



**OPENING STATEMENT
HOUSE DEBATE
FY2021/22 BUDGET DEBATE**

**MOST HON. DR. HUBERT MINNIS
PRIME MINISTER and MINISTER OF FINANCE
Wednesday, 2 June 2021**

Mr. Speaker:

It is my privilege to open the debate on the FY2021/22 budget.

I do so on behalf of the resilient and determined Bahamian people, and on behalf of the wonderful people of Killarney.

May I wish Bahamians everywhere an early Happy Labour Day, as we celebrate the hard work, the creativity and the dedication of Bahamian workers.

Mr. Speaker:

I wish to extend condolences to the family of the late Mrs. Melvenia Adelaide Cash who passed away on the 25th of May.

Mrs. Cash joined the Public Service in August, 1975, serving in the Ministry of Health, the House of Assembly, the Ministry of Financial Services and Investments, and the Office of the Prime Minister.

She served with extraordinary dedication, commitment and professionalism for some 46 years.

It is with gratitude that we remember her service to the Government and people of The Bahamas.

Mrs. Cash was scheduled to begin pre-retirement leave in October of this year.

May I offer my personal condolence and the prayers and thoughts of the staff of OPM to: her husband, Herbert, her children Misheann, Chikera, Herbert Renaldo Jr.

and Hishando Cash, her sisters and brothers and all her relatives.

May her soul rest in peace.

Mr. Speaker:

This budget follows a period where The Bahamas experienced a historic category five hurricane and a global health pandemic, both within the same FY2019/20!

These unprecedented events severely disrupted the positive fiscal and economic direction of The Bahamas.

These unprecedented events disrupted the hard won gains the country embarked upon pre-Dorian to clean up the financial mess left by our predecessors in office.

The Bahamas was on track to achieve the largest deficit reduction we have seen in over twenty years.

We were on a path to balancing the national budget.

We began making necessary changes to create more opportunity and ownership of our economy by more Bahamians.

Despite the unexpected setbacks we experienced as a people and as a government, we are on the way to coming back strong.

But, we are still facing many challenges.

Unemployment levels remain high.

Families and businesses are still struggling.

Government revenues are down.

Significant resources are still required for social welfare and small business

support programmes, and to support the private sector in its recovery efforts.

But, the tide is turning because of our policies, our discipline and our determination to restore our Bahamas to improve economic and public health.

We can see the recovery, even though there is still much work to be done.

Mr. Speaker:

As I have already noted, Hurricane Dorian and the COVID-19 pandemic

exacerbated deeply-rooted economic and fiscal structural issues that pre-date this Administration.

Historically, economic growth for The Bahamas had been between three to four percent.

Growth has often been at levels too low to reap sustained and meaningful results across the many sectors of our economy.

The years after the 2008 financial crisis and the Great Recession that followed, were especially difficult.

For the decade that followed, growth in most years was flat or negative.

As other tourism destinations developed their offerings, we have seen an increase in competition.

The offshore financial services sector, our number two industry, has been shrinking due to a vastly different and much more stringent global regulatory environment.

The manufacturing, mining and agricultural sectors have seen their proportion of contributions to the economic output decreasing over time.

Since the onset of the pandemic, the contraction across economic sectors has been even more pronounced.

Mr. Speaker:

The economic contraction and unemployment in the wake of the catastrophic Hurricane Dorian and the

pandemic required substantial and sustained levels of government support to manage and to contain their impact.

Together, these factors led to:

- declining government revenue;
- greater expenditure;
- and an increasing fiscal deficit.

Necessary border closures and travel restrictions resulted in significantly reduced tax and other revenue from tourism, our main industry.

The COVID-19 pandemic also required a number of lockdown measures to contain the spread of the virus from incoming visitors and to reduce community spread and the illness and death of Bahamians.

As a result, our fiscal position weakened even further, as have just about every country in the world.

Indeed, some of our regional neighbors are in even worse fiscal shape than The Bahamas.

We projected a deficit level of \$1.3 billion, roughly 11.3 percent of GDP for the FY2020/21.

This is a level never experienced in The Bahamas.

But, underpinning this temporary expansion of deficit were a number of key policy initiatives funded by the Government to provide consistent support for those affected by the downturn.

Spending on households through the unemployment benefit and assistance programs, food assistance and other social sector support for the fiscal year has totaled more than \$ 160 million through the end of March, 2021.

But even as we had to begin the rebuilding and recovery from Hurricane Dorian and fight the worst pandemic in 100 years, we had vision to build back better and stronger as a country.

This vision can be seen in our plans, our policies and our programs for a more dynamic Bahamas, with growth in many sectors of our economy.

Our vision includes greater opportunity for all, including in education and health care as a part of our program of social justice and equality.

Our vision includes greater ownership of the economy by Bahamians, including:

- small- and medium-sized businesses ownership;
- land ownership;
- home ownership;
- shares for Bahamians in enterprises like the new cruise port in downtown Nassau;
- and greater ownership in sectors like tourism, agriculture, fisheries, the digital economy and the creative economy.

We are focused on economic growth for a better future for all Bahamians.

If we are to position ourselves to return to lower deficits, lower debt and a balanced budget, we must accelerate the pace of economic growth and recovery.

We must do so in a sustained way.

The fruits of economic growth cannot only be felt by a few.

This is a matter of economic justice.

We are focused on a better future for all, whether you hail from Bain Town, Golden Gates or Fox Hill on New Providence; or Mathew Town, Inagua; Gregory Town, Eleuthera; Elbow Cay or

Moore's Island, Abaco or Freeport and West End, Grand Bahama.

Because we are a Commonwealth, the common wealth of our Bahamas must be enjoyed by all Bahamians.

Poor and working families must be able to see improved opportunities and better standards of living.

Middle income families must be able to see improved opportunities and standards of living.

Our vision is that of wealth-creation and ownership for Bahamians of every walk of life, on every island, cay and settlement in our Bahamas.

Mr. Speaker:

Government has its role.

But we must continue to create more dynamic public-private partnerships to build the billions of dollars in infrastructure we need to significantly increase growth, opportunity and ownership.

Government alone cannot finance all the critical infrastructure The Bahamas requires for dynamic and sustained growth throughout our archipelago.

We are determined to unleash the vast economic potential of our Family islands, which is why we have embarked on the expansion of modern international airports in key islands.

The residents of our Family Islands must be able to see improved opportunities and standards of living.

We must also invest in our Family Islands so that more Bahamians may consider moving to various islands where they can work and raise their families.

Our efforts must ensure that more Bahamians have the opportunity to become self-employed and to become shareholders in commercial enterprises.

Our vision and plans will empower Bahamians to have greater ownership in the export sectors of our economy,

including, in tourism, financial services, and the global digital services industries.

Our creative economy should also be a source of exports.

Even as we create jobs, we must foster Bahamian business owners who will help to create thousands of more jobs.

Our plans have been formulated to ensure that we do not repeat the no-growth/low-growth decade that followed the 2008 Great Recession.

We have articulated a vision and a future for the Bahamian economy, that is is resilient, inclusive, dynamic and sustainable

We have outlined plans to realize this vision.

First, through the Resilient Bahamas Plan, which focused on providing an immediate response to the twin crises, while planting the seeds to expand our recovery and economy.

Secondly, the work of the Economic Recovery Committee (ERC) has informed many of the plans we are proposing.

This includes the greatest revamp and restructuring of our foreign direct investment structure and regime since independence.

This new investment promotion and approval process will be known as Invest Bahamas.

The Invest Bahamas idea is a direct result of the work of the Economic Recovery Committee.

Thirdly, through the ideas in the Accelerated Bahamas Recovery Plan, we are positioning to grow our way out of our current situation.

Mr. Speaker:

Because we are committed to policies that serve all Bahamians and not just a few political cronies and colleagues like some

in the past, I am pleased to announce the following measures.

Last year, my Administration introduced legislation that permitted the Minister of Finance to provide VAT holidays up to two times per year for up to 30 days for specific reasons.

We then introduced the Back-to-School VAT holiday last August.

This provided Bahamian households with VAT free shopping on a range on school supplies as they got their children ready for the new academic year.

The VAT holiday provided millions of dollars in savings across the country and were a boost for Bahamian businesses.

This year, we are once again undertaking a Back-to-School VAT holiday during the month of August.

Mr. Speaker:

The hurricane season began yesterday, June 1st and lasts until November 31st.

I remind Bahamians and residents to begin their hurricane preparations.

To assist with these preparations, this year, for the first time, we will undertake a VAT Holiday for hurricane preparations. This will be during the month of July.

This will assist Bahamians and residents to enjoy VAT free shopping on a

range of critical hurricane supplies and equipment.

The Ministry of Finance will provide the details of the dates and the items to be included for VAT free shopping.

I remind the House and Bahamian residents that the VAT holidays are only applicable for eligible items purchased inside the country from local wholesalers and retailers.

We want people to shop at home so that this money stays at home and benefits Bahamian businesses and, by extension,

all of the employees of these commercial enterprises.

So, my message to everyone is that they should use the month of July to get their homes and businesses readied for the hurricane season. Take advantage of the savings and avoid the rush.

Mr. Speaker:

My Government has a bold vision, major plans and dynamic ideas for our future.

Indeed, we are already investing an extraordinary amount of public resources in this future.

The people of Exuma realize this.

They are going to get a new \$65 million-dollar international airport.

The people of Cat Island are getting a modern comprehensive potable water system, with piped potable water to each and every home in Cat Island.

Grand Bahama has already seen Phase One of the rebuilt Rand Memorial Hospital.

Approximately \$11.6 million was awarded for several local companies for construction works that culminated in the recommissioning of the Rand, an essential institution serving the people of the Northern Bahamas.

Phase Two for the Rand is in train.

Grand Bahama is going to get one of the best international airports in this region, following the Government's purchase of the Freeport International Airport.

Grand Bahama will see an extraordinary revival of cruising to the

island, resulting in much more economic opportunity and jobs.

Thousands more young Bahamians can now attend the University of The Bahamas and BTVI tuition-free.

Downtown Nassau is going through a major revitalization and one of the largest building exercises in the City of Nassau in our history.

We are developing programs for homeownership, including an 83-acre parcel of land in the Prospect Ridge area near Baha Mar for young professionals.

Throughout our Family Islands we are improving the lives of residents with new waterworks, roads, bridges, ports, and other vital infrastructure.

We continue to invest in the people and the needs of Over-the-Hill communities.

We have invested in one term more direct funding for small business development than any government in Bahamian history.

Mr. Speaker:

Thankfully, the Free National Movement is not like the discredited PLP, which left the country in a terrible economic shape.

Since 2017, my Government has proudly put forward and enacted a range of modern and comprehensive fiscal reform legislation and policies.

They require and will require this and future governments to be more accountable and transparent.

For their part, the PLP is mostly about idle political posturing and political expediency.

My Government is about doing what is right for the Bahamian people, especially during this pandemic when our priority was to save lives.

Sadly, the Leader of the Opposition seemed more interested in scoring political points to try to boost his poll numbers.

The PLP desperately want to get back at that cookie jar.

Just about every Bahamian child knows
Cookie Monster from Sesame Street.

Like Cookie Monster, the PLP has a
history of raiding the cookie jar.

They are very greedy for cookies.

Every time they get a chance, they
attack that cookie jar without mercy.

Every time Cookie Monster sees some
cookies, he can't help himself.

Mr. Speaker:

After I delivered the Budget
Communication last Wednesday, it was

curious, though not surprising, to watch the response of the Opposition, a copy of which I have with me.

They responded with their typical canned response.

Central to their knee-jerk response was the curious and jokey claim that this Administration had no plan, no new ideas, no strategy for economic growth or no big vision for our future.

I guess they were looking in the mirror at themselves.

I am being charitable when I label their claims as “jokey”.

I say, “jokey”, because clearly, the side opposite – true to form – seemed not to be listening or was not interested as we set ourselves to the people’s business.

This is the same sad playbook as when the Leader of the Opposition asks: “Where is the science?” when we detailed our plans to save lives during the pandemic.

Either he does not listen to or does not understand the science given in multiple public briefings by our health experts,

including by Dr. Merceline Dahl-Regis, who is recognized as one of the leading public health experts in our region.

Indeed, Dr. Dahl-Regis was “the first Caribbean female and second Caribbean native to receive the prestigious Pan American Health Organization Public Health Hero of the Americas Award.”

It is from individuals like her from whom we are receiving expert medical and scientific advice.

Perhaps if the Leader of the Opposition listened more carefully, he would learn

more about science and medicine rather than making many of the foolish comments he continues to make.

Mr. Speaker:

Our economic vision and plans were clear in the budget communication I delivered.

But they seem not to have eyes to see nor ears to hear because they must realize just how much we have done for the Bahamian people even in the face of what some have called the Storm of the Century

with Hurricane Dorian, and the Pandemic of the Century, with COVID-19.

Despite these unprecedented events, this Administration continues to move the country forward.

This must disturb the PLP to no end.

This is why they keep repeating the same canned and unconvincing foolishness.

But they are not convincing nor distracting the Bahamian people with their empty sounds and furious nonsense.

Mr. Speaker:

When my Administration came to office in May 2017, our most pressing task was to ensure the passage of a budget for fiscal year 2017/18.

This was necessary for the continuation of essential government services.

The budget preparation exercise was well underway.

Given the time constraints, this Administration reluctantly accepted the prepared draft budget.

However, we were horrified by the planning, or lack thereof the PLP engaged in to design its last budget.

Thereafter, my administration immediately implemented structured policies and commitments to ensure accountability and transparency were ever-present.

By the following year, this Administration implemented:

- fiscal responsibility legislation;
- established a dedicated website for budget/fiscal information;

- began releasing quarterly updates on government finances;
- and released our annual fiscal strategy and plan to manage the government finances.

If anyone was, waiting to see how the election turned out before administering any real medicine for what ails us, it was the Opposition.

That is just one reason why they're on that side of this Honorable House.

Mr. Speaker:

We are beginning to see signs of recovery because of the responsible reopening of our borders, because of the roll out of vaccines, and because of the global economic rebound, especially that of the United States of America.

Our efforts so far have addressed the immediate challenges of our current situation while planting the seeds for the future.

I say planting seeds, because the Accelerate Bahamas Recovery Plan is

designed to help those seeds to become seedlings, then blossom and grow at a breakneck pace.

This Recovery Plan aims to expedite inclusive private sector growth and the reforms necessary to support and sustain that growth.

These targeted stimulus policies, reforms and other initiatives are intended to:

- boost overall economic expansion;
- create jobs;
- support small business development;

- continue healthcare sector support;
- and invest in the resilience of core economic sectors.

This Recovery Plan is also designed to:

- boost tourism development;
- advance private and public sector investment; and
- make government a better facilitator of growth through digitization and innovation, while restoring our fiscal house.

Fundamental to our vision and our plans are: private sector expansion and public sector reform, which are tied together.

Our focus on private sector expansion will unlock the potential of small- and medium-sized businesses and entrepreneurs by:

- providing tax concessions;
- jumpstarting hiring;
- increasing access to capital;
- garnering domestic and foreign direct investment;

- and providing new opportunities for ownership through developments like homeporting.

This Recovery Plan advances the steady march of our government reform agenda.

This includes:

- the continuation of much needed fiscal reform;
- implementing a strategy for debt management;
- improving tax administration;

- and hastening the digitization of the public services.

The Accelerate Bahamas Recovery Plan will help to arrest our economic contraction.

It will help to set us on a path to sustained year over year economic growth.

We will do so through:

- investments in private sector expansion;
- support of new and existing small businesses;

- and leveraging fresh opportunities that have been borne out of this crisis.

We are confident that employment will increase and that government revenues will rebound.

Mr. Speaker:

This is a budget for the medium- and the long-term, unlike the budget of the last PLP government, in which the Leader of the Opposition was the Deputy Prime Minister.

Leading up to the last election, the then PLP government planned for a \$100 million deficit.

Then they ignored their budget and ran up a deficit of \$660 million, never informing the Bahamian people that they were running well over their fiscal targets.

And we must all remember, this deficit does not include the more than \$300 million in obligations and arrears that were not accounted for in any budget or document brought to Parliament or shared with the Bahamian people.

Imagine that, even though it is hard to imagine: They left almost a billion dollars in unfunded bills and arrears that they kept mostly hidden from the Bahamian people.

Under this Administration, the Bahamian people get a report every quarter on budgetary affairs, which the PLP are quick to criticize.

I guess they seriously expect my Administration and the Bahamian people to take them seriously, despite them leaving

the country nearly a billion dollars in bills that they mostly hid from the people.

The PLP are the last ones anyone should listen to on fiscal and budget matters.

They had no quarterly fiscal report.

They had no annual fiscal strategy report.

They had no dedicated budget website.

All of these things are things that we did.

Now the country is better informed on budgetary and fiscal matters than they ever were before.

The PLP did not contribute to any of that.

They did not leave behind any of that.

All they left was nearly \$1 billion in bills and arrears that neither Parliament nor the public were aware of.

The PLP and their members cannot lecture anybody on fiscal matters.

Their track record gives them no ground, no credibility to speak on these things.

Mr. Speaker:

As the first signs of the pandemic emerged on our shores in March 2020, this administration was faced with difficult choices.

To protect our people, we had to close our borders.

Combined with the global economic downturn, the impact has been a

contraction in output of 5.8% for FY2020/21.

When the global economic contraction commenced and many businesses were challenged to pay their staff, we had the choice of where, how, and how long government should provide assistance.

We made the right choice to support the private sector and support the livelihoods of families.

This support has required us to provide 19 months of payroll support now in excess of \$118 million, \$53 million in loans to

support small businesses and \$44 million as part of our job retention tax credit program.

This is unprecedented government support.

Let me make the point even stronger.

Despite these unprecedented and extraordinary times, we kept all civil service jobs and maintained salary payments.

Mr. Speaker:

To address and to mitigate as much as possible the cycle of economic growth and

economic contraction that have persisted in The Bahamas for generations, we must continue to address certain structural economic issues.

We believe that with targeted structural reforms, consistent growth in the range of five to six percent is well within our grasp.

Our approach to addressing various fundamental structural issues is centered around two central pillars:

The first is private sector expansion.

This pillar focuses on unlocking the potential of our private sector through a variety of means.

These include:

- judicious tax concessions;
- expanding into new economic sector territories such as with home porting opportunities;
- legislative reforms;
- and providing access to capital for entrepreneurs and the more than 38,000 small- and medium-sized businesses in The Bahamas which

accounts for approximately 99% of our entire business license database

The second pillar is government reforms.

These include:

- increasing the use of digitization in the public sector;
- improving the quality of our workforce and the skills of Bahamians, including investments in education, training and health care;
- and continuing much needed fiscal reforms

Mr. Speaker:

With the global vaccine efforts well underway, we are transitioning into a phase in the COVID-19 fight where we can prepare for and take advantage of the coming economic rebound.

With this in mind, the Accelerate Bahamas Plan is designed around seven specific priorities that move us from what is effectively a policy proposal to the mechanics of its implementation.

I am pleased to present to this Honourable House a copy of this Plan.

The priorities in this Plan include:

(1.) Job Creation,

(2.) Small Business Development,

(3.) Healthcare and Vaccinations,

(4.) Tourism Development,

(5.) Private and Public Sector

Investment,

(6.) Digitization and Innovation and

(7.) Fiscal Responsibility.

I would like to address a number of these priorities at this time.

Mr. Speaker:

As it relates to job creation, the Department of Statistics' May 2019 Labour Force Survey showed that, prior to the impact of Hurricane Dorian and the COVID-19 pandemic, the unemployment rate was at 9.5% or 22,635 people.

Estimated by the IMF at some 25.6 percent during the height of the pandemic, the unemployment rate is up from 9.5 percent in May 2019.

By May 2020, this Administration was challenged with the task of providing unemployment support to approximately 40,000 Bahamians.

Through the tax credit/tax deferral payroll support program, 126 businesses were aided in paying the salaries of 14,000 private sector employees during the height of pandemic-related shutdowns.

This sum does not include our support for the public aviation sector and for private schools as well.

As I have already stated, Mr. Speaker, the challenge of unemployment remains.

To begin reducing the number of unemployed, this administration is making targeted investments to incentivize business owners to hire new employees through the provision of a VAT tax credit.

We anticipate \$40 million foregone in revenue to fund the Government Employment Incentive Program.

We anticipate that this programme will lead to 2,500 jobs being created in the near term.

Businesses will be able to apply for a VAT tax credit to cover the salaries of up to 10 new employees brought onto their payrolls as of July 1st.

The allowable tax credit will be up to \$400 per week per employee.

Government incentivized job programs, like the one we are proposing, work to get people employed and to improve social conditions overall.

According to a 2016 Georgetown Law Center on Poverty and Inequality Report: these kinds of programs have successfully raised earnings and employment, have benefits beyond the labor market, and are socially cost-effective.

Incentivized employment programs may:

- reduce family reliance on social welfare benefits;
- improve school outcomes among the children of workers;

- lower criminal justice system involvement among both workers and their families;
- improve psychological well-being, and reduce longer-term poverty.

But, Mr. Speaker, our labor market concerns are about both the availability of employment and the employability of our citizens.

The COVID-19 pandemic has been a prime example of how quickly the business environment can change.

Many companies were forced to change their business operational structure to a virtual environment, to use online payment platforms and introduce other means to meet customer needs.

Further, as the economy expands and economic diversification opens the door to new business opportunities, our citizens must be prepared to take advantage of these opportunities.

From the inception of this Administration, we focused on improving

education outcomes and enhancing the skills of our workforce.

It is for this reason that we have made access to higher education and tertiary level training a key priority.

We have continued to provide significant funding for BTVI and U.B. in this budget—to the tune of \$4.6 million and \$18.5 million, respectively.

This Administration has made good on its promise to provide free tertiary education to all Bahamians.

We have kept this pledge.

But even more so, we have increased the allocations since the onset of the pandemic to ensure that all Bahamians wishing to go back to school during this downturn are able to do so.

As we pivot to job creation, the investments we have made in a more resilient work force illustrate this government's forward-thinking and vision.

Mr. Speaker:

Based on the Department of Statistics May 2019 Labour Force Survey, prior to the impacts of Hurricane Dorian and the COVID-19, The Bahamas had a labour force of over 237,000 individuals or an unemployment rate of 9.5% or 22,635 people.

By May 2020, this Administration was challenged with the task of providing support to approximately 40,000 thousand people or 16.8% of the labour force through the government's unemployment

assistance programme administered by the National Insurance Board.

We began the Tax Credit/Tax Deferral Payroll support programme, immediately providing businesses with the cash that ended up helping to keep over 14,000 private sector jobs intact during the height of the crisis.

These numbers do not include individuals who are now only working a few days per week or underemployed or persons who would have been on furlough.

I wish to encourage more companies, including those legacy firms to move to more enhanced digital platforms with delivery services.

These companies should embrace and seize the future.

Mr. Speaker:

Since 2017, my Administration has implemented significant efforts to encourage the entrepreneurial and creative spirit of Bahamians.

When this Administration came to office, the business license register reflected a total of 24,241 small and medium sized businesses.

We saw the opportunity for growth.

We know the potential of the Bahamian people.

I am proud to say that the efforts made to support small businesses by this Administration have been fruitful.

The number of registered small- and medium-sized businesses has grown by

58% since 2017, from 24,241 to 38,227 at the end of 2020.

The SMEs that launched over the last four years have been characterized by a quality of innovation that is needed in the Bahamas economy.

Take for example, Island Honey, an apiary business started by two young Grand Bahamians, Kevin Wildgoose and Rakrisha Forbes.

After participating in a 16-week program held by the Ministry of Grand Bahama, in partnership with various

international agencies, over \$180,000 was provided in funding under soft lending terms for seven participants.

Now, Island Honey is producing products such as: natural flavored honey, beeswax candles, lip balm and honey butter.

Mr. Speaker:

Building on the great success of our initiatives to date in helping the growth of small businesses, our plans reflect an even

greater commitment to supporting and boosting SMEs, including:

- \$35 million support to small business development, principally through the Small Business Development Centre;
- Four million in recapitalization of the Bahamas Development Bank;
- Implementation of crowdfunding rules;
- Expansion of the Family Islands Special Economic Zones concessions;
- Duty free concessions for all Bahamian SMEs to expand their businesses; and

- . Duty concessions on exercise and sports equipment to support our local gyms and fitness houses.

Mr. Speaker:

To continue to grow, small- and medium-sized businesses need to continue to grow at home and look beyond our borders and aggressively explore opportunities to export.

It is for this reason that, during the 2021/22 budget communication, I mentioned the need for an enabling

environment to support our SMEs participation in international trade activities.

I am pleased to remind members and the Bahamian public that, as recommended by the Economic Recovery Committee, The Bahamas is already leveraging parts of the CARIFORM-UK and CARIFORUM-EU partnership agreements which provide companies with duty free and quota free access to European markets.

You will hear more about trade export opportunities when the Minister of Financial Services, Trade and Immigration makes his contribution.

Mr. Speaker:

The COVID-19 pandemic has illustrated, like no other event in our recent history, the importance of an accessible and resilient healthcare system.

As a physician, I know all too well the challenges faced in our healthcare sector.

As Prime Minister, I saw firsthand the struggle of our public health staff, as they contended with the influx of COVID-19 patients and the complications that this infectious disease imposed on hospital operations.

We must improve the infrastructure of our healthcare system so that we are better able to manage the next public health crisis.

We must also make the system more accessible and efficient in order:

- to reduce the cost of healthcare;

- to alleviate the pressure on the public purse; and
- to free up public resources for other crucial policy initiatives.

It is for this reason that improving the health of this nation is a key pillar in our economic growth strategy, as articulated in my Budget Communication last week.

This will include greater measures to respond to the high incidence of obesity in The Bahamas.

We have seen first-hand what a lack of proper health facilities can do to a nation, particularly in a pandemic.

This is why the \$70 million investment in the Princess Margaret Hospital is critical.

Further, while the current budget allocates some \$19 million to improve the Rand Hospital, this is only for this year's budget.

The total planned expenditure to improve capacity at the Rand in Freeport is estimated at \$39 million over two years.

To improve healthcare accessibility, we are investing one million dollars in a telemedicine initiative, so that a Cat Islander or Ragged Islander or Androsian can access specialist level health care without expensive travel costs.

We are re-implementing a project that was abandoned by the PLP when they were last in office.

We understand that it is critically important that Bahamians throughout our far-flung communities have access to the

same level of health care as those on New Providence or Grand Bahama.

Mr. Speaker:

The planned investment to improve care at PMH is one of the largest investments in health care in modern Bahamian history.

The last such investment was the \$76 million Critical Care Block at PMH which opened in 2013.

But before the Opposition attempts to claim this as their accomplishment, I would remind the Bahamian people, and this House, that the contract for the last major health investment, the design of the Critical Care Block, and securing of the necessary funding was done under a previous FNM administration.

This means that the two major health investments at PMH in recent decades will be accomplished by FNM governments.

Again, the other side will talk you to death about their health care plans.

Oh, they will talk,
and they will promise,
and they will talk some more.

We are about action.

As a doctor, I have to act to save lives.

The Leader of the Opposition is mostly a talker.

Mr. Speaker,

Once again, the nation was confused by the assertion of some that we were: “waiting to see if cruise ships returned or if

tourism numbers rebounded to their 2019 levels.”.

We are not waiting.

We are getting ready for the rebound and boom in tourism.

As people feel more comfortable about traveling and the number of people who have been vaccinated around the world steadily increases, we are implementing our comprehensive COVID-19 Response plan for destination marketing to take advantage of the pent-up demand.

We are not waiting to see what happens with cruise ships.

We are positioning ourselves to extract greater value from the industry.

At the same time, we are readying the country for the new opportunities that will be made available through homeporting.

The Bahamas Hotel and Tourism Association called homeporting a “win-win” and referred to it as good news for The Bahamas.

Because of homeporting we can expect increased airlift and increased hotel occupancy with all the accompanying economic benefits.

Our message to the rest of the world is:

“The Bahamas is open for business and we are ready to welcome you to our many island destinations”.

As tourists come back in force, we are shoring up our local market and product offerings to provide many unique experiences.

For the many Bahamians concerned that the homeporting option will only benefit the major hotels and foreign investors, we are giving Bahamians the opportunity now to increase the room inventory for these additional guests to experience our Bahamian hospitality.

The COVID-19 pandemic taught many Bahamians about the importance of maintaining a diverse stream of income to remain resilient in times of crisis.

Many Bahamians and residents have embraced this philosophy in recent years and have begun to invest in new streams of income in the vacation rental market through popular online portals such as AirBnB.

According to recent data, as at end of March 2021, some 4,222 Bahamians and residents participate in this market earning more than \$14 million in the month alone.

However, Mr. Speaker, 28% of the rented properties consisted of three bedroom or larger rentals.

Data also indicates a large proportion of the rented properties are located in typical second home hotspots such as:

Exuma with 498 listings,

Central Eleuthera with 409 listings,

and Bimini with 185 listings.

To ensure that more Bahamians take advantage of the increased need for room capacity now and in the future, I am pleased to announce that I have directed

the Small Business Development Center to reserve a minimum up to \$2 million in funding to provide funding to support Bahamians who wish to enter the Bahamian home rental market.

This new SBDC initiative will have built in covenants to ensure that successful applicants follow through on preparing these properties for guests and that they list the properties for short term rental.

The programme will also include consultancy assistance to help guide

applicants on how to list and manage these properties successfully.

The reality is that the emergence of the vacation home rental market creates a wonderful and extraordinary opportunity for more and more Bahamians to become owners and direct beneficiaries in the tourism industry.

This is diversification within the tourism sector.

Thousands have already done so, but there is opportunity for thousands more as more and more visitors are choosing these

accommodations, especially for extended stays.

Bahamians might wish to convert existing homes to take advantage of this market.

Bahamians might refurbish an ancestral home in one of the Family Islands.

Bahamians might wish to collaborate with like-minded investors, pooling resources to build and rent accommodations and cottages throughout the country.

Bahamians in our southern islands will be granted a new slate of concessions like duty and VAT concessions on the full range of materials they will need to build or renovate a house, or to start or expand a business.

For the residents of these islands, there has never been a better time to invest in that cottage or to refurbish an ancestral home to welcome visitors from around the world and to become a direct owner in the hospitality sector.

This is about ownership, Mr. Speaker, and it gives Bahamians the chance to retain a greater piece of the tourism pie.

The emergence of platforms for online commerce now permits ordinary Bahamians to become owners in the hospitality trade and to explore so many other opportunities to deliver goods and services all over the world.

My government will expand its direct support for Bahamians in the vacation homes market and in the digital space.

This Administration firmly believes that increasing revenue diversification for low-income families will build a more resilient society.

Unlike some others, who talk a big game about supporting the small man, this prime minister and my Administration are committed to working families and the empowerment of the poor.

They are about talking.

We are about doing.

Mr. Speaker:

The Opposition seems to want people to believe that only The Bahamas is experiencing the ravages of COVID-19; that we are the only country contending with increased deficits and debt; that we are the only country struggling to rebound from the global economic downturn.

The Bahamas is not alone in this experience.

The global evidence is there to show that as a responsible government, we too, made the prudent choice to save lives and to protect livelihoods.

We made the prudent choice to fund the gap arising from the extraordinary expenditures and losses in revenue from Hurricane Dorian and COVID-19 through necessary borrowing.

We kept the faith with the Bahamian people.

The global death toll from COVID-19 may rise into the tens of millions.

Much of the Americas remain in a grave state, with millions dead, severe lockdowns and economic disaster, all of which may continue for some time.

We too remain in the emergency phase of the pandemic.

But we have an opportunity to move beyond this emergency phase because of the availability of vaccines, because of our continued discipline in the use of public health measures; because of a turnaround in the United States of America, and because of the many policies and programs we have put in place to take advantage of the recovery.

Many Bahamians are now telling me that they feel and believe that things are getting better.

We are on the right track.

Even though there is much work to be done, we are moving forward.

Our recovery is beginning.

Just as I promised to keep Bahamians alive and safe, I solemnly promise the Bahamian people that the country is moving forward and that more jobs are on the way.

Crises call for making tough and sometime unpopular decisions.

My Government pursued the right policies and made the tough choices.

It is called leadership!

We value the trust placed in us by the Bahamian people to govern.

We will continue to serve our nation in the choices we make to provide opportunity and ownership, and hope and recovery.

Mr. Speaker:

I learned as a young boy growing up, selling newspapers, pumping gas, working at a tailor shop, that all productive and honest work is dignified because of the dignity of the person doing the work.

Let us remember the dignity of all labor and the dignity of work as we celebrate Labour Day this coming Friday.

I remember this lesson every day as prime minister as I work to get our people back to work and to provide opportunity and a greater ownership stake for all

Bahamians no matter their circumstance of birth.

Because of whence I came, I carry working families in my heart and in my soul every day as prime minister.

May God continue to grant us wisdom and discernment.

May God bless the workers and people of The Bahamas.

Thank you, Mr. Speaker.
