



COMMONWEALTH OF THE BAHAMAS

2019/20

MID-YEAR BUDGET STATEMENT

ON THE SIX MONTHS ENDING DECEMBER 31, 2019

Presented to the Honourable House of Assembly

By

The Hon. K. Peter Turnquest

Deputy Prime Minister

&

Minister of Finance

Wednesday, March 4th 2020

I. Introduction

Mr. Speaker,

It is my honor to present the 2019/20 Mid-Year Budget Statement, as mandated by the Financial Administration and Audit Act of the Commonwealth of The Bahamas, and the Fiscal Responsibility Act, 2018.

Mr. Speaker, this Mid-Year Budget Statement comes on the heels of the 2019/20 Supplementary Budget Debate, which was triggered by the need to revise our revenue and expenditure estimates after the devastating impact of Hurricane Dorian.

During the Debate, I provided an overview of the Government's decision to invest in the welfare of people by providing immediate relief to storm victims, and ongoing support through various housing and food assistance programs. I provided context for the package of tax breaks and economic incentives provided to individuals and businesses in the aftermath of the storm; and I provided a detailed overview of the fiscal impact of Hurricane Dorian and the decisions taken by the Government to revise our fiscal projections.

Today, Mr. Speaker,

The Mid-Year Budget Statement focuses on the Government's fiscal position, based on provisional performance, as of December 2019, or halfway through our budget year. It will show the progress we have made on a number of the initiatives we set out in the 2019/20 Budget Communication, and those implemented in the aftermath of the storm.

Based on our performance to date, I can say that we are confident in our projections for a positive future outlook, even with the impact of Hurricane Dorian. Our fiscal indicators remain sound; our cash flow is steady; and our revenue enhancement measures are demonstrating success at reducing leakage. Overall, Mr. Speaker, we are satisfied that the policies we have enacted as part of our fiscal consolidation strategy, along with our planned and disciplined response to Hurricane Dorian will allow us to finish the year in line with our updated estimates.

II. Macroeconomic Outlook

Mr. Speaker,

It goes without saying that domestic economic performance will be predicated on global output, as international events and other factors impact trade, and most importantly within the Bahamian context—tourism. An overview of domestic and international developments will give important context to the discussion of fiscal outcomes. This analysis has been informed by the Central Bank’s annual contribution to the Mid-Year Budget Statement.

Against the backdrop of geopolitical uncertainties surrounding the continued trade war between the first and second economies and Brexit developments, the International Monetary Fund (IMF) revised its global growth projection downward to 2.9 percent in 2019, from 3.6 percent in 2018 in its World Economic Outlook Update for January 2020. However, a modest improvement to 3.3 percent is forecasted for 2020, largely supported by a strengthening in emerging market economies.

Further, the current global outbreak of the Coronavirus is creating an immediate threat to the safety of our citizens and the near term performance of our economy. With approximately 3,115 deaths and over 90,000 cases recorded in 73 countries and territories globally as of this past Monday, March 2nd, the novel Coronavirus poses a number of downside risks to the macroeconomic landscape, both globally and domestically. Given the serious health impact of the virus on individuals, and the understandable concerns of people everywhere, this outbreak poses serious potential risks to global trade and travel. This is of particular importance to The Bahamas, as our economic livelihood is heavily dependent on both trade and travel.

In line with the efforts of a number of other Governments and regulatory bodies, this Administration is taking precautionary measures to protect its citizens, and its borders from this outbreak. While the threat of the virus reaching our waters is effectively being managed, we will continue to exercise an abundance of caution to ensure that we mitigate this growing risk. In fact, the Ministry of Finance has already begun to discuss and develop contingency plans to address the potential economic and fiscal fallout.

Mr. Speaker,

Economic conditions in the United States (U.S.)—our primary trading partner—remained positive in 2019, featuring further improvements in the labour market, and monetary policy easing to quiet concerns about a slowdown in growth. Specifically, real GDP firmed by an annualized 2.3 percent in 2019, albeit below the 2.9 percent growth recorded in 2018, reflecting lower non-residential fixed investment, personal

consumption expenditures and exports. However, the unemployment rate narrowed by 20 basis points to 3.7 percent in 2019, owing to an increase in retail trade and health care jobs, which outweighed the falloff in mining jobs.

Average consumer prices in the U.S. rose at an annualized rate of 2.3 percent in 2019, attributed to a rise in the cost for gasoline, shelter and medical care. In an effort to counter concerns about a more entrenched slowdown, the Federal Reserve lowered the target federal funds rate, the third time for the year, to a range of 1.50 - 1.75 percent, from 2.25 - 2.50 percent in 2018.

As it relates to international oil prices, the average cost of crude oil was reduced by 10.5 percent to \$64.73 per barrel in 2019, despite anticipated supply cuts and optimism that trade tensions would soften.

Mr. Speaker,

Despite the mild slowdown in the U.S. economy, indications are that domestic growth held its positive momentum throughout 2019, even amid the passage of Hurricane Dorian.

Tourism output was supported by activity in the New Providence market and the Family Islands unaffected by the major storm. According to data from the Ministry of Tourism, total visitor arrivals grew by 9.6 percent in 2019 to 7.2 million visitors—marking the highest number of tourists ever recorded in the history of The Bahamas! This is monumental. Even in a year where we experienced the second most dangerous

storm to hit the Atlantic Ocean since records began, the tourism performance was remarkable.

In addition, ongoing foreign investment projects and, to a lesser extent, post-hurricane reconstruction work supported output in the construction sector. In price developments, domestic inflation firmed during the 12-months to October, attributed to a rise in fuel costs. Specifically, annual consumer price inflation-as measured by changes in the average Retail Price Index (RPI)-increased by 38 basis points to 2.6 percent, vis-à-vis the same period in 2018. Supporting this outcome, the average costs for furnishing, household, equipment and maintenance, and clothing and footwear moved higher over the 12 months to October.

Given these developments, and also reflecting the economic impact of the September storm, the IMF forecasted a moderation in real GDP growth to 0.9 percent in 2019 from 1.6 percent in 2018.

Mr. Speaker,

In monetary developments, banks continued to operate in a highly liquid environment in 2019, with the expansion in the deposit base outpacing the growth in domestic credit. Further, with re-insurance inflows reversing the normal fourth quarter seasonal drawdown in external balances, external reserves strengthened, by \$560.0 million to \$1,759.1 million in 2019, following a contraction of \$209.2 million a year earlier. At end-December, the stock of reserves was equivalent to an estimated 25.6 weeks of the current period's total merchandise imports, compared with 17.4 weeks in 2018.

Credit quality indicators improved over the year, as total private sector loan arrears decreased in 2019, by \$123.5 million to \$686.3 million, and by 2.2 percentage points to 12.1 percent of total private sector loans. In particular, non-performing loans—arrears in excess of 90 days and on which banks ceased accruing interest—were reduced by \$63.0 million to \$454.0 million, resulting in the corresponding ratio declining by 1.1 percentage points to 8.0 percent.

As for the near term macroeconomic outlook, the domestic economy is projected to register a flat to potentially contracted outturn in 2020, before recovering and posting a modest growth in 2021, with the expected restoration of capacity post-Hurricane Dorian. The tourism sector should continue to benefit from activity in the New Providence market and the unaffected Family Islands. Further, construction output is anticipated to be upheld by ongoing foreign investment projects - in particular the significant resort and leisure projects in Grand Bahama, Eleuthera and across the Family Islands, as well as the ongoing rebuilding efforts from Hurricane Dorian. In this context, we anticipate significant employment gains to accrue especially to the construction sector.

Overall, Mr. Speaker, we can be assured that notwithstanding the potential near term impact of the Coronavirus epidemic and its potential drag in the travel sector, the medium term economic prospects for the country remain strong. The Bahamian economy will remain on the path to sustained economic recovery, with a very bright economic future.

III. Fiscal Performance in the First Half of 2019/20

Mr. Speaker,

I now turn to an overview of provisional revenue and expenditure outcomes as at December 2019, and the outlook for the remainder of the current fiscal year.

You would note that these numbers have been revised since the publishing of the Q2 Fiscal Report, as these figures are provisional and subject to change. Given that the Supplementary Budget has been approved by Parliament, all estimates will be assessed against the revised supplementary estimates, which now replaces the original budget estimates for FY2019/20.

I would note also that when browsing the Mid-Year Budget Book, you will see that the supplementary column reflects both supplementary funding and virements—which are transfers within agencies.

Mr. Speaker,

In the first six months of 2019/20, total revenue strengthened by \$89.7 million to \$1,101.4 million, as compared to the same period of fiscal year 2018/19. This equated to some 46.0 percent of the budget estimate. When we break down the revenue number, we see the following outcomes supporting this performance:

1. Tax collections increased by \$94.6 million to \$994.5 million, against the backdrop of the \$130.0 million rise in Value-Added Tax (VAT) receipts to \$515.3 million, or 52.9 percent of the budget.

2. This was due in part to the shift from stamp tax to VAT on realty transactions, which consequently resulted in a drop-off in stamp tax receipts of \$87.0 million to \$20.6 million, or 20.3 percent of the budget estimate.
3. Taxes on international trade firmed by \$25.3 million to represent 53.1 percent of the budget, despite the host of tax concessions granted to storm victims in the immediate aftermath of Hurricane Dorian by way of the Exigency Order and under the Special Economic Recovery Zones (SERZ) program.
4. Non-tax revenue however, declined by some \$5.0 million to \$106.8 million, even with the \$12.8 million insurance payout from the Caribbean Catastrophic Risk Insurance Facility (CCRIF).

Mr. Speaker,

Aggregate expenditure as at December 2019 advanced by \$109.1 million to \$1,295.3 million, to constitute 42.1 percent of the budget allocation. We expect spending to accelerate in the second half of the fiscal year due to the fact that a number of the significant expenditure elements of the recovery elements will become due for payment.

Total recurrent outlays grew by \$72.5 million to \$1,178.7 million, equating to approximately 43.9 percent of the budget estimate. Breaking down this expenditure total, we see the following outcomes supporting this performance:

1. There was a \$29.0 million rise in subsidies to \$197.8 million to represent 51.9 percent of the budget, driven by the \$35.1 million increase in subsidies to non-

financial public corporations, including a \$9.6 million expansion in transfers to the Public Hospital Authority (PHA).

2. Compensation of employees, which includes wages and salaries, allowances and NIB contributions, increased by \$28.7 million to \$381.5 million. This reflected the \$22.8 million payout of the union negotiated lump sum to eligible public servants in December 2019.
3. Further, primary expenditure--total expenditure less interest payments--increased by \$66.6 million to \$1,013.3 million over the first half of FY2019/20, to come in at 43.9 percent of the budget.
4. The Government continued to make progress on eliminating the backlog of approximately \$360 million in arrears over the review period, which contributed to the expansion in recurrent expenditure as compared to the previous fiscal year.
5. In fact, a total of \$53.7 million of the budgeted \$100.9 million in arrears payments were made during the first half of the fiscal year. By the end of December, we had settled a total of \$238.3 million, since the start of the program.

Mr. Speaker,

On the capital expenditure side, increases were mostly associated with hurricane-related expenditure. Total capital outlays moved higher by \$36.6 million to \$116.6 million, or 30.3 percent of the budget. Capital transfers in particular grew three-fold to \$43.3 million, due mostly to:

1. \$10.0 million to BPL for electricity restoration in Abaco and the Abaco Cays.
2. \$6.3 million to Water & Sewerage for water rehabilitation in Abaco and the Abaco Cays
3. \$5.0 million to BPL toward the acquisition of a turbine generation plant in New Providence.

As a result of these revenue and expenditure movements, the fiscal deficit widened by \$19.4 million, or 11.1 percent to \$193.9 million, as compared to the first half of FY2018/19.

In terms of financing activities, the Government incurred a net increase in liability of \$205.2 million over the first half of the year, bringing the level of Government debt as at December to \$7,732.2 million, or 60.7 percent of GDP. When compared to the debt position at the end of the previous fiscal year, this increase equates to less than a percentage point.

Mr. Speaker,

All told, budget indicators at the midpoint performed relatively well, despite the devastating impact of Hurricane Dorian. Revenue in particular, benefitted from a number of our revenue enhancement initiatives, which underscored the robust momentum in collections, even amid the host of tax incentives and exemptions given within the last three months of the year.

Prospects for the second half are positive, as the upward trend in revenue continues beyond the midpoint, given that provisional data for January has become available.

In the first seven months of the fiscal year ending in January 2020, we have recorded

a \$79.3 million increase in revenue, when compared to the same seven month period from the previous fiscal year. Driving these gains, tax receipts widened by \$98.8 million over the first seven months of FY2019/20, relative to FY2018/19, with collections from VAT, gaming taxes, excise taxes and international trade taxes all posting gains over the corresponding period of the prior fiscal year.

Expenditure trends for the seven months of the fiscal year up to January reveal a \$104.2 million expansion in outlays, primarily underpinned by the \$56.6 million rise in recurrent spending due to the \$31.2 million rise in personal emoluments, again largely reflective of the one-time boost in December due to the union negotiated lump sum payment. In addition, capital spending rose by \$47.6 million, owing to spending related to hurricane recovery.

As I mentioned earlier, we anticipate a further boost in spending in the latter half of the year, as the Dorian related recovery and restoration efforts will continue and reconstruction of public infrastructure intensifies. We will continue to monitor expenditure to ensure that the focus for these outlays remain within the context of hurricane relief and recovery. As mentioned we will continue to monitor the Coronavirus outbreak carefully, ensuring that we take the necessary steps both to fund critical health care support and to adjust fiscal priorities if the economy is impacted in any material way.

In respect to the Coronavirus and the government's preparatory steps, Mr. Speaker, I am pleased to advise that the Ministry of Finance is presently processing a Contingency Fund Application for the Ministry of Health in the sum of \$4 million to

provide direct support for the Ministry in its efforts to ensure that the country is as ready as it can be in the face of this emergency health crisis. Among other things, this funding will be used to expand preparation of quarantine and isolation facilities; to purchase protective gear for health workers and medical supplies for infected persons; to provide funding for ground transportation and air ambulance services for quarantined and infected persons as may be necessary; and to fund the expansion of health care facilities via temporary arrangements should same become necessary.

It is important for all Bahamians to understand that in respect to the Coronavirus outbreak, the government places the safety and welfare of all citizens and residents as its very top priority. Thus, while the immediate additional funding allocation is for \$4 million, the government will assess the situation as it evolves. If necessary, the government will supplement this funding to provide whatever resources are required to avoid, or in worse case, to minimize the infection and the spread of the virus throughout the population.

IV. Update on Government Priorities

Mr. Speaker,

This Administration is rooted in good, proper, and sound governance that promotes and embodies transparency, inclusiveness and fairness. This goes beyond fiscal management. It is the foundation on which we created our transformational socio-economic agenda, and it underpins our post-Dorian economic recovery and disaster resilience strategy.

- The social and economic well-being of our citizens is at the helm of our policy objectives for recovery. We are committed to improving **social resilience** within the country by strengthening the safety net, improving community programs, and widening the Government's reach to the most vulnerable.
- We have also prioritized reconstruction projects and rebuilding methodologies that will fortify the **physical resilience** of the country. This will not only restore communities in the short and medium term, it will reduce the time and costs associated with repair and restoration in the event of future disasters.
- The measures we have put in place to bolster our **financial resilience** support all of the other policy objectives for recovery. Without resources, we cannot rebuild. Therefore, this Government is committed to exploring all avenues, including new and creative measures, to secure a range of both ex-ante and ex-post financial measures to mitigate our financial exposure to natural disasters from a preemptive point of view, as well as under a disaster response and management framework.

Mr. Speaker,

Since coming to Office, we have delivered on a number of initiatives set out in our policy agenda, including but not limited to policies promoting entrepreneurship, renewable energy, education, and national security. I will now expound on a number of these initiatives, and how they reinforce the development of the economic and social fabric of this nation.

As a forward-looking Government, we believe in the potential of the youth of this nation. That is why we made investing in Bahamian entrepreneurship a key pillar in our agenda. The Small Business Development Center (SBDC) has made significant progress in transforming the lives of many young and talented Bahamians. From its inception to date, the SBDC has helped approximately 6,675 Bahamian entrepreneurs with over 900 hours of training, and approved funding in of the neighborhood of \$8.0 million, including \$4.6 million to businesses impacted by Hurricane Dorian in Abaco and Grand Bahama.

In addition, as I foreshadowed in the 2019/20 Budget Communication and during the Supplementary Budget Debate, the Government will bring to Parliament a resolution for a \$25 million loan from the Inter-American Development Bank (IDB) to facilitate the enhancement of access to financing for Micro, Small and Medium-sized Enterprises (MSMEs), as well as to finance training and advisory services for these businesses. As the backbone of the private sector, empowering these entities will ultimately enhance economic development, and promote sustainable growth. It is important to point out - given the propensity of some to engage in undue mischief - that the financial impact of this facility has already been factored into the borrowing and debt plans of the government as outlined in our budgets and our fiscal strategy report. Thus, this operation will not add any additional amounts to the sums already projected in the budgets and reports reviewed by Parliament.

Mr. Speaker,

I have already referenced our successful effort at strengthening tax administration and collection, which is already helping us to curtail revenue leakage and boost overall compliance. To paint a more vivid picture, I can share that the Revenue Enhancement Unit (or REU) is now staffed with a total of 36 employees, 21 of which are Bahamian. This includes, but is not limited to 14 auditors, 3 collection officers, 12 real property tax officers, and 5 VAT/Business Licence officers. This complement will expand by an additional 7 employees in April 2020. Members would recall that when this administration took office, the VAT audit team was almost exclusively made up of expatriate professionals. Soon it will be made up entirely of Bahamian professionals. We are pleased of the progress on this count.

By end-December 2019, the REU had collected just over \$15.0 million for the Public Treasury. Of this total, approximately \$9.5 million had been collected in Real Property Tax receipts, while the remaining \$5.5 million represented VAT and Business Licence collections. During the same period, the REU identified an additional \$31.2 million in tax arrears, which will be pursued over the second half of the fiscal year. I am pleased to advise the Bahamian public that our revenue collection efforts are robust - and getting stronger. And it is happening largely with Bahamian led managers and Bahamian talent.

As a part of the Government's broader objective of modernizing the antiquated and outdated tax administration system, the Government recently announced the rollout of the Management Optimization project at the Customs Department. In addition to strengthening the capacity for further reform and revenue enhancement within the Customs Department, this initiative will also optimize the Department's investigative

and data analytic capabilities. This project is being facilitated by the international customs consultant firm TTEK Incorporated, and will last approximately 8 months.

There are currently 4 persons working on phase one of the project, which includes the production of an assessment report to help define the scope, range of activities and goals for the remainder of the project. TTEK has provided the Ministry of Finance and the Comptroller of Customs with an initial report highlighting preliminary recommendations on institutional strengthening and reform that will inform the remaining portion of their engagement. The implementation of the recommendations will continue to shape a modern, dynamic and accountable Bahamas Customs Department that maximizes revenue yield while championing tax-payer ease and convenience. As an immediate deliverable, Members would note that TTEK has committed to identifying and collecting no less than \$15 million in uncollected revenue by the end of their contract, which will undoubtedly provide a much welcomed boost to the public purse.

Mr. Speaker,

I mentioned during the time of the 2019/20 Budget Communication that the Government commenced a Real Property Tax Assessment project, as a part of its revenue enhancement initiatives. Headed by Tyler Technologies Ltd., the \$7.2 million project is designed to achieve a complete overhaul of the existing Real Property Tax system, in an effort to automate the property valuation process, to promote fairness and transparency. The first phase of the project consists mostly of data collection, and began in June 2019.

With a staff complement of 45 local employees, approximately 50 percent of the data required to proceed to the second phase of the project has been collected. In fact, data has been collected on nearly 50,000 parcels stretching over 330 neighborhoods, including nearly 39,000 residential or owner-occupied homes, over 2,400 commercial spaces and over 8,800 vacant lots. As a result, over 500 new properties were added to the tax role as of October 2019, with more to come once phase one has completed its life span of approximately 2 years.

Upon completion, the project is expected to modernize and align our Real Property Tax system with international best practices and globally accepted measures.

Mr. Speaker,

A central theme of this Administration's strategy toward achieving greater public financial management is the building of technical capacity within the public service, especially as it relates to accounting and reporting. To this end, the accounting recruitment exercise announced in the 2019/20 Budget Communication has progressed over the first half of the year.

Of the 35 public accountants that were to be dispersed throughout the service, the Government is currently engaging 26 persons as Accountants, Assistant Accountants, and Trainees, who are all to be placed in New Providence. An additional 5 persons are still awaiting approval by the Ministry of Public Service and National Insurance, while 3 persons were offered positions but chose to decline for various reasons. We will continue to advance this exercise, given its critical importance to the development and overall strengthening of Government reporting.

Also in line with our commitment to further develop the quality, accuracy and credibility of Government reporting, the Cabinet of The Bahamas recently approved the re-establishment of the Audit Review Committee. This committee will be tasked with overseeing and facilitating the successful implementation of the recommendations posed by current and future audit reports compiled by the Auditor General, the Internal Audit Department, and any reports produced by other external audit exercises.

The committee will consist of 5 members; a chairman, deputy chairman, two members from the public service, and a secretary. At least two members of the committee should be appointed from outside of the public service, with one of these members holding the position of Chair. The Cabinet will in short order finalize the composition of the committee.

Undoubtedly, this progress in our reporting efforts will support a strengthening in the effectiveness in our policymaking, given the findings of more accurate and timely reports. It will also promote a higher level of accountability and transparency internally, which will help to enhance the efficiency of internal processes and procedures, and ultimately benefit the Bahamian public at large.

Mr. Speaker,

This Government has also made progress with its legislative agenda surrounding public financial management reform over the first half of the fiscal year.

The Public Financial Management Bill, 2020 is currently under review, in conjunction with the Public Debt Management Bill, 2020. As elements of both of these Bills are

interconnected, the team at the Ministry of Finance, in concert with the Law Reform Department, is undertaking an extensive review to ensure that the Bills are aligned. Once this is complete, both Bills will go out for public consultation, which is expected to occur before the end of the year.

The Public Procurement Bill, 2020 has completed public consultation, and is now being reviewed to incorporate the comments and feedback received during this process. Once the draft is finalized, the Bill will be submitted to Parliament. It is the Government's intention to table this legislation before the time of the National Budget for 2020/21.

Collectively, these Bills lay the foundation to strengthening the way the Government both handles and approaches public finance. They promote transparency and accountability, and will modernize and strengthen the current framework for public financial management in line with the Government's overarching commitment to fiscal prudence, fairness, and responsibility.

Taken together Mr. Speaker, these initiatives demonstrate that the government is well underway in meeting its commitment to reform the governance and accountability frameworks that are necessary to ensure the proper and efficient use of Bahamian taxpayer funds. We are forever mindful that it is the people's monies that we are entrusted with, and not our own personal funds. The steps we are taking are deliberate and they are transformative. We are ushering in a new modern era of public accounting, scrutiny, reporting and transparency. The pace of these reforms will not slow down.

V. Conclusion

Mr. Speaker,

In concluding, I wish to reiterate this Administration's commitment to affecting economic and social change through our use of progressive, inclusive and transformation policies. This Administration has proven that it is still as committed to the betterment of the Bahamian people as we were that victorious day in May 2017 when they chose us to govern this country.

With two full budget cycles behind us, this Government demonstrated its ability to manage the fiscal affairs of this country responsibly, with fairness, and with integrity. Putting an end to excessive and fruitless spending, and applying a more programmatic approach to the budgeting process, we delivered to the Bahamian people a reduction in the fiscal deficit from \$660 million to \$212.8 million in just two years.

Even at the midpoint of our third budget cycle, fiscal developments show a considerably favorable performance, against the revised estimates within the supplementary budget. This is particularly remarkable, Mr. Speaker, given the impact of the most dangerous storm to ever hit The Bahamas. Despite the loss of economic activity in the affected islands, revenue performed relatively strongly in the first half, benefitting from a number of revenue enhancement initiatives pioneered by this Government.

While we expect some deterioration in the fiscal performance in the second half of the fiscal year, as hurricane spending is accelerated consistent with the government's revised budget, we are confident that the policies we have set in place will provide

some cushion to the incremental spending, thereby supporting a possible improvement in the projected deficit. However, the associated downside effects of the recent Coronavirus could place a potential drag on spending and on revenue if the travel sector is impacted materially. We will continue to monitor these developments closely, in conjunction with the Ministry of Health.

Mr. Speaker,

The evidence of our fiscal discipline, and our pledge to accountability and transparency are in plain sight. Our commitment to good governance is quite visible in our reform efforts, which will soon be solidified even more with additional.

Mr. Speaker, while the opposition plays politics with even easily available fiscal information in a persistent effort to spread disinformation, we will not be distracted or dissuaded in our efforts on behalf of the Bahamian people. We are furthering the development of the Commonwealth of The Bahamas by investing in our people, creating the right policies that will result in wealth creation and economic empowerment.

Having charted a fair and stable course thus far, we will continue to cultivate the transformative socio-economic agenda we set forth, throughout the remainder of this fiscal year, and over the medium term horizon. Hurricane recovery is and will remain aligned with our policy goals, as we recognize that full and complete restoration will take time. We are committed to standing with and supporting our people, along the path to a stronger and sustainable future.

Thank you.