterprise, and begin to reduce our dependence on government. The government will have to foster a facilitative business and investment climate, but our success as a nation will depend on our people being able to use their creativity and imagination to seize opportunities and become leaders

in business and industry. The pace of technological change in the world is inexorable and our island can easily be left behind if we are not innovative and flexible.

Our strategy for growth is very sound.

- The success of the Nevis economy depends on a skilled and educated workforce. Through our human resource development plan, we will continue to provide training for our young people, internally and externally, to ensure that they possess the prerequisite skills to support our economic programmes. Top priority will be given to the establishment of a Technical and Vocational College in Nevis which could increase the pool of skills on the island at a lower cost.
- The small and medium sized businesses in Nevis have become engines of growth in the economy and important sources of new job creation. We will formulate a regime of incentives and programmes to stimulate the development of these indigenous enterprises, especially those started by young people. One of the challenges faced by many small business owners is accessing finance for expansion, or capitalizing on business opportunities. Through the Small Enterprise Development Unit, we will provide additional resources to lend to these small businesses with marketable ideas.
- We will promote the development of appropriate small-scale energy based industries that would utilize locally produced geothermal energy, thereby expanding the economy and creating job opportunities.
- The development of our port facilities is extremely important in expanding trade and tourism, and in attracting investments. We will expand the airport runway by at least 1000 feet to provide better access by passenger aircrafts and private jets. We will also develop the Long Point port to serve as a transshipment hub.
- The provision of affordable housing is central to this government's poverty alleviation strategy. In this regard, we already have plans in motion to construct 500 homes over the next five years.
- We will continue to work with private investors to increase the number of guest rooms on the island including attracting at least one additional five-star hotel. We will specifically encourage investment by local people in small scale hotel and other guest room accommodation by continuing to provide the necessary fiscal incentives.

- To give a boost to the construction industry and the ownership of homes by locals, we will develop a package of duty concession for persons building their first home.
- The development of sport tourism is high on our agenda. In this regard, we will work closely with local organizations to upgrade and improve the drag racing and horse racing facilities on the island.
- Offshore education schools provide huge potential for creating jobs and generating rental income for property owners. Our efforts at attracting more of these institutions of learning have been impeded by the monopoly that was granted to the Medical University of the Americas by the former Administration. However, we will continue to provide incentives and explore all avenues to attract these schools to Nevis.
- We are presently working on a health tourism project which could provide job opportunities and alternative health care services for Nevisians. This is an area of priority for the government and a package of fiscal incentives will be developed to attract these types of businesses.
- We will continue to invest in Agriculture and Fishing to increase production. With the assistance of the Republic of China (Taiwan), we will invest US\$1.8 million in the construction and rehabilitation of wells at Indian Castle, New River and Cades Bay. These will be used exclusively by farmers to provide access to a reliable and cheap source of water to irrigate their crops. In addition, with the assistance of the Japanese government, we will invest US\$ 8 million in the construction of a fisheries complex in Charlestown. The project will include the construction of a 40-meter jetty, and the provision of marine fuelling, ice making and fish processing facilities.

Our growth strategies are necessary to reinvigorate the economy and generate employment opportunities for our people. We do not expect to pursue these initiatives all at once since we have to balance our policies and programmes with the means to pay for them. However, during the second term in office, we intend to pursue our goals with the zeal and determination required to overcome any obstacle that we may face. We will lead from in front as we position Nevis to advance economically in a fiercely competitive and dynamic global economy.

I shall now establish the broad policy framework that will guide our deliberations and lay the foundation for growth.

ENERGY SECURITY

The need to improve our energy security is absolutely essential to the development of Nevis. There is no doubt that the volatility and upward trend in the price of oil has seriously impaired the growth potential of Caribbean islands with the exception of Trinidad which is an oil producing country. In fact, the huge trade surplus that Trinidad enjoys with most of the Caribbean countries is a direct result of its low fuel cost which gives its manufacturing sector, a competitive advantage.

Consequently, this government must as a matter of priority take concrete steps to diversify our energy sources and reduce our dependence on crude oil. The focus for the coming years will be on the development of renewable energy to reduce cost, protect the environment and create jobs. We have already attracted a wind farm to Nevis, which is feeding about 1.6 megawatts of electricity daily into the electrical grid. The next step in our energy security plan is to make geothermal energy a reality in Nevis. Based on the preliminary findings, we believe that the geothermal resource is significant and could give Nevis unparalleled advantage in leveraging this endowment for economic development. However, our efforts have been constrained by the difficulty of attracting investment capital in the present global financial climate. Despite these challenges, we are not in any way discouraged. The people of Nevis could rest assured that every avenue will be pursued by this government to advance this project, and we are extremely confident of a positive outcome in the very near future, in terms of delivering cheaper and cleaner energy for economic progress.

FOOD SECURITY

Food security is of equal importance. Since the recession, there has been a systematic increase in the price of food worldwide. In Nevis, the problem has been exacerbated by the high level of imports, and the practice of price gouging by some businesses under the pretext of adjusting for Value Added Tax (VAT). We do not intend to impose price controls since these could lead to shortages; however, we will mandate the Consumer Affairs Unit to work closely with the VAT Unit to monitor prices and publish them weekly. By providing

timely information and promoting transparency, consumers will be more empowered to make the most cost effective purchase decisions which would stimulate greater competition in the retail sector.

Moreover, to seriously tackle the issue of food security, we have to increase local production and reduce imports. Since our land resources are limited, the government will channel more resources into the utilization and adaptation of new technologies and marketing strategies to assist the farmers in increasing production and sales. With the increase in prices worldwide, it provides an opportunity for our local farmers to become more price-competitive in Agricultural production and thus increase employment opportunities at home.

INTENSIFYING CRIME-FIGHTING EFFORTS

The increasing incidence of criminal activities in the Federation is a serious threat to peace, stability, and economic development. The government regards the security of the island as extremely important and will work closely with the Federal Government to eradicate the scourge of gang violence from our society. We do not support the call by some opposition members for a state of emergency since this could seriously damage our tourism industry and investment climate, and create additional hardship for our people in these difficult times. However, we will give full support to the new Commissioner of Police and work with the Federal Government to improve the mobility, surveillance and investigative capabilities of the Police Force. This will require that we increase the size of the force, provide additional incentives, improve training, and acquire additional equipment. We will also work to improve the court system so that perpetrators are brought to justice swiftly and in accordance with the law. Ultimately, our efforts will be futile unless the police become more aggressive in apprehending criminals and rooting out gang violence. To improve performance, we will ensure that screening is improved to attract officers of integrity, and that proper systems of accountability are implemented and enforced. We are confident that the development of a modern, highly trained, and efficient Police Force will restore order and the rule of law in our country.

Nevisians are aware that the apprehension of criminals is not enough to control crime. There must be a holistic approach to crime fighting which underscores the social dimension.

To this end, we will implement programmes to improve parenting skills, to provide training for young people, to encourage mentoring, and to counsel and rehabilitate criminals and gang members. We will also develop programmes in both the primary and secondary schools to discourage children especially boys from becoming members of gangs. The work that has already started by some private organisations will be supported and expanded by the government as we forge partnerships with civil and non-governmental organisations to deter criminal activities on our island.

TOURISM

With the reopening of the Four Seasons Hotel, the tourism industry has improved considerably but it is still far below the pre-recession levels. We will therefore have to strengthen our marketing efforts to protect and promote this very important industry. With effect from October of this year, all hotels will be required to charge a 2 percent tourism levy on bills paid for accommodation and food. These funds will be collected by the Inland Revenue Department and will go directly to the Tourism Authority to fund the marketing budget. We will continue to market Nevis as an upscale destination but will intensify our effort to diversify the product, and expand the land base activities to enhance the visitor experience.

Tourism is still the most important industry in Nevis and necessitates that we continue our efforts to attract high quality investments in this sector. The government has worked extremely hard over the years in this area and our efforts are beginning to produce positive results. Several major projects are at the planning stage and should begin construction within the next three years. They include the Aman Resort at Indian Castle; a hotel and villa development on 428 acres of land at Pinneys; the Cades Bay Marina and Villa project; luxury apartments on the 24 acres of land next to Four Seasons Resort; and the Charlestown cruise development facility which involves the construction of duty free shops and entertainment centres. These projects will increase visitor arrivals to the island, augment government's revenue and create over 1500 jobs. Our plan for the next five years is to transform the landscape of Nevis and make it the paradise of the Caribbean.

FINANCIAL SERVICES

The financial service industry is critical to the development of Nevis and will continue to be given priority. Over the years, financial centres outside of the world great metropolises have come under increasing scrutiny by the Organisation for Economic Co-operation and Development (OECD) countries. As a result we have had to make several changes to improve regulations and address issues of money laundering and terrorist financing. In addition, we have had to sign many tax information exchange agreements to elevate our status to the white list.

The environment has changed drastically and thus we will have to continue to be proactive in order to maintain the integrity of the sector. We will continue to improve the regulatory infrastructure by aggressively enforcing the laws and conducting offsite and onsite inspection of all regulated entities. Service providers will be subjected to a high level of due diligence, and we will work closely with the Society of Trust and Estate Practitioners (STEP) and Nevis International Service Providers' Association (NISPA) to develop professional expertise on the island and ensure that service providers adhere to strict international standards.

To adequately regulate the financial services' sector and comply with the international requirement, the regulation department must have the authority and independence to carry out its mandate. During next year, the department will be established as a statutory body under the jurisdiction of the Federal Financial Commission which consists of members from both St. Kitts and Nevis. However, Nevis will retain the power to grant licences, develop new products, and market the sector internationally. As part of the integrated regulatory framework that is being established, the powers of the Regulation Department will be expanded to include the regulation of offshore banks, credit unions, nonbank financial institutions, and money transfer agents.

In terms of marketing, we will establish a marketing committee with members from both the private and public sectors to develop a comprehensive marketing plan for the sector with the aim of attracting reputable and high value added businesses to Nevis. We will also continue to work closely with STEP and NISPA to devise strategies to improve the quality of legislations and the marketability of Nevis as an international financial Jurisdiction.

INFORMATION AND COMMUNICATION TECHNOLOGY

To prepare our island to compete more effectively in an increasingly technologically sophisticated world economy, we will implement a plan for the utilization of Information and Communication Technology (ICT). We will provide appropriate training for our young people so that they acquire the advanced skills necessary to undertake high value work such as designing websites, engineering new software, and creating and managing data bases. In addition, we will also provide incentives for investors to establish high quality ICT based businesses to generate additional employment opportunities for our young people. With the potential for the supply of cheaper and cleaner geothermal energy, we believe that Nevis could develop a competitive advantage in attracting this industry.

In this rapidly changing world, the government has to utilize the best available technology to enhance governance systems. To achieve this objective, we will develop and implement an ICT policy aimed at promoting transparency, improving public access to government information, offering a higher quality service to citizens, and consolidating business processes to reduce duplication and increase efficiency. We have already implemented a government wide intranet, created several websites, and offered electronic processing of entries at Customs. We will continue to build on this foundation in pursuit of establishing a government that is modern, efficient, and responsive to the needs of the people.

PRIVATE SECTOR DEVELOPMENT

It is fair to say that the government has done an excellent job building the infrastructure and sustaining the economy during the recession. We are now looking to the private sector to become the engine of growth for the future. I am happy to report that the process has already begun. We have witnessed significant local investments such as Bank of Nevis Building Complex, Horsfords Value Mart, and Nelson Spring Condominium Phase 2. We are also expecting that the Social Security Building project as well as some of the externally driven projects already highlighted in my presentation will start construction next year. There is no doubt that the willingness by both local and foreign companies to invest in Nevis during a difficult global recession is an open acknowledgement of the faith and confidence that they have in the policies and programmes of this government.

Our focus for the future will be on creating a business and investor friendly environment by simplifying regulatory procedures, reducing bureaucratic red tape, and improving customer

service. In addition, through NIPA, we will develop an investment promotion and marketing strategy to aggressively attract investments to Nevis. We intend to send a clear signal to local and foreign investors that Nevis is ready and anxious to open its doors to welcome good business opportunities.

TRANSFORMING EDUCATION

Education is a key priority of this government and thus we will continue to encourage all students to strive for excellence. We have embraced the ‘no child left behind policy’ to ensure that every student regardless of economic or social standing has an equal chance to excel academically. Our goal is to ensure that every household in Nevis has at least one graduate by 2025. As a result of the implementation of creative policies and programmes, we have achieved marked improvements in Test of Standards, CSEC and CAPE results with students from the Sixth Form College winning the state scholarship for four consecutive years. This is a commendable achievement and all Nevisians should be justly proud.

In the new term, the government will continue the drive for excellence in education by providing financial assistance to students attending tertiary and technical institutions, by improving lesson delivery, and by enhancing the quality of education. We will implement an integrated curriculum to encourage the development of the Arts by introducing music, dance and theatre as subjects so that each student has a wider option from which to pursue a path best suited to his or her individual talent and aptitude. Our programme will include greater focus on the use of ICT technology to enhance pedagogy and the learning environment. This will involve making greater use of computers and the internet in all schools on the island by providing all secondary school students with laptops during our new term in office. While we do not intend to replace the personal contact between teachers and students, the use of modern technology will increase access to resources and supplement traditional learning methodologies.

PROMOTING HEALTHY LIVING

In Nevis, we continue to be challenged with the increasing incidence of chronic non-communicable diseases such as diabetes, hypertension, and heart failures. Research has shown conclusively that these health issues are caused by poor diets, lack of exercise and unhealthy lifestyles generally. To combat these challenges, we will focus greater attention on prevention by conducting regular clinics, especially men's clinics, in all centres; using all available media to promote health and wellbeing; and initiating additional education programmes for people of all ages.

In terms of curative health care, our priority is to improve access and make the cost more affordable. In this regard, we will -

- send more persons to Cuba for medical treatment. Its health system has proven to be of high quality, and more cost effective than other alternatives;
- establish a dialysis unit on the island to assist those persons who are suffering with renal failure;
- develop a health insurance scheme to assist persons who have to travel overseas for medical treatment that is not available on the island; and
- reduce the cost of medical services for senior citizens.

It must be noted that health care is one of the pillars of economic and social development and thus it is the imperative duty of government to ensure that all of its citizens have access. We have taken this responsibility seriously and will endeavour to continually advance the delivery of quality, efficient, and cost effective health care to Nevisians.

COMMUNITY AND SOCIAL DEVELOPMENT

The government has an outstanding record in the area of community and social empowerment having developed innovative programmes for all ages including: child protection, and foster care services; recreational programmes for senior citizens; and educational programmes for youth. We have also constructed community centres throughout Nevis which will become the focal points for community and social development programmes. This will involve the delivery of a comprehensive package of training modules in conflict resolution, anger management, music, dance, drama, leadership, management, computer education, reading, entrepreneurship development, team building and many

other areas based on the needs of the communities. Our aim is to strengthen the grassroots movement and promote social cohesion as an important prerequisite for national development.

We will also strengthen the sports programmes in the communities to harness the potential of our youth and direct them away from criminal activities and anti-social behaviour. It is our goal to produce sportsmen and sportswomen who can be successful in national, regional and international competitions. Our plan includes organizing community competitions, undertaking grassroots training in sports, and hosting visiting sporting organisations and clubs to give our youth greater international exposure. We will therefore challenge our young people to work hard and develop the discipline required for success at the highest level. With such an attitude, sports could become a source of national pride, and help to unify our people.

CULTURAL DEVELOPMENT

It is well established that culture is an important tool for unity and socio-economic transformation. As a result, this government will ensure that cultural and artistic development receives the same level of attention and support as other areas of the national economy. Our achievements so far are numerous, highlighted by the enactment of the Cultural Development Foundation to coordinate and advance all aspects of cultural preservation, promotion and development. We have also expanded schools and community-based programmes with greater focus on the preservation of the Masquerade art form and the teaching of steel pan music.

In the new term, we will continue to ensure that culture remains an integral part of our national endeavour. To accomplish this goal, we will implement several strategies.

- Establish a Task Force to draft a National Cultural Policy for the island.
- Develop and implement training programmes in Visual and Culinary Arts in the schools and communities.
- Utilize the community centres to establish training programmes for the youths in various aspects of the arts and culture.

- Enact legislation to establish the Nevis Heritage Trust to manage, safeguard and maintain the natural historical sites, rain forests and historic Charlestown.
- Establish annual community festivals in all parishes.
- Provide scholarships to deserving students to pursue tertiary level education in areas such as performing arts, visual arts, cultural research, and museum studies.
- Create incentives to promote and develop the arts and culture.
- Develop and implement civic and patriotic programmes geared at instilling a sense of national pride and cultural identity in our society.
- Position and revitalize the Culturama festival as the Caribbean's most unique festival.
- Develop a cultural industry focusing on film, entertainment, music and fashion.

Many academic studies have concluded overwhelmingly that there is a causal relationship between culture and economic development. The success of emerging economies like India and China is often attributed to cultural traditions which are deeply rooted in discipline, hard work, and respect. It follows, therefore, that our national development strategies must be culturally framed and culturally based to give us a competitive advantage in a rapidly changing world. It is within this context that the government will ensure that culture is incorporated in every aspect of the development process.

POVERTY ALLEVIATION

While the poverty rate has dropped precipitously since the NRP took over the mantle of leadership in 2006, we will not rest on our laurels. Our goal is to completely eradicate poverty from this island. We will continue with our programme of targeted intervention with the understanding that ultimately our goal is not to encourage the reliance on hand outs but to equip people with the tools to help themselves. As we spearhead the development of a service oriented and knowledge based economy, we must prepare our people to take advantage of the opportunities. To this end, we will pursue the following initiatives:

- Allocate additional resources to human resource development to train and educate our people especially the youth and the unemployed. Special emphasis will be placed on entrepreneurship education to cover areas such as business management, marketing, accounting and financial management.

- Provide affordable loans and technical support for the development of small business enterprises.
- Utilize the community centres to promote community empowerment.
- Expand the social safety net programmes to assist the most vulnerable in our society. However, we will not encourage dependency. Efforts will be made to prepare victims to take up new opportunities.

As a result of the persistence of poverty in the wealthy developed countries, there has been a passive acceptance that poverty is inevitable. While we will broaden the safety net to protect the most vulnerable, we believe that our policies and programmes, which are designed to create growth and Jobs, will make significant inroads in alleviating poverty over the next five years.

DEVOLUTION OF POWERS TO THE NIA

During this term, we will continue to work assiduously at the federal level to give the island of Nevis greater internal self-governance. We are firmly of the view that additional law making authority is necessary to advance the social and economic development of Nevis. Consequently, we are seeking to expand the legislative powers of Nevis in areas where, presently, we are limited to administrative responsibility. These additional powers include matters of education, health, police, security, ports, and other areas of exclusive responsibility.

I must emphasize that this government still believes that constitutional reform is the best option to avoid rancour and protect the historical and familial bond between St. Kitts and Nevis. However, we need a legislative regime that is dynamic, and provides the right balance between administrative responsibility and legislative competence to propel Nevis forward in a global economy that requires countries to be nimble, responsive, and creative to ensure survival.

CONCLUSION

The prolonged recession has taken its toll on our island. The recession emanated from greed and mismanagement in the developed countries, but the small and vulnerable countries have had to pay a very high price. In Nevis, the government debt has increased, revenues

have declined, and some Nevisians have been out of work for the first time in their lives. Even as we are witnessing glimmers of hope, events external and over which we have no control are threatening an already fragile recovery.

However, there is no reason to despair. This will only result in indecision and a worsening of the situation. We will all have to make sacrifices but will need to be resourceful and proactive. Businesses will have to be innovative and find ways to create opportunities in situations of weaker markets and tighter credit. Nevisians out of work will have to begin the process of training and retraining to explore new opportunities. Households will have to save more and budget more carefully to deal with the new realities. The government will have to lead by example and become more disciplined to restore fiscal balance in the medium term.

Despite the obvious challenges, this government is confident about the future. We have leaders and visionaries who understand the problems and are not afraid to confront them. We have put forward a plan of action that is pragmatic, creative and caring. We will partner with the private sector and civil society as we make refinements along the way. We will need the people of Nevis to be patient and supportive as we navigate the undulating terrain ahead of us. However, we step forward in faith and with an unwavering conviction that the storm will pass and the policies and programmes that we have enunciated will generate growth and jobs, and illuminate the lives of all Nevisians.

The journey is rough but if we put all differences aside and work together in a spirit of partnership, we will surmount obstacles, open up new opportunities, and make Nevis a better place.

Honourable members I urge you to observe the decorum of this assembly, avoid acrimony and advance constructive ideas to build a stronger Nevis and a stronger economy.

I invoke divine providence as we prepare to deliberate on the way forward for our beloved country.

Thank you.