

STATEMENT BY MICHAEL HALKITIS
MINISTER OF STATE IN THE MINISTRY OF FINANCE
ON THE PM'S ANNUAL BUDGET STATEMENT

House of Assembly

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GETTING BACK TO BUSINESS...BOOTS ON THE GROUND

I am proud to be part of the team which is getting our country back to business, with boots on the ground, doing the heavy lifting to put this country back into the plus column. The budget announced by the Prime Minister is designed to do just that: get the country back to business with boots on the ground.

From the very outset the Prime Minister and Minister of Finance set out that agenda with these words:

“My Government is acting decisively to improve the health of the public finances and to pull us out of the debilitating public debt spiral that we inherited upon coming to office. We are also strengthening the foundations of the economy to secure steady growth and private sector employment creation. In this way, we are positioning my Government to have the resources with which to implement, over the full course of our mandate, initiatives that will strengthen law and order, promote stronger growth and job creation and solidify our firm commitment to maintaining and reforming our social safety net for the effective delivery of relief to the disadvantaged and needy in our midst.”

The objectives of the budget cannot be clearer. It takes into account the fiscal realities which face the country but it also recognizes that there must be a growth strategy to put people back to work, to foster a climate of investment and entrepreneurship, to train the work force for the challenges to come, to strengthen the social safety net for the disadvantaged, and to ensure that there is law and order on the ground.

When you go through what we have done, you will see that we have carefully crafted our way through the financial pitfalls and come up with the best of all worlds in a difficult time.

We will no doubt hear from the merchants of doom and gloom that this is wrong or that is wrong, or that this was not done or the next was not done, but by any objective measure the dispassionate will see that the revenue enhancement measures will not crimp the economy but will provide a more equitable tax burden.

We must address the issue of fiscal responsibility and thus the revenue enhancement measures. However, we were most careful not to increase the tax burden on the disadvantaged Bahamians.

We are especially concerned about getting work for our people especially our young people. Thus you see in this budget extensive provisions for the National Training Council and its programmes. You also see that there are substantial provisions for the building of schools and for the work of education generally in the country.

In this regard the budget statement says the following:

“My Government continues to emphasize its commitment to higher educational standards and better outcomes, as well as more

effective skills training, all of which are also vitally important to the future. My Government has allocated, in the context of the country strategy agreed with Caribbean Development Bank, over \$30 million for education and this will be primarily directed toward special education and the transition of the College of The Bahamas to University status. In this Budget, my Government is also allocating \$5.5 million of our own resources to the Ministry of Education, Science and Technology in 2013/14 for the construction of new primary and secondary schools in Inagua, San Salvador, Gregory Town and Lowe Sound. That is more than double the amount allocated last year and a virtual tripling of the sums allocated in 2011/12. We will maintain and expand these investments in future years.

As part of our broader education thrust, the Government will rent and renovate Our Lady's Catholic primary school to accommodate some 100 special needs children."

It is clear then that the priority for the government continues to be education. We continue to believe that this is the key to so many of the other issues which confront us.

We expect that there will be significant growth in tourism and so have allocated resources in anticipation of the opening up of the Bahamar project, developments in Freeport and throughout the country especially in Bimini.

Then there is the question of law and order, with a specific provisions for more boots on the ground by the hiring of more police and immigration officers in the country over the next fiscal year.

There is no question that the country will have to continue to shepherd its resources carefully but we intend to work hard at that task. Our eyes are on creating successes for job creation with special emphasis on entrepreneurship. At all times however, we are careful to remember that it is the least of those amongst us that will need our help and so we have in this budget struck the right balance between growth and discipline, between aid and support and expansion.

I support this budget along with my colleagues and pledge to work during the year to see to its implementation. My colleagues who join me are happy to answer any of your questions.

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