



'ONE MONTSERRAT'

Building Together, Thriving Together

PRESENTED BY

Premier & Minister of Finance

Hon. Reuben T. Meade



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ACRONYMS

BNTF	Basic Needs Trust Fund
BUILT	Ministry of Buildings, Utilities, Infrastructure, Labour, Transportation and Ecclesiastical Affairs
CARICOM	Caribbean Community
CARIFESTA	Caribbean Festival of Arts
CDB	Caribbean Development Bank
CIE	Construction and Industrial Equipment
CIF	Cost, Insurance, Freight
CSME	CARICOM Single Market Economy
DITES	Department of Information Technology & E-Government Services
DMCA	Disaster Management Coordinating Agency
ECCB	Eastern Caribbean Central Bank
EDF	European Development Fund
ECCU	Eastern Caribbean Currency Union
FCDO	The Foreign Commonwealth Development Office
GDP	Gross Domestic Product
GIU	The Government Information Unit
GNSS	Global Navigation Satellite System
GOM	Government of Montserrat
GPS	Global Positioning
HMG	Her Majesty's Government
ICT	Information, Communication and Technology
IMF	International Monetary Fund
JNCC	Joint Nature Conservation Committee
LGP	Liquid Petroleum Gas
MUL	Montserrat Utilities Ltd
MVO	Montserrat Volcano Observatory
MW	Megawatt
ODA	Official Development Assistance
OECS	Organisation of the Eastern Caribbean States
OTEP	Overseas Territories and Environment Programme
OTRICS	Overseas Territories Regional Crime Intelligence System
RESEMBID	Resilience, Sustainable Energy and Marine Biodiversity
RMPS	Royal Montserrat Police and Fire Services
SEND	Special Educational Needs and Disability
SDP	Sustainable Development Plan
UA	United Alliance
UKCIF	UK Caribbean Infrastructure Fund

INTRODUCTION

Madam Speaker:

In Montserrat, a Budget Presentation is always eagerly anticipated by our people. They anticipate it, not just because it is often a lengthy speech delivered by a senior politician, but because of what it can mean for all our lives.

The Budget Presentation is an opportunity for the elected Government to communicate its short-term priorities, plans and governance approaches, driven by fiscal processes. This presentation will honour that tradition.

Our United Alliance team has determined, however, that this presentation must focus on our people, and not merely on figures. The figures must be included because they represent the means and mechanisms by which the Government will bring benefits and improvements during the financial year.

It must be borne in mind though, that the figures by themselves cannot show how much we, as leaders, care for our people, especially as we - the UA - place so much importance on our desire to work with everyone, to bring about a better quality of life for all our people of Montserrat.

Madam Speaker, for the avoidance of all doubt and the benefit of the uninitiated, let us remind ourselves of what the budget and the accompanying statement are., For reference, this is what the Parliamentary Glossary of New Zealand states:

The process for preparing and documenting the Government's economic policies and spending plans each year, resulting in the introduction of the main Appropriation Bill and the delivery of the Budget statement.

In this Budget Statement, we are seeking to repay the trust our people put in us in October 2024. Therefore, I am delivering a budget statement that is:

- Comprehensive, yet concise

- Optimistic, yet realistic
- Serious and sensible
- Holistic yet sharply specific
- Forward-looking, yet reflective and mindful of past successes and failures
- And, most importantly, people-centred and people-driven

It means, Madam Speaker, that as we present this budget, we will coherently and cogently do the following:

1. Affirm who we are as the people of Montserrat. That we are resilient, courageous and creative.
2. Recognise that we live in a complex world that seems to grow more uncertain and politically confusing each day, at the global level.
3. Confirm where we plan to go during the financial year ahead.
4. Describe how we will get there using the resources in this budget as a launching pad for the economic take off that we so desperately need.
5. Explain how our people's lives will be made better, even as we are fully cognizant of the fact that optimal improvements and benefits, may take longer than a year to accrue for our community.
6. Outline the priority multi-sector and sector-specific strategies, that will not only lead to improvements in governance, but also improvements in our economy, society, environment, culture and national cohesion.
7. Explain in straightforward and clear terms, how all our residents, visitors, families, children, youth, seniors, our diaspora and all other persons who are associated with, and have a vested interest in Montserrat, should feel a sense of pride, confidence and optimism about being part of this beloved island community.
8. Highlight the innovative approaches in leadership, teamwork, management, consultation, communication, outreach, engagement and empowerment, that constitute the hallmarks of the United Alliance's strategy for the future sustainable and holistic development of Montserrat.

9. Focus on what is achievable and “do-able” in the short-term, while devising realistic plans for the longer term. To draw from one of Former President Barack Obama’s books - in the case of Montserrat - there is the fierce urgency of the “**now.**” You elected us to make those improvements that can be made “**now, while properly and adequately planning for those that require more time.**”
10. In our Budget, we will continue the call for a “**One Montserrat**” approach to our development. This means that we must continue to focus more on what unites us, as distinct from what divides us. We must seek to support and enable each other, rather than tear down each other. We must commit to globally recognised standards of performance and achievement, instead of narcissistic, parochial, ego stroking at the expense of our people.

I am aware that some of you might be tempted to call this our ten-point plan. That is not something with which we will take issue. Whatever means you find useful to help you to retain elements of this presentation in your consciousness is fine with us. We present ourselves as your Government, one which embraces strategy, service and commitment. What I am stressing is that we want all of us to view this exercise as more than a display of erudite and elegant sounding words. Yes, it is a governance requirement, but in effect, it is our short-term roadmap for improving the lives of our people.

Madam Speaker, many people may see Montserrat simply as a dot on the world map. That dot is as precious to us, as India is to the Indians; as China is to the Chinese; or as Scotland is to the Scots. While we may be small, that does not mean that our brains are small, or that our ideas should be limited by land and population size. We may be small, but we must never be afraid to speak for ourselves, represent ourselves or defend the image of Montserrat. Arrow and Hero have global hits still in rotation today. Jim Allen, Basil Morgan and Lionel Baker represented Montserrat in the largest of international cricket arenas. Professor Sir Howard Fergus and Professor George Irish did not allow their ideas to be hemmed in because they hailed from a small island. There are of course others whom we can mention, but I’m sure you get the point that I am making.

Let us see Montserrat as our place of origin, our home base, but not the limit the magnitude of our ideas and effort because our home island is less than 40 square miles.

GLOBAL ECONOMIC REALITIES

Madam Speaker, having said that, there are some hard, global truths we must face, and with which we must learn to cope. The world is now more uncertain than it was in October 2024, when we were elected to office. All elections have consequences and that has become almost a brutal reality, when we recognise the immediate impact of the United States elections on the lives of billions of people across the world. Their lives have not only been disrupted but in a number of cases, up ended. If this trend continues, many countries and small island developing territories, like Montserrat, will undoubtedly be impacted.

The United States, a dominant player in the global economy, began 2025 on a strong footing, with growth projections ranging from 1.5% to 2.7% and some forecasts exceeding 3%. However, the unpredictability of the current administration's policies looms large both economically and socially in its potential impacts. Looking ahead, global growth is projected at 2.8% in 2025. While growth has been stabilised, it remains below the pre-pandemic average of 3.2% recorded between 2010 and 2019. Ongoing challenges such as geopolitical conflicts, climate risks, and shifting global trade dynamics continue to present significant obstacles to sustained growth. External factors like international trade uncertainty and higher global energy prices are also expected to put upward pressure on inflation. To put it simply: drive up prices and the cost of living.

Madam Speaker, we are conscious that our reality as a small territory and economy deepens our vulnerability to external shocks.

However, we have the capacity to face and cope with these challenges. We are by population, the smallest of the OECS, the Eastern Caribbean Currency Union (ECCU), in CARICOM and among Caribbean Development Bank (CDB) members. Yes, we are small, but our voice can be loudly heard in our own interest.

Our voice was loudly and widely heard at the last CARICOM Heads of Government meeting in Barbados. We are part of a region in which the economic outlook for the Eastern Caribbean Currency Union (ECCU) in 2025 remains positive, with projected growth ranging from 3.5% to 4.5%. This expansion is expected to be fuelled by the continued recovery of the sub-region's tourism sector, post-Hurricane Beryl reconstruction efforts, and substantial investments in infrastructure.

The International Monetary Fund (IMF) has recently highlighted the ECCU's robust rebound from successive adverse shocks, underscoring the region's resilience and growth potential. Montserrat, as a member of the ECCU, stands to benefit from this positive regional trajectory, aligning itself with the ECCU's growth strategies to strengthen its economic position and contribute to the region's broader prosperity. It means that by aligning with regional strategies, Montserrat will not only bolster its economic resilience but create opportunities to play a more pivotal role in driving broader regional growth and development than in the recent past.

We anticipate that Montserrat's economy will grow in the 2025/26 fiscal year. The current projection is 4% growth. There is, however, a peculiarity in economic terms. Montserrat's economy is principally dominated by the Public Service, where budgetary assistance accounts for more than 60% of our recurrent revenues. This over-dependence undermines our fiscal self-reliance.

With the prospect of Montserrat's graduation from guaranteed Official Development Assistance (ODA) from the United Kingdom in 2026, despite the UK's commitment to support our island going forward, it is imperative that we consolidate our **“One Montserrat”** project and propel our island forward, revitalise our private sector and make greater strides towards fiscal sustainability by laying the foundation with Budgets such as this one.

Madam Speaker, the reason why I took the time to refer to those global, regional and local realities is because sometimes, if you peruse social media, some would have us believe that Montserrat exists in a vacuum and insulated from the rest of the world simply because we are such a tranquil place. Our economy might not affect the world, but the world's economy certainly affects Montserrat.

Madam Speaker, small is what we are, and the development challenges we continue to face are monumental, because of the ravages of the volcano and some rather ill-advised choices over the years. Madam Speaker, the people of Montserrat gave the United Alliance a clear mandate in October 2024, because they understood where we were then. Our people knew that despite our harsh and in some ways, limiting realities, Montserrat needed a new political team at the helm.

You decided that you needed a team with:

- A clear **Vision** for Montserrat and the political fortitude to achieve it.
- The intention to identify and implement solutions to alleviate hardships.
- Clear, proactive and pragmatic strategies for growth and development.
- Specific plans for specific problems.
- A commitment to consultation.
- A team approach to political management.
- Strong skills in governance, diplomacy and advocacy.
- Undisputed leadership that could hold its own at any negotiating table without fear.
- And the capacity to innovate and inspire our people with hope.

OUTCOMES (October 2024 – March 2025)

Madam Speaker, I will now illustrate why the people made the correct choice in October 2024. I hasten to add that we have not completely solved all our problems in six (6) months. It would be foolish to expect that. What I hasten to say is the following:

- You got a government that the Governor worked with on the basis of mutual respect for each other's roles.
- We successfully negotiated to bring down the price of fuels.
- The electricity situation has been stabilised.
- **Air access** for St. Patrick's week was markedly improved with the re-introduction of Twin Otter flights. As many of you would have heard, we have gotten a guarantee for these Twin Otter flights to continue by Winair and SVG, the latter of which has committed to acquiring the aircraft to meet this commitment.
- We ensured that certain fruits such as citrus was once again available in Montserrat.
- We returned **What's on Your Mind** to the airwaves – in doing so, ensuring our people have a voice, whether to support or criticise government, thereby strengthening the democratic process.
- We have held and continue to hold town hall meetings **AFTER** the election
- We have told you in straight terms exactly where we are, with each major project.

Madam Speaker, our 2025 Budget Presentation is more than a checklist. It describes and explains the intricate interconnections between the various challenges that will lead to the desired outputs and outcomes that we intend to achieve. I remind everyone that this presentation comes against a backdrop of a Strategic Direction and Strategic Framework that the United Alliance presented to the people before the recent general election.

Madam Speaker, I will now present a synopsis of the 2025 budget in figures.

- The total estimated recurrent expenditure is **\$175,883,300**.
- The total estimated capital expenditure is **\$135,900,700**.
- The total of capital and recurrent expenditure is therefore **\$311,784,000**
- The estimates for 2025 represent an increase of almost **\$20,000,000** over 2024. The local revenue contribution to the recurrent budget is **\$55,641,100**. **This is bolstered by HMG recurrent budgetary support of \$120,242,200**. Recurrent expenditure is 56% of the total budget. With this budget, this Government, which I

have the honour of leading, will be making a substantial investment in Montserrat's future in terms of physical and social infrastructure, as well as capacity building for our people.

Madam Speaker, I have chosen to highlight some of the amounts allocated to important recurrent and capital initiatives because of their level of impact on our quality of life. However, I will not attempt to enunciate the tables of estimates for the Budget in this address. When the Budget is approved, those tables will be promptly dispatched to all concerned.

DESIRED OUTCOMES (April 2025 – March 2026)

Madam Speaker, we are committed to attracting both **foreign direct and local investment to drive economic growth**. This presentation is also a call to our diaspora to unite and invest in key sectors that show significant growth potential, such as agriculture, real estate, tourism, renewable energy, infrastructure development, financial services, and the digital economy, among others. With investment in these areas, we can create jobs, stimulate innovation, and build a stronger, more resilient economy for the benefit of future generations.

In agriculture, there are major opportunities, especially in the area to local food production. That is because our annual food import bill stands at \$18 million, while local food production, including crops and livestock, amounts to just over \$2 million. It is time to make **food sovereignty** a priority. I emphasise sovereignty rather than security because our goal is not just to ensure access to food, but to build a resilient, self-sufficient system where production, distribution, and consumption are conducted sustainably. As a result, we would be able to reduce our dependence on imports and strengthen our local agriculture industry. At the same time, creating a more secure, sustainable, and prosperous future for Montserrat.

Madam Speaker, this government will continue to **develop policies for agricultural growth**; improve access to arable farmlands and agricultural infrastructure; implement better pest and livestock control measures; boost local production through irrigation and access to water; promote sustainable farming through new technologies and invest in youth and community engagements to encourage participation in farming. These efforts will not only build resilience against global supply chain disruptions. They will also create a healthier, more sustainable food system, thereby ensuring that Montserrat's future is both food-secure and economically self-reliant. Madam Speaker, a healthy nation is a wealthy nation.

We extend our sincere gratitude to the ECCB for its pledged \$2.1 million support for our agricultural sector. This investment will play a vital role in strengthening food security, enhancing productivity, and driving sustainable growth in the industry.

Madam Speaker, the government is also committed to **fostering new synergies between agriculture and tourism**, as this collaboration creates mutual benefits for both sectors while boosting employment opportunities.

Tourism remains a cornerstone of our economy, and we have seen a steady recovery in the post-pandemic era. The return of stay-over visitors and the resurgence of cruise ship arrivals have provided a significant economic boost. We will continue to support the Montserrat Tourism Authority in promoting the island as a unique travel destination, with a focus on our rich heritage, natural beauty, eco-tourism opportunities, the transformative volcanic experience, and our very safe environment. This strategic approach will help us to attract more visitors and strengthen the island's economic resilience.

Madam Speaker, with these opportunities for our enhanced tourism potential, our vision must include **additional accommodation** for our visitors. We face a significant shortage of hotel accommodation, limiting our ability to host the growing number of tourists and making it increasingly challenging to secure lodging, especially during peak travel seasons.

To address this pressing issue, your government is exploring the feasibility of developing a hotel in the Little Bay area with a capacity of approximately 120 rooms, as well as engaging with investors to explore other possibilities. The aim is to enhance our accommodation infrastructure, meet growing demand, and further boost our tourism sector.

Madam Speaker, there are other factors which must be considered to boost the tourism sector. This Government has already taken proactive steps to **address access challenges**, making it easier for both people and goods to move in and out of Montserrat. These efforts are designed to attract more visitors and strengthen business connections with neighbouring islands. We will continue to explore medium and long-term improvements to both air and sea access, ensuring they support the sustainable growth of our economy and enhance our connectivity on a regional scale.

As part of our growth thrust, the necessary infrastructure must be in place to attract and retain our population. In that regard, this government remains committed to expanding and improving the island's housing stock. Ongoing discussions with contractors are centred on the construction of two- and three-bedroom units, tailored to meet the needs of single working individuals and returning nationals. This initiative aims to **provide affordable, high-quality housing** while supporting community development and social stability.

Madam Speaker, Montserrat continues to grapple with a persistently high cost of living, a challenge that may be further exacerbated by the ripple effects of geopolitical tensions. Our heavy reliance on imports, geographical constraints, and small population are key contributing factors. Additionally, high energy costs, driven largely by our dependence on imported diesel, place an added burden on households and businesses. These pressing realities call for decisive and strategic action from your government to mitigate economic pressures and build a more resilient future.

FISCAL RELIEF INITIATIVES

Madam Speaker, to meet the challenges and address some of these issues, this Government will seek to implement targeted fiscal relief initiatives designed to ease financial burdens on our people while fostering economic growth. Key measures will include Construction Support, Import Tax Relief, and the Reintroduction of a Tax-Free Child Allowance. We will seek to lower tariffs on essential building materials, making homeownership and development more accessible. We will seek to reinstate a tax-free child allowance to provide relief for working parents. We will seek to adjust Customs Duties and Consumption Tax by reducing the freight component used to calculate the Customs Value. This adjustment will directly lower the cost of imported goods, making essential items more affordable for consumers and businesses alike.

Madam Speaker, this Government will continue the renewable energy thrust, ensuring a more stable and affordable future for all residents. By investing in solar PV and geothermal power, we will reduce our reliance on imported diesel, which is vulnerable to global price fluctuations and drives up the cost of living. This shift will stabilise electricity prices, lower household and business expenses, and help control inflation.

My Government will implement these initiatives responsibly to ensure long-term economic stability, energy security, and a better quality of life for our people. We are committed to harnessing Montserrat's natural resources to build a resilient, self-sufficient, and prosperous nation.

The future may be filled with uncertainty, but with competent leadership providing a steady hand at the helm, we will navigate these challenges and emerge stronger. Your Government is committed to ensuring a future of growth, sustainability, and prosperity for all Montserratians and residents. Together, as **“One Montserrat”**, we will embrace opportunities, invest in our future, and build a self-sufficient and thriving economy. Let us all remain united in our efforts to make this vision a reality, for the betterment of our island and future generations.

Madam Speaker, this Budget seeks to address the varying sector specific needs across priority sectors such as:

- **Access**
- **Aviation and Maritime Development**
- **Agriculture, Lands and Survey, Environmental Management, Housing**
- **Broadcasting and Communication**
- **BUILT – Major Initiatives**
- **Digital Transformation**
- **Disaster Management Coordinating Agency**
- **Education**
- **Energy and Utilities**
- **Health Care Improvement and Transformation**
- **Information and Communication**
- **International and Regional Relations**
- **Police and Fire Services**
- **Public Service Delivery**
- **Tourism**
- **Youth Affairs and Sports**

ACCESS

Predictable and reliable access is not a mere luxury, but a fundamental prerequisite for all other economic activity. An island without access cannot build a sustainable economy. To that end, previous Governments' underinvestment in this key public service has led to diminished access, unreliable services, and high consumer prices.

This Government has and will continue to place the highest priority on securing a diverse mix of reliable access services to ensure adequate connectivity for residents and visitors alike.

To support the needs of residents and visitors during our annual St Patrick's festival and high peak period, this government successfully completed a contract with WINAIR to provide additional airlift services to Antigua and St Maarten throughout February and March 2025.

Expanding affordable regional connectivity is an imperative for any island economy. We remain committed to expanding this provision beyond the St Patrick's season – for the benefit of Montserratians, residents, visitors, and the investor economy.

Madam Speaker, this begins with a commitment to seek to maintain the services of Twin Otter aircraft for an additional twelve (12) month period in the first instance. We have concluded negotiations with both SVG and WINAIR for Twin Otter services to and from Montserrat to cover, in the case of WINAIR flights from Sint Maarten to Montserrat and with SVG for flights principally between Antigua and Montserrat.

Considering that intention, and, to comply with safety and regulatory requirements of operating a Twin Otter service, the government will be recruiting additional staffing resources for the Montserrat Fire and Rescue Department. We will also continue working with Fly Montserrat as part of our access policy initiatives.

We will continue to work with interested investors in our efforts to create a sub-regional ferry service that will include Montserrat. Plans are already underway, to engage a regional private sector ferry operator to service Montserrat, at least twice per week, as part of a regional schedule.

As I raised at the recent CARICOM meeting, the Caribbean travel sector must finally enter the 21st century with the embrace of digital technology. I am proud to say that Montserrat's introduction of online services for the submission of Embarkation and Disembarkation information up to 72 hours prior to travel has been successful and will continue, thanks to the work of the CARICOM IMPACs team, together with our Department for Information Technology and e-Government Services and the Immigration Department.

Additional service automation will continue this year with the implementation of passport scanning technology, supported by the Overseas Territories Regional Crime Intelligence System (OTRICS).

In summary, our access proposition is clear. Better access. Affordable Access. Modern Access. Diversified Access. In using our approach, not only will we improve travelling conditions for our international Montserrat family, but we will reduce the barriers of entry for Montserrat's tourism and investment economy.

AVIATION & MARITIME DEVELOPMENT

Madam Speaker, to drive further operational and safety improvements to our aviation sector, The Ministry of BUILT has initiated feasibility assessments for sustainable night-time flight operations and enhanced operations for medical evacuation at John A. Osborne Airport. To this end, a UK airport operator will take on this task as a turnkey operation.

Government has also initiated the development of the Montserrat Air Services Fares and Rates Order, to improve transparency and regulatory oversight in air travel pricing. This enhanced transparency will help ensure price certainty and competitive pricing. Your Government will make the policy decisions required to implement this Order for the benefit of air passengers.

AGRICULTURE, LANDS & SURVEY, ENVIRONMENTAL MANAGEMENT, HOUSING

Madam Speaker, this Government is committed to enhancing Agriculture further for this year and invests through the budget an additional **\$8,871,900 for the Recurrent Expenditure and \$4,393,800 for Capital**. The Ministry of Agriculture team has delivered key initiatives to redevelop agriculture, to promote food sovereignty, satisfy local demand and to target specific markets for import substitution and export.

Through this Budget we will continue to invest in our agricultural programmes, including:

- Signing up to the Blue Belt initiative to provide access to resources to strengthen Montserrat's marine management framework.
- Improving the production of locally grown meat through the use of artificial insemination, thus improving the genetic stock of goats, sheep and pigs.
- Providing targeted support to selected farmers with a view to doubling agricultural output. This will be achieved not only by opening new agricultural lands, but also by the introduction of greenhouse and other modern technologies.

Madam Speaker, resources have been allocated in the budget to enable significant work in each of the identified areas as follows:

- \$1,000,000 (\$1M) for agricultural development. It is our goal to double our agricultural output in selected crops, livestock and fisheries.
- \$1,000,000 (\$1M) in very low interest loans available to our farmers for agricultural development to supplement the Ministry of Agriculture's efforts to double our output in selected crops, livestock and fisheries. This is part of a revolving fund to be replenished via repayments each year. This is not a one-off gesture but a commitment to our local farmers and fisherfolk.

Shade housing to include hydroponic farming will also be funded. We are thankful to CARICOM for their kind donation of three large shade houses. This is part of the thrust to increase food security. We will be introducing shade house and hydroponic farming in the primary schools and replace or repair the shade house at the MSS. We must be a driving force in making agricultural production a cultural phenomenon where we produce and consume healthy food that is grown locally.

In order to develop the micro enterprise sector, we are providing \$1,000,000 (\$1M) to fund low interest loans of up to a maximum of \$50,000 (\$50K) per loan. This will be a revolving fund to be replenished by repayments each year. Again, Madam Speaker, not just a one-off gesture but a multi-year commitment by this government.

Lands and Survey

Regarding the activities to be undertaken by the Land and Survey Department, Madam Speaker, that department will continue to maximise the use of our finite lands, as this is a key component of our sustainability and economic development. The department has successfully supported a range of infrastructure development projects, including the new national hospital project.

Madam Speaker, I am proud to inform this Honourable House that over the course of the next budget period, the department will implement the Global Navigation Satellite System (GNSS). This will significantly enhance geospatial data collection, improving surveying accuracy and national infrastructure projects and investment opportunities of the future. Staff training to incorporate this system will be rolled out shortly. Alongside GPS, there will be continued modernisation of cadastral and topographical mapping through advanced geospatial technologies and drone-assisted surveys.

Madam Speaker, we must – for the future sustainable development of our island – revisit and update our Physical Development Plan and the masterplan for Little Bay. This has been left to drift for far too long, with ad-hoc development and piecemeal progress. This Government will deliver a blueprint for sustainable, inclusive and resilient growth, fostering economic stability, environmental stewardship and social harmony. This is an imperative that we must and will pursue.

Environmental Management

Madam Speaker, Montserrat's environment is our gift, and it is our responsibility to maintain it. It is also the patrimony we will leave for future generations. From the Centre Hills to Little Bay, from Plymouth to Long Ground, our green and blue economies will be central to Montserrat's future development and conservation.

Over the next year, this Government will introduce a broad slate of environmental improvement programmes. Montserrat is not immune to the unfortunate global trend of coral reef degradation; your Government is pleased to announce an important collaboration initiative with the OECS that will see the construction of a Tissue Culture Lab and Greenhouse facility for the establishment of a major artificial reef off Montserrat's west coast. This innovative measure will attract and retain new marine life, enhance ecosystem health, support local fisheries, bolster shoreline erosion control, and offer new sites for scuba diving, snorkelling and coastal tourism.

Housing

Madam Speaker, Housing for our current, returning and new residents is a critical enabler to ensuring quality of life and growth in residential numbers. Over the course of this year, your Government will prioritise funding to continue to expand housing incentives programmes, land and infrastructure development that will unlock public-private investment housing, boost the construction sector and to ensure quality housing for our people. We will also be introducing new low-cost housing systems to ensure that our lower income earners can afford to own a house. Training in the use of this new technology will commence early in this budget cycle. We have allocated \$500,000 to start this initiative.

Many houses which we have visited during our election campaign and some that have been abandoned require modest sums to get them up to a suitable standard. We have allocated approximately \$900,000 this year to support this initiative.

We will also be modernising our Housing Information Management system, to enable digital routes for housing assistance applications, data management and analytics to inform policy interventions.

Montserrat Land Development Authority

In coordination with the work of the Housing Unit, the Montserrat Land Development Authority continues to support social housing management and the implementation of capital improvement projects. Further investment is needed in our social housing portfolio, and this Government is committed to doing all it can to ensure this investment is made during the coming year and beyond.

Youth Affairs & Sports

Madam Speaker, the Department of Youth Affairs and Sports has been placed within a new Ministry, along with a renewed focus as the future foundation for growth. Sadly, our young people are too often left behind by an education system that failed to meet their needs or aspirations. This Government sees great potential in these young people, who deserve a second chance to succeed. We will launch the Second Opportunity Education Programme, to increase the number of young people on island achieving at least, the minimum academic requirements for employment in the public and private sectors. Sport is foundational to our overall national health, wellbeing and economy.

We will invest (and seek partnership investment) in sporting infrastructure and development, including motor sports facilities, a 400-metre weather resistant athletics track, tennis and netball court facilities. This investment will help prepare our sportsmen and sportswomen to perform at their best for national, regional and international competitions.

The alignment of the Youth Affairs and Sports Department within the Ministry signals the commencement of the internal restructuring to allow for better achievement of goals and objectives.

- We will be rehabilitating the multi-purpose sports facility in Little Bay to the tune of **\$500k**
- We have also allocated **\$490k** to facilitate the development of a motor racing track
- We will be installing floodlights at the sporting fields in Little Bay and Salem.

- We will continue to explore opportunities to provide our young athletes with greater exposure and possible sports scholarships in their various sporting disciplines.

Madam Speaker, with the inclusion of Youth and Sports within the Ministry of Agriculture, the recurrent estimate for that Ministry is projected at **\$8,871,900**.

BROADCASTING AND COMMUNICATION

Transparent and timely public engagement and communication is the lifeblood of any democracy. As an election promise, the people of Montserrat and the wider diaspora were assured of the resumption of the **What's on Your Mind** programme on Radio Montserrat as a platform for Montserratians, residents and friends of Montserrat at home and abroad, to share their views on affairs affecting the island. This is your democratic right.

I am pleased therefore to inform this Honourable House that this programme, which allows members of the public to exchange ideas and views which could help to inform public policy, Government programmes and actions, returned to the airwaves on Tuesday 7 January 2025. The new **What's on Your Mind** Programme is a development tool and not an instrument of political division.

Your Ministers and Parliamentary Secretaries have been and will continue to be on the programme periodically to ensure dialogue between the people and their elected Government. We congratulate all involved on making the changes. Madam Speaker, let me add that we were able to do this by using our own local professionals without paying high-priced imported consultants.

The Government Information Unit (GIU) continues to play a central role in promoting the programmes, plans and activities of the Government ministries and departments.

In this regard, a Government of Montserrat Communication Manual and Social Media Guidelines were developed and published on the Government website, as part of efforts to support strategic communication practices.

BUILT – MAJOR INITIATIVES

Infrastructure, Labour & Transportation

Madam Speaker, this is a Government focused on building, rebuilding and developing in all spheres of life. The Ministry of Buildings, Utilities, Infrastructure, Labour, Transportation and Ecclesiastical Affairs (BUILT) is central to that agenda and will drive tangible future growth in the community.

Infrastructure and Transportation

This Government will provide renewed focus to maximise available funding to accelerate the A01 Road Project, including important improvements to associated drainage systems, prioritising safety for all road users and long-term resilience of this vital infrastructure.

Madam Speaker, when we speak of critically important infrastructure, Montserrat has waited too long to see the realisation of our hoped-for new port in Little Bay. Despite initial progress, this Government inherited a project with a range of implementation challenges, including unresolved claims, equipment breakdowns, adverse weather impacts and resource shortages.

But let me be clear, Madam Speaker, the successful delivery and commissioning of this critical initiative, funded by UKCIF and the European Union, remains a top priority for the Government. We are actively working on resolving key actions with enhanced governance to ensure that this project delivers the myriad benefits sought.

Labour & Workforce Development

Madam Speaker, this Government is committed to the meaningful development of our human capital and the improvement of livelihoods for working people. Montserrat's economic future is dependent upon the development, training and retention of our young people.

The HYPE Apprenticeship programme has already been expanded, providing increased access to vocational training and technical skills development. Your government will further expand this programme and integrate it more fully within key government departments, including BUILT's Mechanical Services, Energy departments and the private sector.

Alongside training and development, BUILT will ensure that public sector projects maximise local employment and skills development opportunities for our people. Roadworks, utilities, mechanical services, energy and digital projects will be targeted for such opportunities.

Madam Speaker, the Department of Labour will facilitate a programme whereby persons who have been resident in Montserrat for a period in excess of three (3) years, will have their outstanding work permit fees waived. However, they must apply and pay for the current year's work permit, after which they would be exempt from future work permits.

Energy and Utilities

Madam Speaker, Montserrat's rich natural resources present major opportunities for a renewable energy revolution in this country. Over the last year, the Government has continued to see the benefits of our Solar Photo Voltaic (PV) expansion project with reduced reliance on fossil fuels and improved energy security.

Our geothermal wellheads, which had been neglected for several years, will be rejuvenated, thereby improving readiness for future investment and energy extraction. Our water supply and its resilience are being improved through the initiation of spring and pipeline rehabilitation projects as part of a utilities project.

This Government will prioritise investment in our energy and utilities sectors, addressing near term issues in degraded infrastructure, and new future-proofing projects. Madam Speaker, this will further expand our renewable energy base.

An ambitious but realistic project proposal for the expansion of our one megawatt (MW) solar capacity by a further 2MW has already been developed in partnership between BUILT and MUL. This project – estimated in the region of Fifteen Million Dollars (\$15,000,000) – will seek to harness enough energy from Montserrat's readily available sunshine to provide for our existing baseload, significantly reducing our reliance upon diesel generation technology.

BUILT will also work to modernise existing electricity and water distribution systems, whilst advancing the project development for a new wastewater treatment facility at Marguerita Bay, Drummonds and Davy Hill is addressing capacity and aging issues with the existing facilities.

Madam Speaker, the capital expenditure for the Ministry of Buildings, Utilities, Infrastructure, Labour, Transportation and Ecclesiastical Affairs is **\$35,440,300**. The recurrent expenditure is estimated at **\$14,095,600 for a total budget, capital and recurrent of \$49,535,900**.

DIGITAL TRANSFORMATION

Madam Speaker, this Government places digital transformation and modernisation at the heart of its agenda. The Department of Communication and Digital Transformation has been established, bringing together Department of Information Technology & E-Government Services (DITES) and the ICT Unit, to lead the Government of Montserrat's digital transformation mandate. The Department now serves as the focal point for all Information, Communication and Technology (ICT) matters pertaining to the Government of Montserrat and will be a Centre of ICT excellence in Montserrat that meets international standards.

The Department's structure has been expanded to bring it in line with established standards and capacity required to facilitate the digital transformation of services across the Government of Montserrat (GoM) and all the associated activities.

These include delivering infrastructure and technology services, software development and application support, ICT Policies and cyber-security.

DISASTER MANAGEMENT COORDINATING AGENCY

Madam Speaker, The Disaster Management Coordinating Agency (DMCA) has distinguished itself in service not only to Montserrat, but also to the Caribbean region for many years. The Government will work with the Governor and Deputy Governor to ensure that all the policies, strategies, plans, equipment and supplies that are critical for our continued readiness and response capacity when required are in place.

Thirtieth Anniversary Activities – DMCA & MVO

Madam Speaker, there is a nexus between the work of the DMCA and that of the Montserrat Volcano Observatory (MVO). They will both be part of a multifaceted programme of events to mark the onset of the Soufriere Hills volcanic activities which started on July 18, 1995. This programme is being planned by key agencies not only to mark the anniversary, but for us to learn from the successes and challenges of the last three decades and guide future actions.

Madam Speaker, it is intended that there must be a focus on our people and what those volcanic events meant in our past and what challenges and opportunities they portend for our future. I was Chief Minister on July 18, 1995, and I intend to ensure that the appropriate balance is struck between the roles of science and scientists and the efforts of our people, A people who as I like to say, not only survived, but overcame the challenges, even though we are still dealing with the consequences.

There will be a programme of activities which will bring together, here on island, a large number of persons who, over the years, have been associated with our volcano monitoring. We must continue to exploit the economic benefits of our volcano.

EDUCATION

Madam Speaker, our physical school facilities received some long-awaited attention. The renovation of Block A of the Brades Primary School was completed. Construction repairs have begun on Block B. These repairs will correct the deteriorated roofs and the inoperable windows, allowing students and teachers to function in a safe and comfortable environment.

At the Secondary School campus, Block M was completed after some years of delay, restoring lost capacity of six classrooms and remedying their condition for safe and usable operations. The work is well advanced for the completion of Block L for the desperately needed Chemistry and Biology Labs. Worthy of note is the completion of the long-delayed upgrade to the disability accessible bathrooms at the MSS campus.

Madam Speaker, during the new financial year, Montserrat will continue to realise tangible benefits from the Caribbean Development Bank's (CDBs) flagship grant funded programme, the Basic Needs Trust Fund (BNTF). Under various cycles, BNTF has successfully delivered a range of infrastructure development, educational and poverty reduction projects. Through intense lobbying I am pleased to announce that Montserrat will continue to benefit under BNTF 11. This commitment will be formalised at the next meeting of the Board of Governors in June. The BNTF 11 program will continue its focus on community-based projects.

The plans and programmes for the coming year will take into full consideration the many challenges faced by the Education sector, to include: teacher recruitment and retention, inadequate provision of vocational/technical education, under-performance in Language and Math at CXC and National levels, Special Education Needs support, behavioural and disciplinary issues, child safeguarding issues, and other areas of educational support to attain the required performance in the sector. We have therefore commenced the groundwork to seek financing for a comprehensive **Education Transformation Programme**, spanning at least three (3) years in the first instance.

This Education Transformation Programme will focus on Special Educational Needs and Disability (SEND) in schools, thereby reducing vulnerability in children. It will include the recruitment of SEND professionals and secure long-term training for untrained primary teachers with specialisations in SEND.

An enhanced Afterschool Tutoring programme and a Breakfast Programme are components which will be considered to safeguard our students' wellbeing and provide a foundation for improved academic performance. This transformation programme over the next few years is also expected to cover infrastructure maintenance and upgrades at all schools to make them safer and more conducive to learning.

Madam Speaker, I wish to emphasise that Education includes Early Childhood Education. Our Government will continue to provide the resources and support required to help our children to experience a smooth transition into mainstream education at the primary level. Developmental assessments of children will continue collaboratively with the Department of Health and continuous staff training will be conducted for Early Childhood personnel. The recurrent estimates for the Ministry of Education is **\$10,082,300 and capital of \$912,000 for a total budget of \$10,994,300.**

FISCAL POLICY MATTERS

Tax Administration and Revenue Collections

Tax policy is a critical enabler for stimulating economic activity and continues its programme of modernisation, including a focus on digitisation, arrears management, legislative reform, and online payment systems.

This Government continues to operate with a range of concession programmes to support our broader economic agenda, including the Returning Nationals Concession Programme (SRO 69 of 2020); the Development of Private Homes Exemption (SRO 47 of 2020);

Property Developer Exemptions (SRO 45 of 2020); Cork Hill and Surrounding Area Redevelopment Zone C Exemption (SRO 65 of 2020).

We have ordered a review of current concessions, exemptions and fiscal incentives, to simplify processes and maximise impact. As a result of this review, the government will be implementing the following incentives to stimulate the economy and reduce the cost of living:

Firstly, we will seek lower tariff rates on all basic building materials and streamline existing concessionary programmes to reduce the administrative burden and maximise take-up by residents. Consequently, I am pleased to announce the proposed standardisation of import taxes for all basic building materials as follows:

- 5% Customs Duties
- 10% Consumption Tax

Once implemented, there is no need for any application to benefit from these reduced rates. Items imported from a CARICOM Country with the required “Certificate of Origin” will only pay the Consumption Tax of 10%.

Secondly, Madam Speaker, we will seek to reduce the amount paid for import taxes on all imports. This will be achieved through the potential reduction of the freight element of the Cost, Insurance, Freight (CIF) calculation by 50%, reducing the amount paid for Customs Duties and Consumption Tax on all imports. This change will benefit all persons in Montserrat.

Thirdly, Madam Speaker, to address cost of living for working families, we will seek to introduce a new, additional allowance to claim exemption from Income Tax. In addition to the recently increased personal allowance of \$18,000, your government will seek to enshrine an additional “Child Allowance” of \$1,500 per child for up to three children (up to the age of 18 years old), which only one parent can claim.

In order not to punish workers who go beyond the call of regular duty and work overtime, their tax for overtime income will now be at the tax rate which they are taxed on their regular salary. To clarify, Madam Speaker, as existed previously, all overtime income was taxed at 30%. Going forward, if a worker is normally taxed at a rate of 10%, their overtime will now be taxed at 10% and so on. That means productive, hardworking members of the community will have more money in their pockets.

HEALTHCARE IMPROVEMENT AND TRANSFORMATION

Madam Speaker, the health and well-being of our people is foundational to our society and economy. Yet, it has been almost 30 years since Montserrat has boasted a modern, “fit-for-purpose” hospital facility. I can confirm that this Government will deliver not only the construction, equipping and commissioning of a new national hospital, but an improved and adequate healthcare system, fit for the 21st century.

Over the course of the last year, the Ministry of Health, supported by the Ministry of Finance and Economic Management through the Programme Management Office, has effectively utilised increased **CIPREG** funding to deliver major enabling works for the hospital project.

Throughout the last year, there has also been significant investment in the installation of major diagnostic and life-safety critical equipment – including the CT and Mammography scanners, as well as new neonatal transport incubator and ventilator, and crash cart defibrillators. Madam Speaker, I am pleased to inform this Honourable House that the government of Montserrat has successfully completed the procurement process for the contractor of the main hospital construction.

The contract – awarded to Construction and Industrial Equipment (CIE) from Saint Lucia – was signed on 24th January 2025. Mobilisation commenced for the main construction phase in April 2025, with a ceremonial ground breaking on 7th April. Completion is targeted for April 2027. Government is indeed continuous.

We will focus attention on the provision of specialist medical services through our visiting specialist programme. We are exploring ways of ensuring medivacs are conducted in a robust manner with the introduction of appropriate policies. The cost of medivacs can become unaffordable when we examine the increased number of cases. We are exploring different options of not only reducing the cost but also ensuring greater speed of service delivery.

Currently, CARICOM nationals pay 50% more for hospital services than locals. Once, we have completed the policy documents, all Caribbean nationals will be treated the same as locals, provided they have been resident on island for at least three years. However, all children will be given equal treatment no matter the time spent on island.

Health Care to the Most Vulnerable

Madam Speaker, our Social Services Department provides vital support across our communities. Social protection remains a core part of this Government's mandate as the United Alliance (UA) team believes that the most vulnerable in our Society should be protected. During this new financial year, this government plans to increase the number of early help and preventative programmes across all services.

We will increase the number of public awareness and education programmes for the work of Social Services, especially in the areas of Parenting Support, Domestic Violence and Safeguarding. We will improve multi-agency partnership work across Police, Education and Health to improve safeguarding and protection issues through the additional funding we have already secured with His Majesty's Government.

We will also modernise service delivery and support integration through the implementation of an electronic data managements system for Social Services. In that context Madam Speaker, I am pleased to inform this Honourable House that the sum of \$500k has been allocated to upgrade the former Cudjoe Head Police station, the upstairs of which will be allocated to child safeguarding and counselling services.

The recurrent estimates for the Ministry of Health and Social Services **\$25,489,200.**

INTERNATIONAL & REGIONAL RELATIONS

Madam Speaker, this government wishes to recognise the energy, professionalism and engagement of our new Head of the Montserrat UK Office. As a Government, we will continue to collaborate closely with our UK Office to engage with our Montserrat diaspora, whilst also securing and deepening partnerships for Montserrat's development at home.

The Regional Affairs Unit within the Office of the Premier has worked hard to rationalise our engagement with regional and international bodies. When it comes to CARICOM, this Government will continue to lobby for greater access and collaboration for the benefit of Montserrat.

This year, your Government will sponsor a review of Montserrat's status with the CARICOM Single Market Economy (CSME) with the aim of completing the requisite documentation to become a signatory of the Revised Treaty of Chaguaramas, to fully participate within the CSME. We will continue to engage with the OECS Commission to leverage additional support for our people.

POLICE AND FIRE SERVICES

Madam Speaker, alongside normal operations, the Royal Montserrat Police and Fire Services (RMPS) have delivered a range of improvements over the last fiscal year, including the re-establishment of neighbourhood policing as the primary policing model with allocated beat officers to every community.

The RMPS has also strengthened partnerships between Social Services, Health and Education departments, and embedded a new safeguarding team, to secure successful prosecutions for offences against vulnerable persons.

Over the next year, the RMPS will develop a crime capability with technological support to prevent serious crime and implement the Police Conduct and Performance regulations to improve public trust and confidence. We are considered a very safe island. However, we cannot take this for granted. We will be making additional investments in securing our borders. In order for these initiatives to succeed we need the full cooperation of all.

New investments will include continued upgrade of the fire service fleet to include enhancing the capability to fight fires across difficult terrain, completion of renovations to the Brades Fire Station and the re-opening of the Salem police station.

The total allocation for Police and Fire services is **\$8,494,800**.

THE PUBLIC SERVICE

Madam Speaker, a modern, efficient and people-centred public service is the foundation of good governance. We have made significant strides in reforming recruitment through comprehensive policy changes, process improvements and the introduction of digital workflow systems. These efforts will ensure that the Government of Montserrat attracts, hires and retains the best talent to serve our people effectively.

We recognise that our previous recruitment efforts were slow and at times inefficient. To address this, we have undertaken a full-scale review and reform of our recruitment policies. We have introduced clear, standardised procedures that ensure a fair, transparent and merit-based hiring system. Through these reforms, we have started to reduce delays in filling critical vacancies making recruitment more responsive to the needs of Government ministries and departments.

Madam Speaker, our goal this financial year is to reduce the time from shortlisting to final selection of successful applicants from 60 days to not more than 28 days.

We have also strengthened compliance with international standards and best practices whilst ensuring that every step of the recruitment process is aligned with our broader public service goals.

Additionally, we have introduced targeted recruitment strategies to attract professionals in key sectors such as healthcare, safeguarding and other specialised areas.

Piloted in the Ministry of Building Utilities Infrastructure Labour and Transportation, and Ecclesiastical Affairs, a broader roll out of the workflow module is planned across all government agencies in the coming months.

Investing in Local Talent

Madam Speaker, this government recognises that our people are our greatest asset. This is why we have expanded initiatives aimed at nurturing and developing our local talent, ensuring that our people can occupy key positions within government. We are in the process of strengthening our Apprenticeship Programme that builds on the lessons learnt from the HYPE programme by giving school leavers an opportunity to develop their skills whilst fostering their own personal and professional development.

Through our apprenticeship scheme, we will focus on addressing the shortages in skilled trades developing a cadre of electricians, plumbers, welders, refrigeration specialists, among others who can contribute to the efforts of taking Montserrat forward. We are thrilled to announce that during the piloting phase of the scheme, a cadre of apprenticeships will be assigned to the Hospital Project.

Madam Speaker, this Government is intent on investing in employee wellness and retention. Motivating and retaining our workforce is critical to ensuring a strong and productive public service. It is within this context that we will introduce a range of wellness initiatives to lift morale and the overall well-being of our employees. One of the most significant changes will be the introduction of Flexible Working Arrangements and other hybrid work models.

We will also introduce wellness programmes that focus on both physical and mental health, recognising that a healthy workforce is a more engaged and effective one.

This initiative will include a blend of employee recognition programmes, recruitment of resources to support organizational psychology, access to confidential counselling services and career coaching and mentorship.

Pension Reform

Madam Speaker, I wish to address the issue of pension reform. After our public servants have committed themselves to years of dedicated service, we must seriously consider how we can meaningfully serve our pensioners. Ensuring a secure and sustainable retirement system for all is a priority for this government. Our current pension landscape has gaps that must be addressed to provide long-term financial security. This not only impacts public sector employees, but people in the private sector as well.

While government employees benefit from a pension plan, most private sector workers do not have similar protections beyond the lump sum gratuity required by law after ten years of service. For many, the Social Security pension is their only source of retirement income.

To address these challenges, the government is considering a multi-pillar pension system that balances sustainability, fairness and affordability. At the heart of this would be the creation of a pension plan benefiting both employees of the Government of Montserrat and the private sector. This is expected to improve financial security among retirees, reduce our reliance on social welfare support and ensure that our pension system is equitable.

In the coming months, the government will engage with stakeholders to refine the details of the proposed system.

The allocation for the Office of the Deputy Governor is \$44,721,900.

TOURISM

Madam Speaker, with sustainable access in place, a responsible and vibrant tourism economy can flourish. The opportunity landscape for Montserrat tourism is significant, with potential growth of this sector a clear priority for the island's GDP. Over the last year, Montserrat has continued to garner the attention of international travel media and social media alike, including being named as one of the New York Times "52 Places to Go" for 2025.

Montserrat is well positioned to capitalise upon evolving global tourism trends in wellness tourism, experiential holidays, astro-tourism, and sports tourism. This year, Montserrat participated in the Antigua Yacht Show – a premier event on the maritime calendar – to foster connections with the yachting industry whilst highlighting Montserrat's potential for charter experiences in the Caribbean.

Madam Speaker, this Government will work with the Montserrat Tourism Authority to redouble its efforts to boost arrivals, return visitors and tourist spending, under a new comprehensive Tourism Strategy for 2025-2027. This will include new digital marketing initiatives to target key markets and demographics; broadening social media presence through influencer content; and bolstering relationships with the travel trade.

In addition to the administrative and marketing initiatives, focused areas of product development will surround the delivery of training in sites and attractions management, reviewing proposals to reopen St. George's Hill and Plymouth as major tourism sites with improved signage, facilitating additional improvements to beaches and other attractions and clean up campaigns.

Tourism through Art and Culture

Madam Speaker, as part of our continued effort to improve Montserrat's Tourism, our unique culture should be celebrated, preserved and monetised. This is not only for current and future generations, but because festival tourism is a magnet for the visitor economy. We look forward to achieving continued success in this area with the notable return of the anchor events, including the Miss Montserrat Pageant and the highly acclaimed Queen of Queens Regional Calypso Show.

Madam Speaker, in the year ahead, the Montserrat Arts Council will continue to invest in hallmark events, which would include a new International Music Festival, and an African Music event. Opportunities will also be created for the youth to become more involved in cultural activities and will be encouraged to join new Masquerade groups; calypso and poetry writing along with training in the singing of calypso and other genres.

Efforts are already in process for training in other cultural initiatives such as playing the various masquerade and string band instruments. We will also have a National Steel Orchestra. To showcase the wide range of talent on island, the Montserrat Arts Council will seek to foster the enhancement of regional collaborations and increased participation in regional cultural events, such as OECS Jaycees Leeward Island Calypso Competition, CARIFESTA and World Council of Domino Federation Championship.

Madam Speaker, this government will be revamping our cultural activities in all communities and schools with the introduction of masquerade troupes in each school. Calypso writing and performance and the arts as integral for all youth. We are also encouraging the creation of community groups in each community across Montserrat.

The Montserrat Cultural Centre has been acquired by Government. As a consequence, we will be making a substantial investment to rehabilitate and upgrade the building making it more fit for purpose.

This building will be doubling up as our House of Parliament and our House of Culture. We will be encouraging better utilisation where our arts are showcased on a regular basis.

TRADE

As previously highlighted we will seek to reduce the duty element on freight. This should have some impact on the price of all imported items. An example of what this will do, assuming LPG prices at \$225 per \$100 lb cylinder, with the freight component reduced by a potential 50% the price would fall to as low as \$175. That's a \$50 saving per 100 lb cylinder.

MAJOR CAPITAL INVESTMENT AND PROJECT DELIVERY

Alongside our recurrent expenditure, this Budget allocates **\$135,900,700** for capital investment. This is also bolstered by existing FCDO capital investment, including the major CIPREG Programme, and UKCIF funding, CDB BNTF programmes, legacy EU EDF project funding, RESEMBID grant funding, and Darwin funding, to name but a few. Capital project implementation will continue in the following areas:

- Enabling the main construction works for the new national hospital
- Completion of the Little Bay port development
- Housing development and maintenance
- Priority sewerage infrastructure improvements
- MSS remediation project completion
- A01 Road rehabilitation
- Prison facility upgrade project
- Cultural Centre redevelopment programme

Furthermore, to enhance food sovereignty and security initiatives, funding is being secured from the Eastern Caribbean Central Bank to the tune of **\$2.1 million**.

Alongside these externally funded initiatives, I am delighted to announce that this Government, through the 2025/26 Budget, will transfer existing funding, totalling \$5.0 million that has sat untouched within the Government coffers for the last few years.

This transfer will better align with the current needs of Ministries and Departments while addressing neglected sectors and strengthen our overall economic environment:

- \$1.08 million will be invested in a Micro-Enterprise Development Scheme to support the small businesses and entrepreneurs that are the lifeblood of our economy. This will be accessed through low interest loans.
- \$0.5 million will be invested to upgrade the police station facilities at Cudjoe Head.
- \$0.49 million will be invested to upgrade the Multi-purpose Sports Centre in Little Bay.
- \$0.98 million will be invested in additional housing construction and rehabilitation.
- \$0.49 million will be invested in educational facility upgrades and enhancements.
- \$0.49 million will be invested in health facility upgrades and enhancements.
- \$0.49 million will be invested to upgrade Montserrat's racetrack facilities.
- \$0.25 million will be invested in community development projects.
- \$0.23 million will be invested in cultural development projects.

IMMIGRATION

A program is being introduced whereby persons who have been resident in Montserrat for a period in excess of three (3) years will no longer require immigration extension. However, persons who are here on contract will not have the time they are here on contract to be considered for time spent for consideration for permanent residency status. This illustrates how important it is for our Immigration Department to become more service-oriented and technology driven than in the past. Madam Speaker, I am pleased to say that the strategic direction created by the Department itself and the commitment shown by the team gives me great confidence that they will achieve the desired results.

INVESTMENT POLICY

Madam Speaker, for Montserrat to wean itself from budgetary aid we must encourage both local and foreign direct investment. To this end we have been having discussions with a range of potential investors ranging from hotel, water bottling, data centres to mining in its various forms. In so doing we will build our economy, create employment and generate revenue for the government thus making us less reliant on HMG.

MAJOR PROJECTS

The hospital main works has commenced with the mobilisation of the contractor. We have put systems in place to ensure proper management of the project to ensure its scheduled completion by April of 2027. We are putting in place medivac protocols and exploring various options to increase the efficacy of the process to the benefit of the patients.

We are in negotiations with the contractor for the port project and are seeking a compromise solution to have the project restarted under a new management arrangement supported by HMG and GOM.

- We are implementing a utilities project to upgrade our water supply: springs and new reservoir tanks; upgrading some of our pipelines which are leaking; replacing our sewerage systems in Drummonds, Lookout and Davy Hill.
- We recognise that stable electricity is a must. There have been significant improvements in that respect, and we will be overhauling our main generator, obtaining proper and functional battery storage systems to ensure that we maximise the benefits of the installed solar capacity.
- The airport tower will be completed, including the installation of an elevator and upgraded office space for the air traffic staff.
- We have contracted a UK firm to explore the possibility of night landing at the JAO airport. This would enable us to have flights landing much later and reduce the need to overnight for connecting flights to Montserrat. This will also facilitate

medivacs at night, helping to ensure that we have connectivity that can mean the difference between life and death, in some cases.

Madam Speaker, I have just given a synopsis of how we will lead our united efforts to make life better for all of us in Montserrat today and tomorrow. However, it is vital that we accept that even with the kind, critical and substantial support provided by His Majesty's Government, it is illogical to expect us to get the job done in one financial year. There will be some needs that we cannot meet in the 2025/26 fiscal year.

I anticipate that there will be those among us who might decide to use their social media platforms to present their versions of what the budget should look like. Anyone is free to express an opinion or pretend to be Minister of Finance. I do not have that luxury of pretending. I have to be a real Minister in a real world in with actual time and resource constraints, but our team remains accountable for choices and results, there are consequences for our actions. Some are only looking for followers and likes. Think about it. When last have you seen a Government in Montserrat as capable, as focused, as reliable, as approachable, as reachable, and as united as what we have been since October.

There is an African proverb that says: "No matter how long the night, the day is sure to come". Montserrat had a night that stretched into years. We are working with you for that new day. There is another African proverb that says when you want to go far, you go together. We intend to continue this journey with all of you. The "One Montserrat" project. Madam Speaker, in expressing our gratitude to all those who contributed to us being able to make a budget presentation of this quality in this time frame, I crave your indulgence to paraphrase a communication from HMG regarding financial support for fiscal 2025/26, in a letter dated as recently as March 25, 2025.

The letter highlighted the strength of the evidence provided as the most recent budget support mission and the compelling case it made for Montserrat in the UK's own budget planning for Montserrat.

It went on to confirm the £36,997,605 in Budget support that would be provided to Montserrat for this fiscal year. It further highlighted that this was a 17% increase on the provision from 2024/25 with increases, in core budget support, security funding and additional support in other key areas.

It emphasised that this increase was provided in a challenging global financial environment and with the increased pressure on the UK's Official Development Assistance Budget (ODA) and the increase in this context reflects the UK continued commitment to Montserrat. It outlined the UK financial commitment to Montserrat through various channels will be no less than £52,000,000 in 2025/26.

This suggests that this United Alliance administration has already won the respect and confidence of key officials in His Majesty's Government. My brothers and sisters, if they can respect us and support us by increasing the level of financial support allocated to Montserrat, is it fair of me to ask our people to pull together and let us work on behalf of Montserrat without cynical, sinister, narcissistic, and hidden agendas?

People of Montserrat, residents, our diaspora family, benefactors and well-wishers, yet another African proverb reminds us that we must prepare now for the solutions of tomorrow. This budget shows that we are preparing. However, it goes further. The Chinese also have a saying, a journey of a thousand miles starts with the first step. This Budget also shows that we are preparing and performing today so that we can transform Montserrat tomorrow.

In that regard, Madam Speaker, I crave your further indulgence. I invite us all to imagine what a transformed Montserrat will look like when we get there. There will be:

- A new port
- A new hospital
- Dependable tertiary health care
- Reliable electricity
- Growing use of renewable sources of energy

- Expanded numbers of government supported and facilitated housing projects
- Greater private sector investment through entrepreneurship in new areas
- More young people having opportunities earn a living while remaining in Montserrat
- A fit for purpose airport
- Greater production and consumption of locally produced food
- A healthier and more physically fit population
- Well-surfaced major and secondary roads
- Refurbished office accommodation for the public sector
- More than 100 more hotel rooms
- First class-standard sporting facilities
- A technology driven public service that serves the public with efficiency and empathy
- No work permits or immigration time limits after three years in Montserrat.
- Equal healthcare treatment for all Caribbean residents after three years of residency.
- All children given equal treatment irrespective of their place of birth.

TOTAL REVENUE AND EXPENDITURE

2024/25

Madam Speaker, the overall recurrent revenue for 2024/25 was budgeted at \$155.83 million with an outturn recurrent revenue at the end of the year standing at an estimated \$165.60 million. This represents an increase of around \$6.50 million over Government's collection on the previous year, 2023/24 of \$159.10 million.

Budget Support from the UK remains the highest contributor to our revenues with a provision \$100.17 million in 2024/25. Local revenue collection for 2024/25 stood at 61.39 million against a budget of \$55.67 million. The majority of which came from an increased

collection in Personal Income Tax where \$23.24 million was collected against a budget of \$19.69 million.

Approved Expenditure for 2024/25 was \$167,409,800 with actual expenditure standing at an estimated \$163,346,738.

2025/26

Expenditure

Madam Speaker, I will now present the Estimates of Recurrent Expenditure for fiscal year 2025/26 estimates. As I would have previously highlighted, a total expenditure including debt servicing is presented for 2025/26 of **\$175.88M**.

Budgetary Allocations by economic classifications are as follows:

- Compensation of Employees \$82.92M or 47.14%%
- Goods and Services \$62.61M or 35.60%
- Interest payments \$0.18M or 0.10%
- Subsidies \$17.51M or 9.96%
- Grants \$5.36M or 3.05%
- Social Benefits \$3.25M or 1.85%
- Other Expenses \$4.05m or 2.30%

Revenue

Madam Speaker, the revenue estimate for 2025/26 stands at EC\$175.88 million. This represents a 13% increase over the 2024/25 approved estimates of EC\$155.92 million. The projected increase is based on a combination of improvements in revenue collection and an increase in the overall aid package. The estimated revenue from local sources is

EC\$55.64 million compared to EC\$55.76 million in 2024/25. Total local revenues will be generated from two main areas: tax revenue and non-tax revenue (fees, fines, permits, rents, interests and licenses).

Budget support from FCDO will contribute £36.99 million or EC\$120.24 million or 68% to the recurrent budget. Details of this was previously outlined Madame, Speaker. The aid was converted using a rate of EC\$3.25 to £1.0.

Capital

Capital Expenditure is estimated to be EC\$135.9 million. The classifications are as follows:

- Economic Infrastructure development of EC\$66.51 million, 48.94%%,
- Social Infrastructure development of EC\$60.83 million, 44.76%;
- Public Administration of \$1.95 million 1.44%;
- Agriculture of EC\$2.77 million, 2.04%,
- Statistical Research, Miscellaneous Projects and Other Programmes of EC\$3.83 million 2.82%.

The funding support for this Capital budget is derived from five majors' sources with the Foreign Commonwealth (FCDO), Caribbean Development Bank (CDB) and the European Union (EU) as the three top supporters. This is broken down as follows:

- The UK Government/FCDO with \$89.54M or 65% of the budget
- CDB with \$25.91M or 19.06% of the budget
- EU with \$16.91M or 12.44%
- ECCB with \$2.10M or 1.55% and
- Other sources (to include our local budget and other funding partners such as, Darwin, OTEP JNCC etc) with \$1.45M or 1.07%

Overall Budget – Recurrent and Capital

Therefore, Madam Speaker, I reiterate a total budget estimate of \$311.78 million is presented before this Honourable House for 2025/26 for consideration and approval.

ALLOCATION BY MINISTRIES AND PROGRAMMES

The Recurrent Budget reflects a number of policies and programmes aimed at moving government towards fiscal sustainability. The recurrent budget is used to facilitate salaries, wages, and operational expenses of the Ministries and Departments across government.

Madame Speaker, this 2025/26 Budget estimate is allocated across Ministries and Departments as follows:

- **The Office of the Deputy Governor** will receive a total of **EC\$44.72M** (*Recurrent \$38.47M/21.88%, and Capital of \$6.25M 4.6%*)
- **The Ministry of Finance and Economic Management** at total of **EC\$82.49M** (*Recurrent-\$47.06M/26.75% and Capital \$35.44M/26.1%*)
- **The Ministry of Health and Social Services** will receive an allocation of **\$76.61M** (*Recurrent EC\$25.49M/14.49% and Capital \$51.12M/37.61%*)
- **Office of the Premier** will receive **EC\$12.22M** (*Recurrent of EC\$11.38M/6.47% and Capital of EC\$0.83M/0.61%*)
- **The Ministry of Buildings, Utilities, Infrastructure, Labour and Transportation** will be allocated a total of **EC\$49.54M** (*Recurrent-EC\$14.09M/8.01% and Capital of \$35.44M/26.08%*)
- **The Ministry of Education** will receive **EC\$10.994M** (*Recurrent-EC\$10.08M/5.73% and Capital of \$0.91M/0.67%*)
- **The Ministry of Agriculture, Lands, Housing, the Environment, Youth Affairs and Sports** is allocated **\$13.27M** (*Recurrent – EC\$8.87M/5.04% and Capital of EC\$4.39M/26.08%*)

- **The Royal Montserrat Police Service** a total recurrent allocation of **EC\$8.49M**
- The balance of **\$13.46M** or **4.32%** of the budget is allocated among the other services of Government which include Legislative and Judicial services, the Office of the Auditor General, Cabinet Secretariat and the Department of Communications and Digital Transformation.

Madam Speaker, the full set of allocations is detailed in the Estimates of Revenue and Expenditure tabled in this Honourable House today.

This Budget is the first segment of the transformation roadmap. Our Sustainable Development Plan (SDP) will provide a far more comprehensive strategic pathway. It takes time to create an SDP. I should know and I do know because I led many of the teams that created the SDPs for Montserrat over the last 30 years. In creating the new SDP, we will be thorough and consultative, but we will also be timely.

I affirm that this is what this budget shows that this United Alliance led Government will do:

- Hold ourselves accountable to all our people.
- Give our people hope again with confidence that there is a future for Montserrat as a viable society.
- Lead the effort to make the lives of our people better: economically, socially, psychologically and culturally.
- Begin again to create the competencies needed for sustainable development of our society among our people by investing in our people of all ages.
- Ensure that overseas experts have understudies and counterparts as far as is practicable.
- Make and keep political office an office of service to the people.
- Consult, converse and engage people from all walks of life and act on good ideas irrespective of where they originate.

- Demonstrate that Montserrat's constitutional status does not equate to us being a people with a mendicant mentality.

Madame Speaker, although we are willing to go that extra mile, nothing would be worth doing without our people of Montserrat and the hard work they put in daily just to see our island thrive and for this I say thank you. Thank you to my staff within the Ministry of Finance and Economic Management, their dedication to seeing the budget process through annually is commendable. Every system has a core and that is just what the Office of the Deputy Governor is to the Public Service, thank you Deputy Governor to you and the team for ensuring we have the required human capacity to deliver. To my devoted staff within the Office of the Premier I extend a heartfelt thank you, for without you I would not be in a position to stand before my people daily as you are the driving force behind most of my actions.

Thank you to the various Ministries and Departments for their unwavering support throughout the year and for making this process worthwhile. Thank you to FCDO and the Governor's Office for the continued relationship with my government and the people of Montserrat. To my colleagues who sit here with me in the Honourable House, thank you for your perseverance as we work together to provide a sustainable future for this island. This was a remarkable year and as we move into an even greater year as your Premier and the leader of your government, I will walk with faith knowing that we have a strong team of supporters locally, regionally and globally.

CONCLUSION

In closing Madam Speaker, let me say that I hope this 2025/26 budget statement will mark a new path for Montserrat. An era in which the skills and competencies of politicians of all persuasions work for the best interest of Montserrat and leave it to the people at election time to decide which grouping should keep or take the reins of government. It is time we come out the perpetual campaign mode that we seem to have slipped into in this social media age.

Let this be the era of mature, insightful debate given by sincerity and commitment to Montserrat. We should not have to tear down each other's name, reputation and family history to shreds to prove that we love Montserrat. I invite all politicians and aspiring politicians to accept that you can be successful by operating on principle and not just on negativity and innuendo. Think of what is best for Montserrat and who is best for Montserrat not how many followers you have or how many likes you will get for what you put on the internet.

The development of Montserrat is a challenging task in the wake of nearly thirty years of ongoing volcanic activity – the impact and legacy of the eruptive events are wide ranging, far reaching and consequential. It is difficult but we genuinely believe it must be done for the generations that will follow us. We simply cannot write off this emerald jewel. In the words of our territorial song, we all need to *rise up and make our country great, with art and skill and sacrifice*.