



BUDGET STATEMENT

“Agenda for Change”

Delivered by

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Minister of Finance and the Economy

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AGENDA FOR CHANGE

Madam Speaker, 'Change' is inevitable in a progressive society. Alfred North Whitehead once said: "The art of progress is to preserve order amid change, and to preserve change amid order." 'Change' is therefore the watchword of progression. When we tire of well-worn ways, we seek for new. It is against this background that the United Progressive Party outlined its Agenda for Change in the 2004 Manifesto, designed to usher in Government in the Sunshine and which provides the foundation for the Budget of 2004.

Madam Speaker, the scales that weigh the future direction of our beloved Antigua and Barbuda, are finely balanced. A wrong move in either direction is likely to result in consequences that could be long-lasting and difficult to reverse. It is therefore most critical that, at this juncture in Antigua and Barbuda's modern socio-economic history, we make the right decisions in the overall interest of the people of Antigua and Barbuda, and we must seek to implement these decisions decisively. There is no more time to waste. The time to act in the constructive interest of our people and our Country is now.

In this regard, Madam Speaker, the actions we take must be well thought out; they must be circumspect; they must be judicious; and they must redound to the benefit of all, especially the most vulnerable. That is why Madam Speaker, the United Progressive Party, under the distinguished leadership of our Prime Minister, the Honourable Baldwin Spencer, proffered to our people an **Agenda for Change**, an agenda which resonated with the people of Antigua and Barbuda, both citizens and residents alike, and which received their overwhelming support in the General Elections of 23rd March 2004.

Indeed, we are humbled by the trust and confidence that the electorate of this country has reposed in us, and whilst the challenges are great, we are not overawed by them, for we have been preparing and equipping ourselves to assume this mantle of leadership for some time now.

But, Madam Speaker, nothing happens before it is ordained, and it is now our time. I truly believe, Madam Speaker, that divine intervention has placed us here at this time, as members of the leadership of this Country, because, it is we who are best positioned and best equipped to navigate a pathway for Antigua and Barbuda, into the sunshine.

Madam Speaker, as we assemble here today in this august body, there are stormy clouds and turbulent waters around us. The policies of the outgoing government and the conduct of its leadership have brought immeasurable shame and pain to the people of Antigua and Barbuda. The previous administration did not engage in any strategic planning and the lack thereof resulted in numerous fundamental failures:- failure to pay public servants on time; failure to pay government suppliers and contractors; failure to pay government employees' deductions to the Social Security Scheme, the Medical Benefits Scheme and the Board of Education; and failure to curb the unbridled, reckless and irresponsible spending of the country's scarce resources.

The outgoing ALP Administration further caused immense embarrassment to the nation by its persistent failure to meet our international obligations. As a result, we have significant outstanding obligations to France and Italy, as well as to CARICOM and to the Eastern Caribbean Supreme Court, among others.

Madam Speaker, this is the Antigua and Barbuda we have inherited.

International

Madam Speaker, the world economy expanded by 3.2% in real terms in 2003 compared to real growth of 2.9 % in 2002. Economic growth for the first half of 2003 was affected by adverse shocks, the most significant of which was the war against Iraq. A quick end to the hostilities coupled with a buoyant equity market and monetary and fiscal stimuli, combined to spark an economic recovery in the second half of the year. There was also increased global demand for consumer durables.

Environment

In the currency market, the U.S. dollar depreciated some twelve percent (12%), reflecting relatively low interest rates and a widening US current account deficit. In spite of the foregoing, the United States experienced four percent (4%) real growth as a result of increased private spending.

Madam Speaker, there are several international issues that can impact the economy of Antigua and Barbuda, the more critical of which, I will highlight at this time. While the international economy is experiencing real growth, oil prices have not yet stabilized. Global economic expansion combined with the impact of the War in Iraq continues to push oil prices upwards. This trend will have implications for the cost of doing business in Antigua and Barbuda as it will impact on our Balance of Trade and could exert inflationary pressures on the economy as a whole.

Madam Speaker, it is my Government's intention to address at least one of the areas in which increased oil prices impact on all of us. It is our intention to remove the fuel variation charge on electricity bills in order to reduce the cost of living, thereby increasing the level of disposable income to all families. The removal of the fuel variation charge will also reduce the cost of doing business.

Madam Speaker, we note the swiftness of the march towards globalization as economies become increasingly intertwined and interdependent. Specific to our region, we note the strides toward the realization of the Caribbean Single Market and Economy. We recognize that Antigua and Barbuda has a critical role to play in this process; however, there is an urgent need for us to become adequately prepared in order that we may reap maximum benefit from a globalized world economy. There must and will be continuous engagement between the Government and civil society as we move our country forward and, in this regard, the Government pledges its commitment to a continuous process of consultations with civil society through the establishment of the National Economic and Social Council as a main pillar in a participatory democracy.

Another aspect of the international economic environment which has implications for our twin-island state, is the move by first world countries to provide job security and to prevent what they perceive as leakages from their domestic economies, by enacting legislation to restrict the ability of Multi-National Corporations and International Service Companies from taking advantage of the lower production costs and more favourable tax regimes in countries such as ours.

Madam Speaker, this action by first world countries will severely impact on our ability to diversify our economy into profitable service oriented sectors such as information technology and financial services. We are however encouraged by the recent favourable ruling of the World Trade Organization (WTO) and we are committed to defending our cause by pursuing policies that will further advance the development of our international business sector.

Regional Economic Overview

Despite the challenging economic environment, most of the CARICOM member states realized growth in real output in 2003, although the rates slowed in some countries. Available data on the economic performance of the region indicate that Barbados and Trinidad and Tobago, two of our major trading partners, experienced two point two percent (2.2%) and three point four percent (3.4%) real growth respectively.

Unemployment in the region was in excess of ten percent (10%). Inflation remained modest at between one percent (1%) and three percent (3%) for the region, with the exception of Guyana where inflation was in excess of five percent (5%). Throughout the region, the commercial banking system remained relatively liquid, despite the reduction in interest rates.

It is our intention through dialogue and moral suasion to encourage the commercial banks in Antigua and Barbuda to allocate a more substantial proportion of their loan portfolio for risk financing, especially in the areas of agriculture, agro-processing and small business development. We feel confident that having regard to the warm reception and cooperation that my Government has received from the domestic commercial banking sector, our aforementioned goals will be realized as we seek to deepen our working relationship with the banking community.

National Economy

Madam Speaker, the mismanagement, extravagance and avarice of the outgoing ALP government has driven the economy of Antigua and Barbuda to the brink of a precipice.

For the last ten years, the ALP administration took the economy of Antigua and Barbuda on a path of persistent decline. Economic growth as measured by the rate of growth of real GDP has been in unchecked decline from six percent (6%) in 1994 to an estimated two percent (2%) in 2003.

The national debt continued to rise at alarming proportions to an unprecedented level of 3.05 Billion Dollars as of December 2003, making Antigua and Barbuda by far the most heavily indebted country in the OECS sub-region.

The chronic fiscal hemorrhaging under the ALP administration continued unabated and was being fuelled by that administration's unchecked propensity for spending taxpayers' hard earned monies on goods and services that were wholly unnecessary, unwarranted and unproductive. It is significant to note that Government Services experienced a ten point seven eight percent (10.78%) expansion as a result of this indiscriminate spending by the previous administration.

Madam Speaker, an initial perusal of the fiscal position we inherited from the previous administration indicates that the Central Government's deficit position was in excess of one hundred and fifty million dollars (\$150 million) at the end of 2003. This is more than twice the deficit position that was presented in the 2003 Budget tabled in this Honourable House.

Madam Speaker, my Government is committed to rationalizing Government expenditure. The first major issue on our Agenda for Change is to cut out the extravagance, and eliminate pilferage and wastage that were the hallmarks of the previous administration. In signaling this new Administration's commitment to prudent money management, the Prime Minister, the Honourable Baldwin Spencer has led the way by reducing the number of government ministries to nine. Government procurement of goods and services will be rationalized; the purchase and use of government vehicles will be reviewed along with the use of government telephones for the purpose of making overseas telephone calls. Madam Speaker, all Heads of Government expenditure will be reviewed and all Government Departments with the responsibility for spending public funds shall be called upon to tighten the reigns of spending while simultaneously ensuring that there is openness, transparency and accountability in the handling of public funds.

It should be noted, Madam Speaker, that in keeping with our Manifesto pledge to public servants and also in-keeping with our motto, "People First", my Government has kept constant the budgetary allocation for Personal Emoluments (i.e. wages and salaries to public servants). In this regard, I am pleased to report to this Honourable House that the United Progressive Party Government has put in place the necessary financial arrangements to ensure that public servants receive their wages and salaries. I am also happy to report that for the first time in many, many years, and under the direction of the United Progressive Party Government, the Treasury Department has made a payment to the Social Security Scheme, the Medical Benefits Scheme and the Board of Education in respect of public servants' contributions that were hitherto deducted by the previous Administration but were not paid over to those respective bodies. This step is indeed, Madam Speaker, demonstrative of a responsible Government that intends to live up to its commitments to the people of Antigua and Barbuda.

While we play our part as a responsible and caring Government, we also expect that public servants likewise will play their part in providing quality and efficient service to the public at large. To aid this process, my Government is committed to carrying out a comprehensive public sector reform or transformation process geared at restructuring the public sector to adequately meet the current and future challenges of modern day Antigua and Barbuda and the concomitant expectations and demands of our people, all within a framework of improved terms and conditions of work.

Tourism

Madam Speaker, let us turn our attention to the Tourism Industry. It is an accepted fact that tourism is the world's largest industry and offers virtually unlimited potential for sustainable jobs and economic growth for Antigua and Barbuda. Regrettably, however, tourism as our main engine of economic growth

has been contracting since 1994. In particular, the contribution of the “hotel and restaurant” sector as a percentage of GDP has fallen in every year from as high as eighteen percent (18%) in 1994 to a current figure of approximately 12%.

Madam Speaker, my Government shall move swiftly to mount an all-embracing rescue mission of the tourism sector that will propel rapid transformation of the quality of our tourism product and produce significant levels of innovative destination marketing. To this end, the Government will mobilize all stakeholders in a national mission to so improve our tourism product that we will exceed the expectations of our visitors. As a first step in this process, we shall establish a National Tourism Task Force comprising all stakeholders, with a mandate to present a comprehensive Tourism Transformation Plan soonest.

We shall also introduce a Hotel Concessions Act to stimulate investment in the refurbishment, upgrade and expansion of existing properties and to create an attractive environment for the construction of new properties. My Government will also seek to introduce a Cruise Tourism Policy designed to maximize the cruise sector’s contribution to the national economy.

Already, there are a number of tourism related projects in the pipeline that are likely to come to fruition during the current financial year. The economic impact from these projects in terms of job creation and the ultimate positive effect on Government revenues will be significant.

Madam Speaker, we also expect to derive increased returns from our international financial and gaming sectors as we seek to harness their full potential.

Overview of Budget 2004

Madam Speaker, we are all cognizant that this Administration was elected a mere seven days ago. In recognition of the constitutional requirement to lay the Appropriation Bill in the House within ninety days from the start of the financial year, my Government was compelled to make every effort to meet this requirement lest there be a constitutional crisis. As a result of this, my Government was forced to forego the detailed preparation that we would have wanted to undertake for this our maiden budget presentation.

Hence, Madam Speaker, what is presented here today should be considered as a Transitional Budget, with the expectation of our presenting a more detailed budget later this year.

Recurrent Estimates

Madam Speaker, in keeping with the framework within which this budget is being presented, please allow me to make some remarks as to my Government’s revenue policy. My Government is committed to preparing a register of all the country’s assets and liabilities, which said register has not been prepared in decades. We are committed to strengthening the audit functions of the administration in order to get a clear understanding of the state of the country’s finances.

Madam Speaker, it is my Government’s intention to conduct a comprehensive rationalization of the tax structure, once we have had an opportunity to carry out a forensic audit of the country’s finances. We intend to remove those taxes that place a disproportionate burden on the lower income earners. Madam Speaker, we have not been in office long enough to effect any of these changes. As a result, the revenue estimates presented are based on the potential revenue that can be derived from the planned improvements to the present structure.

Recurrent revenue for the 2004 financial year is budgeted at five hundred and forty one million, ninety one thousand, four hundred and twelve (\$541,091,412). Indirect taxes account for sixty seven point nine six percent (67.96%) of the anticipated revenue, while direct taxes and non tax revenue account for nineteen point six five percent (19.65%) and twelve point four percent (12.04%) respectively.

Madam Speaker, it is my Government’s intention to operate a simplified and rational integrated tax structure. This will result in a transparent system with lower administrative costs. This UPP administration, Madam Speaker, will operate a tax system that will facilitate compliance. We will transform the revenue generating departments into professional revenue agencies equipped with up to

date technology and the requisite technical staff. While this Budget has no new tax measures, my Government expects and will ensure full compliance from all in respect of the payment of all current and outstanding taxes.

Madam Speaker, we intend to address the system relating to the calculation and administration of property taxes during this financial year, whereby property taxes will be calculated by using the method of fair market value, thereby making a clear distinction between the value of a home in an up-market area versus that in a less affluent location, notwithstanding that both homes may have similar building costs. Once we have completed the re-calculation of property taxes based on fair market value and have expanded the coverage island-wide, my Government shall then proceed to implement its Manifesto pledge of exempting all properties valued under \$100,000 from the payment of property taxes and waiving the property tax payable on the first \$100,000 on properties valued at under \$200,000. Where such properties are owned and occupied by persons over sixty years of age, waiving the property tax payable on the second \$100,000 by 50%.

Madam Speaker, Recurrent Expenditure for the 2004 financial year is estimated at five hundred and sixty three million, six hundred and seventy six thousand, and sixty three dollars (\$563,676,063).

Madam Speaker, the United Progressive Party Administration is committed to fulfilling the mandate that was outlined in our campaign Manifesto. We intend to implement a broad programme of social transformation designed to eradicate poverty in Antigua and Barbuda and create a level playing field for all persons, while attending to the physical upgrading of all communities. This will be done through the rationalization of our expenditure into areas that will provide an improved quality of life for all. Madam Speaker, we intend to allocate Central Government's expenditure with one view in mind – putting people first.

Madam Speaker, the United Progressive Party Government shall reduce the burdens placed on our citizens in their golden years. My Government gives the clear commitment that pensioners will share fairly in the prosperity of this nation. In this regard, all qualifying persons sixty years and over will receive a minimum pension of \$750 per month, with effect from 1st January, 2004. Provision has therefore been made in this Budget to facilitate the aforementioned payment to our pensioners. Subsequent Budgets will reflect a further increase in pensions from \$750 per month to \$900 per month as of 1st January, 2005 and to \$1,000 per month as of 1st January, 2006.

Madam Speaker, the Ministry of Education, Human Development and Culture has been allocated thirteen point nine six percent (13.96%) of this year's recurrent expenditure. My Government is committed to raising the literacy rates and to promoting civic pride and energizing the socio-cultural awareness of our people. In this regard, we intend to reform the Ministry of Education to allow for the more effective management of our school system.

Within the Ministry of Education, Human Development and Culture, allocation has been made for the commencement of school uniform grants of three hundred and fifty dollars to primary school students and a five hundred dollar grant to secondary school students in an effort to provide some financial relief especially to the less fortunate parents.

Allocations have also been made under this head to facilitate the introduction of a National School Meals Programme for the primary schools. This Programme will ensure that all primary school students receive a daily, nutritious, well-balanced meal.

Madam Speaker, the Ministry of Health, Sports & Youth Affairs accounts for thirteen point five four percent (13.54%) of this year's recurrent expenditure.

As regards Sports, Madam Speaker, the first year of this United Progressive Party's term in office will focus on redefining the role of the Community Sports and Games Department and the National Sports Council.

The budgetary allocations to Youth Affairs will be utilized to mobilize a National Youth Council which will be designed to facilitate the execution of youth empowerment programmes and a Youth Business Development Project as a dedicated business incubator for young persons between eighteen and thirty years of age.

Debt Servicing

Madam Speaker, the United Progressive Party Administration has inherited an astronomical national debt well in excess of one hundred and twenty five percent (125%) of GDP. This is a mammoth challenge that my Government intends to confront aggressively. We intend to review and update the country's debt profile over the next ninety days so that we could give an account to the public of Antigua and Barbuda.

Once this profile is completed, we intend to embark on a two-pronged approach to debt servicing. We will contact our major creditors to negotiate debt forgiveness and/or debt rescheduling. A second approach will be to establish a complete repayment schedule based on my Government's revenue profile. These measures, Madam Speaker, will be implemented through the National Debt Coordinating Committee, which will include specialists from both the public and the private sectors.

Madam Speaker, debt service payments account for sixteen point five nine percent (16.59%) of total Recurrent Expenditure in the 2004 Budget estimates or ninety three million, five hundred and thirteen thousand, two hundred and eighty six dollars (\$93,513,286). Of the total, nine point five eight percent (9.58%) or fifty three million, nine hundred and eighty three thousand, nine hundred and eighty nine dollars (\$53,983,989) is for the servicing of domestic payments while six point seven one percent (6.71%) or thirty seven million, eight hundred and nineteen thousand, two hundred and ninety seven dollars (\$37,819,297) is earmarked for the servicing of the external debt.

Financing the Deficit

Recurrent Expenditure for Fiscal Year 2004 exceeds Recurrent Revenue by twenty two million, five hundred and eighty four thousand, six hundred and fifty one dollars (\$22,584,651) as compared to an estimated budget deficit of sixty four million, two hundred and ninety thousand, nine hundred and seventy eight dollars (\$64,290,978) for Fiscal Year 2003.

The Government intends to finance this deficit by pursuing a policy of privatization among selected publicly held assets, with a view toward creating the opportunity for our citizens and residents to participate in the ownership of these assets.

Development Expenditure for Fiscal Year 2004

Madam Speaker, my Government is committed to the establishment of a Public Sector Investment Programme that will form the basis of the annual development estimates or capital expenditure statements as they are more commonly known. This is critical, Madam Speaker, if our twin island state of Antigua and Barbuda is to be provided with relevant capital developments that would stimulate the expansion of the private sector.

My Government is convinced that it should not play the dominant role in capital investments but should rather be the conduit and make strategic interventions, to facilitate private sector led growth.

Madam Speaker, an important phase in any public sector investment project is consultations with all relevant stakeholders. In this regard, my Government commits itself to engaging in constructive consultations with the citizens and residents of Antigua and Barbuda as a condition precedent to the finalization of any public sector investment project.

Madam Speaker, Barbuda is a very important part of my Government's Agenda for Change. Within the 2004 Capital Estimates, infrastructural development is proposed for Barbuda, which will include the expansion of the Airport runway and the commencement of road works. The works to be undertaken will be finalized after consultations with the Barbuda Council.

In Antigua, there are three important projects that will consume the bulk of the 2004 Capital Estimates. Madam Speaker, Antigua and Barbuda is one of thirteen Caribbean countries bidding to host World Cup

Cricket 2007, the largest international sporting event to be hosted in the region. My Government remains firmly committed to ensuring that our bid is successful. As a consequence, four million dollars (\$4,000,000.00) has been allocated in the Capital Estimates for the start up costs associated with preparations for this most prestigious event.

The Hosting of World Cup Cricket is a major undertaking that requires the support and commitment of the entire country for it to be successful. We will be required to construct a new cricket stadium, upgrade our infrastructure and create physical attractions to be utilized after the games, such as a Caribbean Festival Theme Park.

Madam Speaker, the second major component in the Capital Estimates relates to the infrastructural improvements at the V.C. Bird International Airport. The volume of traffic at the airport far outweighs its infrastructural capacity. Work did commence at the V.C. Bird International Airport under the previous administration through a loan from the Kuwait Fund. Untimely debt service payments of this loan resulted in a protracted halt to the project. My Government is committed to the upgrading of the Airport and will, as a matter of urgency, dialogue with the Kuwait authorities to restart the project.

Madam Speaker, my Government views the building of a modern Public Library as an urgent priority. As such, my Government intends to engage in discussions with the National Library Committee to ensure the completion of the Public Library in the shortest possible time. My Government has allocated one million dollars (\$1,000,000) in the 2004 Capital Estimates to re-energize the Library project.

Madam Speaker, we intend to restructure the road works programme to cater to the entire nation of Antigua and Barbuda. There will be an assessment done of the road network and a road programme drafted so that the progress can be properly tracked. We intend to conduct a road programme where those areas that have suffered the greatest neglect shall be given priority.

Conclusion

Madam Speaker, success in life comes not from holding a good hand, but in playing a poor hand well. The United Progressive Party Government has indeed been dealt a poor hand by the outgoing ALP Administration. Notwithstanding this fact, my Government is confident in its ability to cut wanton waste and reckless mal-spending of our scarce resources and to manage this economy in the best interest of all citizens and residents, with special emphasis being placed on the more vulnerable in the society. The United Progressive Party Government will govern the affairs of this country in an open, transparent and accountable manner, in keeping with the provisions of the Constitution of Antigua and Barbuda.

Madam Speaker, as stated previously, the budget that is being presented to this Honourable House is a Transitional Budget that seeks to provide, among other things, some relief to the needy. It also paves the way for the presentation of a subsequent Budget later this year that will map out further aspects of my Government's Agenda for Change.

Madam Speaker, in my introduction, I had indicated that there are stormy clouds around us, but as I conclude, citizens and residents of Antigua and Barbuda should be encouraged to know that there is a break in the clouds and clear blue skies together with that bright sunshine are evident. The road to success is however not going to be an easy one. It will take time to correct the ills brought about by the policies of the previous Administration and, in this regard, we crave your patience as we steer this great nation on a path of prosperity for all.

Madam Speaker, Parliamentary Colleagues, Brothers and Sisters, Comrades and Friends, welcome to "Government in the Sunshine".

Thank you Madam Speaker.

HEADS OF EXPENDITURE

E1 GOVERNOR GENERAL

Head E1, Governor General, has an allocation of \$1,011,542 or 0.18% of the Estimated Recurrent Expenditure for 2004. Moreover, there was a decrease in the absolute amount budgeted for head E1 when compared to that of 2003 and the proportional allocation decreased also. This Head provides for the cost of administering the Office of the Governor General, in accordance with the Constitution of Antigua and Barbuda.

E2 LEGISLATURE

Head E2, the Legislature has an allocation of \$2,351,364 or 0.42% of the 2004 Estimate of Recurrent Expenditure, compared to \$2,239,407 or 0.36% of the 2003 Estimated Recurrent Expenditure. The House of Representative, Head E2A, has an allocation of \$1,824,619 of the Budgeted Recurrent Expenditure for 2004, which reflects a slight increase of \$50,656 or 2.8% of (\$1,773,963) over the 2003 Budgeted Recurrent Estimate. E2B, the Senate, reflects a slight increase of \$61,301 over the 2003 Approved Recurrent Estimates and a slight increase of \$25,204 over the Revised Estimate for 2003.

E2A. House of Representatives	\$1,824,619
E2B. Senate	\$ 526,745

Total Expenditure **\$ 2,351,364**

E3 CABINET

The Cabinet, Head E3, has an allocation of \$4,099,410 or 0.73% of the 2004 Estimate of Recurrent Expenditure. This Head provides for the functions of the Cabinet office, administered by the Cabinet Secretary. Those functions include those executed, in accordance with such instructions as may be given by the Prime Minister, for arranging the business of Cabinet and keeping of Minutes of Cabinet meetings. Under this Head of Expenditure are included provisions for the payment of salaries and allowances to Ministers, Cabinet Staff and Political Secretaries.

E3A. Cabinet	\$ 3,731,101
E3B. Cabinet Secretariat	\$ 368,309

Total Expenditure **\$ 4,099,410**

E4 JUDICIAL

Head E4, Judicial, has an allocation of **\$1,033,002** or 0.18% of Estimated Recurrent Expenditure and represents the contribution of Antigua and Barbuda to the operational expenses of the Eastern Caribbean Supreme Court.

E5 SERVICE COMMISSION

This Head of Expenditure, E5, provides for financing of the office of the Public Service Commission (E5A), Police Service Commission (E5B), and the Public Service Board of Appeal (E5D) and has been allocated \$576,756 or 0.10% of Budgeted Recurrent Expenditure for 2004. Allocations under the respective Sub-Heads are as follows:

E5A. Public Service Commission	\$ 319,896
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E5B. Police Service Commission	\$ 152,417
E5D. Public Service Board of Appeal	\$ 104,443
Total Expenditure	\$ 576,756

E6 AUDIT

This Head has an allocation of **\$1,492,271** or 0.26% of Estimated Recurrent Expenditure. The functions of the Audit Department are set out in section 97 of the Constitution of Antigua and Barbuda. It gives the Director of Audit power to undertake or cause to be undertaken, audits of the accounts and systems of Government departments, agencies and wholly owned corporations. The Director of Audit inspects all public accounts of revenue paid into and expenditure met from, the consolidated fund and submits reports on examinations of the said accounts to the Minister of Finance who places same before the House of Representatives.

E7 PENSIONS AND GRATUITIES

An allocation of **\$26,000,010** or 4.61% of the Estimate of Recurrent Expenditure has been budgeted for E7. Under this Head, provision is made for the Civil Service Pensioners, Police Pensioners, Parliamentary Pensioners, gratuities to officers taking supplementary allowances to eligible Pensioners.

HEAD E8 CHARGES ON ACCOUNT OF THE PUBLIC DEBT

The 2004 budget estimates have recorded a reduction -93,513,980 (20.72%) in public debt provisions in comparison to the provisions (\$110,297,980) made in the 2003 budget. The provision for public debt servicing represents 16.59% of the budgeted current expenditure and 17.28% of current revenue for the 2004 budgeted estimates, as compared to 17.59% of current expenditure and 19.59% of current revenue in 2003. The 2004 public debt provision is allocated as follows:

Domestic Amortization:	\$ 35,566,718
Domestic Interest Payment:	\$ 14,441,127
Sinking Fund Contribution:	\$ 3,976,144
External Amortization:	\$ 24,069,615
External Interest Payments:	\$ 13,749,682

E9 ELECTORAL COMMISSION

This department which was created in October 2002 after a change in the Constitution for an independent electoral system is allocated \$4,531,525 or 0.80% of the 2004 Recurrent Expenditure.

E10 PRIME MINISTER'S MINISTRY

This Ministry was restructured with the rationalization of the existing Ministries. Added to this Ministry were – Police, Police Training School, Fire Brigade, Establishment Division, Public Information and Broadcasting, Labour, Barbuda Administrative and General Services, Prison and National Office of Disaster Services. Removed and reassigned were External Affairs, Overseas Diplomatic and Consular Section, and Immigration Unit. The divisions under this Ministry with the 2004 allocations are:

A. Prime Minister's Office	\$ 7,864,244
C. Police	\$ 31,048,624
D. Police Training School	\$ 202,312
E. Fire Brigade	\$ 3,663,696
F. Establishment Division	\$ 4,349,696
G. Public Information and Broadcasting	\$ 3,745,983
H. Labour (formerly Labour Headquarters)	\$ 5,799,408
I. Barbuda Administrative and General	\$ 230,547

J. Prison	\$ 3,532,594
K. Military	\$ 13,949,568
L. Printing Office	\$ 1,894,384
P. Office of National Drug Control Policy	\$ 1,746,990
R. Information Technology Centre	\$ 708,342
S. National Office of Disaster Services	\$ 607,280
TOTAL EXPENDITURE	\$ 79,343,811

This represents 14.08% of the 2004 Recurrent Expenditure.

E15 MINISTRY OF FINANCE AND THE ECONOMY

Originally the Ministry of Finance, this Ministry was renamed and now encompasses Planning, Statistics, Industry and Commerce and Trade and Economic Development. The full compliment of this Ministry and departmental allocations – which represents 9.27% of the 2004 Recurrent Expenditure – are as follows:

A. Ministry Headquarters	\$ 16,967,099
B. Treasury	\$ 8,924,592
C. Inland Revenue	\$ 2,926,753
D. Post Office	\$ 5,891,562
E. Customs and Excise	\$ 6,303,081
F. Property Valuation Unit	\$ 1,184,760
G. Industry and Commerce (formerly Industry and Commerce Headquarters)	\$ 406,047
H. Social Security	\$ 112,904
J. National Computer Centre	\$ 4,594,762
K. Planning (formerly Planning Headquarters)	\$ 2,062,819
L. Statistics Division	\$ 1,138,939
M. Trade and Economic Development (formerly Trade and Economic Dev. Headquarters)	\$ 1,724,877
TOTAL EXPENDITURE	\$ 52,238,195

E20 MINISTRY OF AGRICULTURE, LANDS, ENVIRONMENT, MARINE RESOURCES and FOOD PRODUCTION

Under the supervision of the Ministry Headquarters the various divisions of the Ministry of Agriculture are responsible for the carrying out of government's agricultural policies in respect of project management, training for local farmers, veterinary services fisheries management and land development. Additionally, they are responsible for environmental protection and enhancement, to that end the department of Environment has been moved from the former E80 Ministry of Tourism and Environment into this Ministry. The respective departments and their allocations total \$13,669,808.00 representing 2.43% of budgeted recurrent expenditure and are as follows:

A. Ministry Headquarters	\$ 1,770,526
B. Environment (formerly 80G)	\$ 904,097
C. Agriculture Division	\$ 3,050,333
D. Veterinary and Animal Husbandry	\$ 2,229,145
E. Fisheries Division	\$ 748,044
F. Cotton Division	\$ 380,106
G. Lands Division	\$ 527,307
H. Agricultural Extension Division	\$ 1,884,659
I. Chemistry and Food Technology Division	\$ 934,744
J. Surveys Division	\$ 1,237,845
TOTAL EXPENDITURE	\$ 13,669,808

E25 MINISTRY OF HEALTH, SPORTS AND YOUTH AFFAIRS

The Ministry of Health and Social Improvement is responsible for the management of all Health Services established in accordance with the principal legislations, this includes the Health service Act and the Medical Benefit Scheme. The mission of the Ministry of Health is to facilitate the attainment and maintenance of the highest quality health care for all peoples of Antigua and Barbuda. Its vision is to ensure the existence of accessible health care. The Ministry of Health has a projected budget of \$76,346,307 or 13.54% of the 2004 budgeted revenues. In this new budget year The Ministry of Sports and Youth Affairs has been merged with the Ministry Health. The allocated resources will facilitate the various departments in ensuring the more prominent health and physical well being of our society both young and old. The aim of this ministry is to improve the management and the future of sports in our countries. These concerns are placed on the National Agenda.

A. Ministry Headquarters	\$ 3,866,975
D. Gender Affairs	\$ 410,792
E. Medical General Division	\$ 11,994,518
F. Central Board of Health	\$ 13,952,322
G. Holberton Hospital	\$ 32,872,448
I. Mental Hospital	\$ 3,409,517
J. Feinnes Institute	\$ 1,840,137
L. Health Information Division	\$ 295,654
M. School of Nursing	\$ 710,953
N. AIDS Secretariat	\$ 1,038,409
V. Youth Affairs	\$ 870,269
W. Sports	\$ 5,084,313
TOTAL EXPENDITURE	\$ 76,346,307

E30 MINISTRY OF EDUCATION, CULTURE AND TECHNOLOGY

This Ministry is responsible for the general management of all educational services, from Primary School to State College level. The Ministry of Education has a projected budget of \$78,690,853 or 13.96% of the 2004-budgeted expenditure. Included in the budget is an allocation for a uniform grant for qualified Primary and Secondary School students. The budget also includes Funding for a National School Meals Programme. A break down of the divisions under E30 is as follows. The Training Division has been transferred to the Ministry of Education. Thus the listing of departments and their corresponding allotments are as follows:

A. Ministry Headquarters	\$ 2,207,391
B. Administration of Education	\$ 4,856,915
C. Primary Education	\$ 26,887,703
D. Secondary Education	\$ 31,745,461
E. State College	\$ 7,587,770
F. Public Library	\$ 830,206
J. Antigua Archives	\$ 554,911
K. Cultural Division	\$ 2,876,217
L. Training	\$ 1,144,279
TOTAL EXPENDITURE	\$ 78,690,853

E35 MINISTRY OF PUBLIC UTILITIES, HOUSING, TRANSPORTATION, AVIATION AND INTERNATIONAL TRANSPORTATION

This Ministry no longer exists and the departments were reassigned. **The Headquarters is now Public Utilities in the Ministry of Public Works** while V C Bird International Airport and the Meteorological Office are now part the Ministry of Tourism, Foreign Affairs, International Transportation and Trade.

E40 MINISTRY OF PUBLIC WORKS AND COMMUNICATIONS

The Ministry of Public Works and Communications are budgeted to spend \$56,172,092 representing 9.97% of the Recurrent Expenditure in the 2004 fiscal year. Public Utilities, formerly the Public Utilities Headquarters was added to this Ministry. The monies are disbursed as follows:

A. Ministry Headquarters	\$ 19,162,435
B. Works Division	\$ 32,708,138
C. Design and Control Division	\$ 759,867
D. Construction Division	\$ 1,079,212
E. Equipment Maintenance and Funding Scheme	\$ 262,903
F. Development Control Authority	\$ 866,511
G. Urban Development and Renewal	\$ 380,444
H. Public Utilities (Public Utilities Headquarters)	\$ 952,582
TOTAL EXPENDITURE	\$ 56,172,092

E45 MINISTRY OF SOCIAL TRANSFORMATION

The former Ministry of Home Affairs, Urban Development, and Renewal and Community Development, which was moved last year to the former E25 Ministry of Health and Social Improvement, has now been changed to the Ministry of Social Transformation. It has now absorbed Departments from the former E75 Ministry of Labour, Co-operatives and Public Safety, and the former E85 Ministry of Economic Development, Trade, Industry and Commerce. The Ministry is set up to assist in the carrying out of the Government's Social Welfare responsibilities. It has a budget of \$7,903,527 which represents 1.40% of the Total Recurrent Expenditure Budget. The Departments under the Ministry and their respective allotments are as follows:

A. Ministry Headquarters (formerly 25B)	\$ 939,439
B. Board of Guardians (formerly 25Q)	\$ 501,595
C. Community Development (formerly 25R)	\$ 497,207
D. Local Government (formerly 25S)	\$ 707,329
G. Substance abuse Prevention Division (formerly 25U)	\$ 167,035
I. Prices and Consumer Affairs (formerly 85C)	\$ 662,698
J. Bureau of Standards (formerly 85D)	\$ 464,570
K. Cooperatives (formerly 75H)	\$ 551,373
L. Social Improvement (formerly 25C)	\$ 293,232
M. Women (formerly 75O)	\$ 232,897
N. Citizen's Welfare (formerly 25C)	\$ 2,363,262
O. Boy's Training School (formerly 25P)	\$ 562,891
TOTAL EXPENDITURE	\$ 7,903,527

E50 ATTORNEY GENERAL AND MINISTRY OF LEGAL AFFAIRS

This Ministry has an allocation of \$13,132,337 or 2% of the 2003 Budget. This allocation is to aid the Ministry in executing its functions, which include the financing of crown prosecutions and representations, management of the calendar of Industrial cases, and provision of services by the Registrar and Provost Marshall Division. A breakdown of the amount allocated to each department is as follows:

A. Ministry Headquarters	\$ 7,349,010
B. Industrial Court	\$ 443,999
C. Office of Director of Prosecutions	\$ 999,905
D. Registrar and Provost Marshall	\$ 1,387,224
E. Magistrate	\$ 1,332,639
J. Lands Registry Division	\$ 509,716
K. Legal aid Advice Centre	\$ 417,952
L. Registry of Intellectual Property & Commerce	\$ 691,892
TOTAL EXPENDITURE	\$ 13,132,337