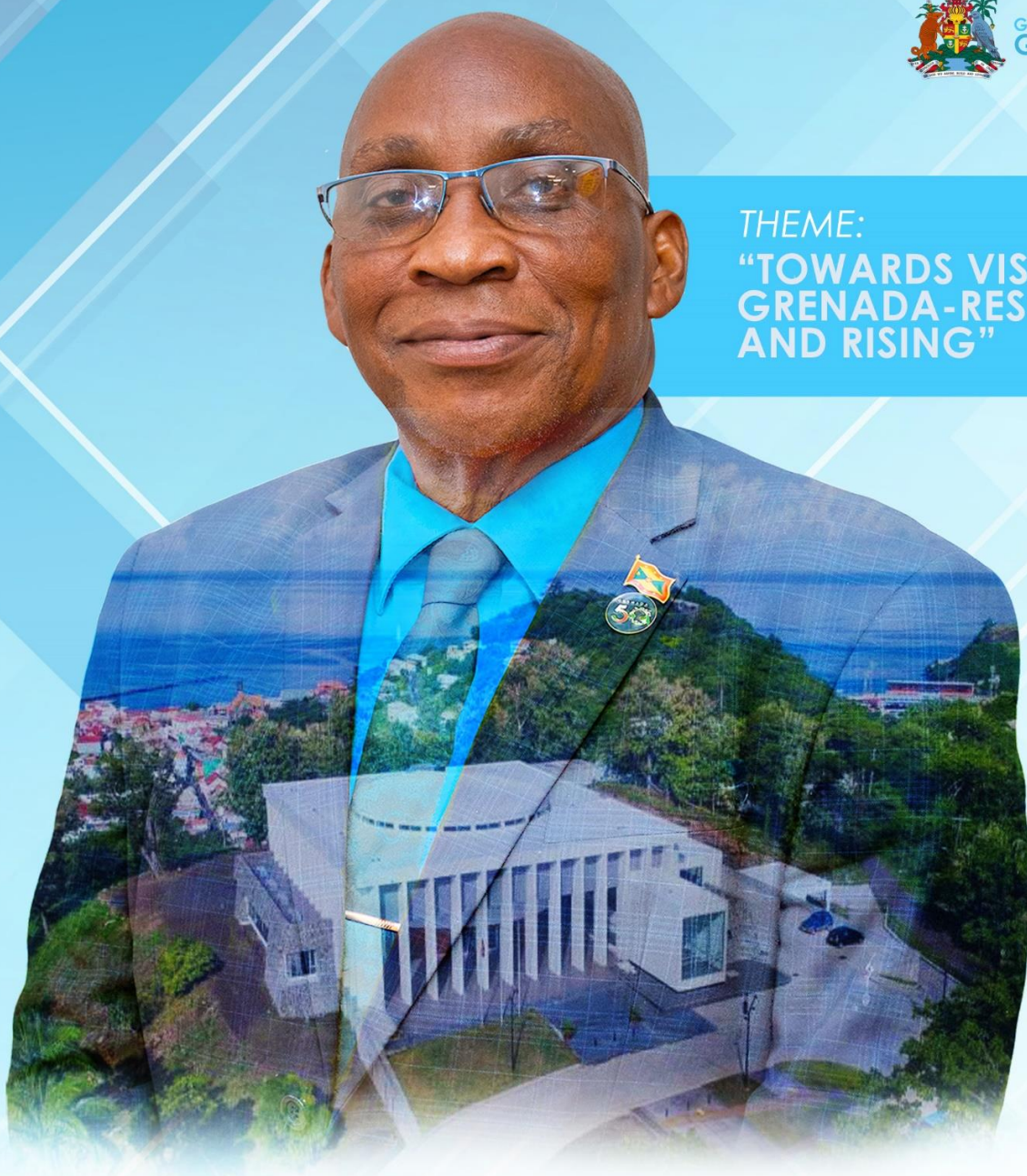




GOVERNMENT OF
GRENADA

THEME:
"TOWARDS VISION 75:
GRENADA-RESILIENT
AND RISING"



2025 BUDGET STATEMENT

PRESENTED BY
HONOURABLE DENNIS CORNWALL
MINISTER FOR FINANCE



GOVERNMENT OF GRENADA

2025 BUDGET STATEMENT

Theme

Towards Vision 75: Grenada – Resilient and Rising

PRESENTED BY

HONOURABLE DENNIS CORNWALL
Minister for Finance

TO

The House of Representatives
Parliament Building
Mt. Wheldale, St. George

March 7, 2025

10:00 A.M.

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1. Protocols

Mr. Speaker, I beg to move the following Motion standing in my name:

“Whereas it is necessary to provide for the services of the State of Grenada for the year 2025 by means of an Appropriation Act;

Be it resolved that the Estimates of Revenue and Expenditure for the fiscal year 1st January 2025 to 31st December, 2025 be approved.”

Mr. Speaker, as this is a Money Motion, I wish to signal to this Honourable House that I have the consent of the Governor General to proceed.

Mr. Speaker, in compliance with the Public Finance Management Act and Regulations, the Fiscal Resilience Act, and the Public Debt Management Act, I wish to advise that the following accompanying documents are laid before this Honourable House:

- The Medium-Term Economic and Fiscal Strategy Report 2025–2027, in accordance with Section 12 (a) of the Public Finance Management Act No. 17 of 2015, as amended;
- The Medium-Term Debt Management Strategy 2025–2027, in accordance with Sections 5(1) to 5(3) of the Public Debt Management Act No. 28 of 2015, as amended; and,
- The 2023 Annual Debt Report.

The following additional reports are laid:

- Report on the Contingency Fund pursuant to SRO 42 of 2015 National Transformation Fund Regulations as amended;
- Preliminary Financial Report – 50th Independence Anniversary Celebrations; and,
- Report on the Use of CCRIF Payout.

2. Introduction

Mr. Speaker, it is my distinct honour to present the Budget Address for the fiscal year 2025 to this honourable House.

Mr. Speaker, permit me to begin my presentation by thanking the Almighty God, for his grace and mercies endure forever.

Despite monumental challenges in the past year, as a nation and God-fearing people, we have demonstrated impressive resilience. As we look ahead, we remain assured in our faith that we are blessed and highly favoured. For it is written in Romans Chapter 8 Verse 28, “....**we know that all things work together for good to them that love God; to them who are called according to his purpose.**”

Mr. Speaker, I wish to also thank the Prime Minister the Honourable Dickon Mitchell for his continued confidence in me to lead the Ministry of Finance in yet another difficult period for Grenada and the global economy.

Permit me to also thank my Cabinet colleagues, the staff of the Ministry of Finance, and all others who have contributed to the preparation and presentation of this year’s Budget.

Allow me to also express profound gratitude to my constituents of St. Patrick East for their continued support and I look forward to continuing to work for them. I will speak specifically to developments within my Constituency during the debate.

Mr. Speaker, on 1st July 2024, Hurricane Beryl, one of the strongest tropical cyclones in modern history to make landfall in July, struck our beautiful Nation, inflicting significant damage to homes, roads and bridges, utilities, businesses, and the agriculture and marine sectors. The damage amounted to roughly **\$630 million or 16 percent of our gross domestic product (GDP)**, particularly affecting Carriacou, Petite Martinique and the northern parishes of mainland Grenada, namely St. Patrick, St. Andrew, and St. Mark.

Four months later in November, unprecedented rains caused major flooding and landslides, further compounding the recovery and reconstruction needs of our beloved country.

Mr. Speaker, it is said that the true test of leadership is how one leads in times of crisis.

We took decisive and strategic actions to shield our citizens from the harsh realities of these disasters.

Key interventions include:

- (i) Keeping the Nation fully abreast of all preparedness activities.

- (ii) Targeted assistance to affected citizens to support recovery and reconstruction such as tax relief on emergency supplies and building materials and direct cash transfers to farmers and fisherfolks.
- (iii) Suspending of the fiscal rules and targets of the Fiscal Resilience Act pursuant to Section 9 to facilitate immediate urgent and critical disaster related spending.
- (iv) Launching of a Disaster Relief Fund to receive donations in support of a proactive response. As of today's date, **\$13.3 million** has been deposited into this Fund.
- (v) Activating and allocating disaster risk financing such as grants, concessional loans, and insurance payouts.
- (vi) Invoking of disaster clauses in our debt instruments, where applicable, to ensure adequate fiscal space to support recovery efforts.
- (vii) Delaying the 2025 Budget to ensure appropriate focus was placed on the immediate to short term challenges posed by Beryl.

Mr. Speaker, our swift and strategic response has been instrumental in bolstering our robust economic performance in 2024 and in setting the foundation for continued transformation.

Mr. Speaker, our leadership and composure in the face of disasters have not gone unnoticed. Reputable regional and international organizations, such as the **International Monetary Fund** and the **Caribbean Development Bank** have lauded our prudent approach in preparing for and in navigating the relief and recovery from Hurricane Beryl thus far.

Mr. Speaker, we owe much of this praise to the significant support of the donor and creditor community, and most critically, to the fortitude and resilience of our people.

Mr. Speaker, while much has been achieved in a short time, there is still much to be done, not only in the context of Beryl's recovery, but also, in support of our transformative agenda for Grenada, Carriacou, and Petite Martinique.

Mr. Speaker, the robust macroeconomic performance in the past year, despite significant challenges, demonstrates impressive resilience.

The medium-term outlook is favourable, supported by continued strong tourism demand, ongoing reconstruction efforts, and investments in transformative initiatives in healthcare, housing, skills development and renewable energy.

Mr. Speaker we have just celebrated our 51st Anniversary of Independence in another spectacular display of talent and patriotism under the theme, **The Next 50: Embracing a future of development, transformation and unity**. This theme is deeply rooted in our National Sustainable Development Plan 2035, which is further embedded in our Vision 75. Vision 75 embodies a resilient Grenada; a prosperous Grenada; a conscious and caring Grenada; a Grenada where human dignity, sustained inclusive economic growth and environmental progress are promoted.

Undoubtedly, Mr. Speaker, Grenada is a Nation on the rise; supported by the resilience of its economy and people.

Considering the foregoing, our theme for the 2025 Budget is: **“Towards Vision 75: Grenada – Resilient and Rising.”**

3. Update on Key Reforms and Policies

3.1. Development of Grenada’s Hydrocarbon Potential

Mr. Speaker, we extend our sincere gratitude to the technical working group for their tremendous work over the past year. Thanks to their efforts, we now have a clear road map for advancing Grenada’s hydrocarbon potential.

Mr. Speaker, following the presentation and debate of this Budget, we will provide the public with a comprehensive update on this matter.

3.2. Development of the Former Kawana Bay Project Site and Expansion of Beach House Silversands

Mr. Speaker, further to significant progress made in resolving the Kawana Bay dispute and engaging a new developer – Joyau Des Caraibes, construction is expected to recommence this year, simultaneously with the expansion of the Beach House Silversands Project.

We will provide further information on developments in this area in due course.

3.3. Reform of the Marketing and National Importing Board (MNIB)

Mr. Speaker, we have taken decisive steps to address the longstanding financial mismanagement and inefficiencies plaguing the Marketing and National Importing Board (MNIB). To stop the organization's financial and operational decline, we scaled down all operations, and assumed all debts, creating a foundation for meaningful restructuring. However, the restructuring process has faced delays due to the absence of years of audited financial statements, complicating valuation and due diligence efforts.

Despite these challenges, the Government remains committed to transparency and accountability in this transition. The engagement of a strategic partner is key to building a modern, efficient, and sustainable entity that will better serve farmers, agro-processors, and the broader economy.

To this end, a new company – Import-Export Agromart (IMEXA) Ltd - has been established to replace the MNIB, and legal and financial experts are developing a prospectus and legal agreements to engage a suitable strategic partner and have the new entity up and running before the end of third quarter 2025.

3.4. Strengthening Parliamentary Representation

Mr. Speaker, our government remains committed to strengthening parliamentary representation and ensuring that all Members of Parliament are equipped to serve their constituents effectively. The goal is to provide adequate resources over time, including establishment of state-owned parliamentary offices in each constituency, providing a permanent and accessible space for constituents to engage with their elected representatives. To this end, in 2025, each constituency as far as practicable, will be outfitted with a suitable vehicle to facilitate greater mobility and outreach, ensuring that the needs of every community are met with efficiency and care. Efforts will be made to secure hybrids and electric vehicles consistent with Government policy of greening the transport sector.

3.5. Public Sector Pension Reform

Mr. Speaker, our hard-working Public Servants dodged a bullet, the risk that the NNP administration would have refused to pay them their retroactive pensions and gratuities, when the electorate voted the National Democratic Congress into office to form the current Administration. It is pellucidly clear that the former Administration had no intention of honouring the payment to over **500 retired** Public Servants who dedicated their life to the service of Grenada. We have kept our commitment to pay the retroactive sum of **\$75.1 million** and are making current monthly payments going forward.

Mr. Speaker, in our continued commitment to ensuring that our Public Servants do not retire in poverty, we have enacted into law a new Contributory Pension Plan to cover over 3,600

government employees who were previously not included under the existing pension arrangements. **To secure their years of service, a sum of \$11.3 million, representing 100 percent of past service due, is provided for in this year's budget.** This initiative ensures that all government workers can now look forward to living out their golden years in a secure and comfortable state because they are now part of a retirement plan. This, Mr. Speaker, reinforces our pledge to improve the livelihoods of both current and retired public servants.

3.6 Public Sector Regularisation

Mr. Speaker, the regularisation of the Public Service is progressing steadily.

Phase 1, which targeted 300 temporary officers, officers on probation, officers on assignment, and officers holding acting appointments, has surpassed the target, with **some 455 officers confirmed.**

Phase 2, which targets approximately 1,262 workers holding PSC contracts, Government of Grenada Contracts, Ministry Letters, and Daily Paid instruments, is being processed. Some **1,100 officers** will be regularised by April 2025. In addition, **224 teachers** are also being processed for regularisation by the end of March 2025. **This will bring the total number of officers regularised by the end of April 2025 to 1,779.**

Phase 3, which targets some 3,316 workers holding Contracts for Service and IMANI trainees to be considered for regularisation by December 2025, is on schedule. **A total of \$22.7 million is budgeted to cover the additional cost of the regularisation exercise.**

3.7 Pay and Grade Adjustment – Royal Grenada Police Force

Mr. Speaker, our Government is pleased to announce the resolution of the longstanding and painful issue of pay and grade adjustment for the hard working and dedicated men and women of the Royal Grenada Police force, a legacy of neglect by the former Administration.

The adjustment is effective 1st January 2025 and will cost an estimated \$6.5 million, positively impacting over 1,000 members of the RGPF.

Mr. Speaker, the average increase in pay for Police Constables is estimated at **\$750.74 per month.**

This is the fulfilment of yet another promise to our people, a testament of a caring and truthful Government.

3.8 Sound Fiscal Management

Mr. Speaker, Hurricane Beryl has tested the robustness of our disaster resilience financing strategy, and we can draw important parallels between this Government and the former Administration on this important subject.

- (i) Our commitment to the payment of the CCRIF premiums, when the former Administration was contemplating withdrawing from the Facility – a potentially disastrous decision- thankfully this administration stayed the course and expanded coverage for CCRIF to include Grenlec and NAWASA. As we consider Hurricane Beryl’s impact a few months ago, our decision to stay the course has resulted in a CCRIF payout of US\$44 million or EC\$118 million into the Treasury. The Payout from the CCRIF includes but is not limited to :
 - a) Immediate post-event repairs to public buildings and physical infrastructure (roads & bridges, hospital, schools etc.) - \$15.8 million
 - b) Repairs to infrastructure for communities (housing, community health centers etc.) - \$15.7 million.
 - c) Purchase of food, water and medication for individuals- \$3 million.
 - d) Risk mitigation activities to reduce vulnerability to future natural hazard events - \$13.5 million.
 - e) Payment to persons in support of their livelihoods (e.g. farmers, fishers) - \$ 31.3 million.
 - f) Beryl Response Income Support Program (BRISP) and Relocation of Elderly citizens due to damaged eldercare facilities - \$14.5 million.
 - g) Business Reactivation Support - \$25 million.

A more detailed report on the use of CCRIF payout is laid together with the 2025 Appropriation Bill.

- (ii) The prudent decision to expand the CCRIF to our utilities, resulting in a significant payout to GRENLEC of US\$9.3 million and NAWASA of US\$2.2 million, to support the quick restoration of power and water in affected areas.
- (iii) The actual set aside of 10 percent of all National Transformation Fund receipts into a Contingency or Rainy-Day Fund to support recovery in the event of a major economic shock. As of 31st December 2024, the Fund balance stood at \$44.9 million. Mr. Speaker,

the Government has decided not to access this Fund to finance Beryl activities. While the former Government heavily criticized our decision to reduce the percentage of the set aside from 40 per cent to 10 per cent, they did not put a dollar into the Fund since the Law was passed by them, many moons ago.

- (iv) And finally, Mr. Speaker, we did not have to impose a Reconstruction Levy on the backs of ordinary Grenadians to fund the rebuilding of the Grenadian economy post Beryl. Mr. Speaker, we hear talk of deficits, of borrowing, and of poor fiscal management. One only has to look back to the three (3) or so years post Hurricane Ivan to see deficits, financing shortfalls, and new burdensome taxes in the name of shared sacrifice, and compare this to our response to Hurricane Beryl.

4 Macroeconomic and Social Context

Mr. Speaker, I now turn to the macroeconomic and social context in which the 2025 Budget is presented.

Mr. Speaker, the 2025 Budget is set against a complex macroeconomic backdrop, shaped by domestic and external factors.

Robust economic performance in 2024, despite the devastating impact of a major hurricane, underscores Grenada's growing resilience. The near-term outlook is also favourable. **Real GDP is forecasted to grow by 4.1 percent in 2025, driven by continued tourism demand and post Beryl reconstruction activities, following the 3.7 percent realised in 2024.**

Mr. Speaker, consumer prices declined in 2024 from the high levels experienced in 2023, helped by Government policies to keep prices down, including the removal of the Value Added Tax on basic food and other essential items and the electricity and petroleum price subsidies. That notwithstanding, food inflation, although declining, remained unacceptably higher than overall inflation. Period average overall inflation is forecasted to remain low and stable at around 0.9 percent over the medium term.

Mr. Speaker, labour conditions have remained stable, with a consistently low unemployment rate of around 12 percent in the last 2-3 years. With continued buoyant economic expansion in 2025, the unemployment rate is forecasted to decline further.

Mr. Speaker, unprecedented Citizenship-by-Investment inflows and the CCRIF insurance payout bolstered Government's fiscal position in 2024. A primary surplus of **\$432.9 million or 11.3 percent of GDP**, was realised, in spite of extraordinary spending on account of Hurricane Beryl.

Mr. Speaker, to support the continued resilient recovery of the Grenadian economy, the fiscal rules and targets of the Fiscal Resilience Act will be further suspended in 2025 to allow for increased rehabilitation and reconstruction spending.

Finally, on the domestic front Mr. Speaker, the financial sector remained stable and sound, and external stability was well anchored in 2024. Looking ahead, financial sector conditions and the external account are expected to improve, further reinforcing macroeconomic stability and growth.

On the global front, economic growth is projected to remain stable at **3.3 percent in 2025** based on the most recent world economic outlook by the IMF. However, this positive outlook is pregnant with uncertainties, fuelled largely by ongoing geopolitical tensions and more recently protectionist policies in the United States.

Additional details on the macroeconomic and social context for the 2025 Budget is included in the Medium-Term Economic and Fiscal Strategy Report 2025 – 2027, which is laid together with the Appropriation (2025) Bill.

Mr. Speaker, I now turn to the Estimates of Revenue and Expenditure and the specific areas of Intervention for 2025.

5 Estimates of Revenue and Expenditure for 2025

5.1 Overview

Mr. Speaker, as per the philosophy of our Administration in prioritising the engagement of our citizens in this important aspect of our country's governance, we actively involved our people in widespread consultations on the 2025 Budget. The resulting policies, projects, and programmes have benefitted from the rich insights of our citizens for which we are most appreciative.

I wish to record my sincere thanks to our citizens, here at home and in the diaspora, who embraced our participatory approach to governance and shared their ideas and suggestions with us in helping to shape the 2025 Budget.

Mr. Speaker, this third Budget sets our country and people on a more resilient and inclusive path, consolidating past gains and accelerating progress. It provides for a total expenditure (including principal repayments) of **ONE BILLION, NINE HUNDRED AND TWELVE MILLION, EIGHT HUNDRED AND Seventy-Two THOUSAND, AND FOURTEEN DOLLARS (EC\$1,912,872,014).**

The overall Budget summary is as follows:

Recurrent Revenue: EC\$1,192.5 million
Total grants: EC\$72.5 million
Recurrent Expenditure: EC\$1,105.9 million
Capital Expenditure: EC\$496.5 million.
Current Account Surplus: EC\$86.5 million
Principal Repayments (Amortisation): EC\$310.5 million
Primary Deficit (after grants): (EC\$208.6 million)
Overall Deficit (after grants): (EC\$337.4 million)

Mr. Speaker, while the rules and targets of the Fiscal Resilience Act merits further suspension in 2025 in light of the ongoing recovery and reconstruction needs post Hurricane Beryl, our Government is committed to fiscal prudence and a return to the fiscal rules and targets once it is not harmful to macroeconomic stability to so do. Based on our assessment, the return of the fiscal rules and targets under the FRA will not be before 2027. That said, Mr. Speaker, a key aspect of the FRA, that is, the wage bill ceiling of 13 percent of GDP, will not be breached in 2025. Good faith salary negotiations for the next negotiation cycle will ensure compliance with the FRA and sustainable wage bill management beyond 2025.

5.2 Financing of the 2025 Budget

Mr. Speaker, I am pleased to report that the 2025 Budget is fully financed.

Of note, the Overall Deficit of **\$337.4 million** will be largely financed from a drawdown of **some \$287.3 million** of Government deposits held in the Consolidated Fund.

Details on the financing of the 2025 Budget can be found on Page 9 of the 2025 Estimates of Revenue and Expenditure.

6 Thematic Areas

Mr. Speaker, I will now turn to the specific areas of intervention underpinning the 2025 Budget aimed at strengthening the resilience of our economy and accelerating high, sustained and inclusive growth and development.

These interventions will be presented under four broad thematic areas, namely:

- a) The resilient recovery in the aftermath of Hurricane Beryl;
- b) Accelerating our transformative agenda in healthcare, housing, education and skills development; and renewable energy transition;

- c) Expanding and diversifying our productive base; and,
- d) Investing in cross cutting areas.

6.1 Rebuilding Smarter After Beryl

Mr. Speaker, a deliberate and strategic approach has been taken to not only replace lost or damaged infrastructure and livelihoods, but to build back better.

Mr. Speaker, in response to Hurricane Beryl, we have so far pumped in excess of \$100 million into the hands of ordinary Grenadians in the form of cash grants, building materials for roof repairs, construction of new homes, business reactivation support, farm labour and input support, among other critical needs.

Mr. Speaker, in all our efforts, building resilience was at the forefront of our interventions.

Today, significant progress has been made in rebuilding our Country and in restoring lives and livelihoods in a more resilient and sustainable way.

We have built resilient houses for low-income and vulnerable families.

We provided building materials assistance as well as tax relief to homeowners who suffered levels 1 & 2 or minor to moderate damages to help restore their lives.

Through strategic partnerships we have secured some 47 prefabricated houses for our less fortunate citizens.

To support livelihoods in agriculture and marine sectors, cash grants and other forms of direct support have been provided to some 4,862 farmers and 279 fisherfolks.

To support the rebuilding of the economy of Carriacou and Petite Martinique, as of January 22nd, 2025, 49 grants amounting to \$0.7 million and 49 loans with a total value of \$2.1 million have been provided thus far.

Through Project Pristine, we have largely restored the natural beauty of the sister isles with a massive cleanup of the land and marine environment. We have also made significant investments in the Grenada Solid Waste Management Authority to transform waste disposal and management and achieve environmental sustainability going forward. So far, some \$20.7 million have been expended on Project Pristine and equipment upgrade for Grenada Solid Waste Management Authority.

We have rehabilitated and restored critical public infrastructure, including roads and bridges, the Princess Royal hospital, medical facilities, schools, police stations and Government offices.

Despite the substantial progress in such a short period, Mr. Speaker, the road to full recovery is still a long and arduous one. Our Government empathizes with our teachers and students, our public servants, our homeowners and businesses, and ordinary Grenadians who are still dealing with the harsh realities of Beryl. We remain committed to providing the necessary support for as long as is necessary to build a better and more resilient society.

6.2 Accelerating our Transformative Agenda

Mr. Speaker, the people of Grenada voted for transformation - a pivot from the failed and visionless policies of the former administration.

Our bold and visionary policies to transform our Nation is taking root. Many of our people are talking about Project Polaris – our new Hospital Project; Project 500 – our innovative housing solution; Project Skills – our laser-focused plan on upscaling and retooling our workforce with relevant skills, especially our young people; and Project Renewable Energy – aimed at energy security and lowering the cost of energy.

Mr. Speaker, our people are once more hopeful and are beginning to see a bright future ahead. Undoubtedly, Grenada is on the rise towards progress, prosperity and unity.

As our Prime Minister declared in his Independence Address on February 7, 2025, **“We are a great Nation.” “There is greatness in everyone of us.”**

Allow me to elaborate on the key transformative pillars.

6.2.1 Healthcare

Mr. Speaker, we remain steadfast in our thrust to transforming our healthcare system into the healthcare capital of the Eastern Caribbean.

Mr. Speaker, given the state of the healthcare system that we inherited, our commitment to this Nation on this issue is no easy feat. Yet, we are undaunted, and laser focused in addressing the critical challenges facing the sector.

In 2025, we will advance several critical initiatives to strengthen the health sector, improve service delivery, and lay the foundation for a transformative future.

Strengthening Organizational Capacity

Mr. Speaker, we remain cognizant that efficient healthcare delivery depends on a well-structured and effectively managed system.

With the support of Mount Sinai, one of the largest teaching hospitals in the United States, a comprehensive needs assessment and quality improvement initiative of our current healthcare system is underway to guide the development of the new hospital and broader health sector reforms. This assessment will evaluate gaps in infrastructure, service delivery, human resources, and equipment needs. The findings will inform strategic planning and resource allocation to ensure that our investments are targeted and impactful. A key feature of the proposed reform is the statutorization of our hospitals.

Strengthening Human Capacity

Healthcare is only as strong as the professionals who deliver it. In 2025, we will implement strategic measures to address critical human resource gaps in the sector. This will involve conducting an HR audit, expanding training opportunities for healthcare professionals, recruiting additional doctors, nurses, and specialized medical personnel, including implementing a specialized programme to ensure adequate succession planning.

Mr. Speaker, while we continue to diligently tackle the longer-term HR challenges, incentivising our doctors and nurses remains necessary to stem their attrition to other countries. Mr. Speaker, I am therefore pleased to report that the Cabinet has agreed to extend the honorarium of **\$12,000** annually and **\$ 6,000** annually for doctors and nurses, respectively, for 2025.

Advancing Project Polaris

Mr. Speaker, one of the most transformative initiatives on our healthcare agenda is the construction of a new state-of-the-art hospital. The new hospital will be designed to offer a higher standard of care, expanded specialist services, and improved diagnostic capabilities. In 2025, we will focus on finalizing key aspects of the design and financing, with the aim of breaking ground on the Hope Vale site in the first half of 2026.

An amount of **\$23.6 million** has been allocated for this Project in 2025. Additionally, the Cabinet has approved the establishment of a Special Fund at the ECCB into which a sum of **US\$25 million** is to be deposited as Government's contribution towards the overall financing of Project Polaris. Furthermore, a small percentage of all NTF receipts will be set aside monthly, commencing June 2025 after finalizing the legal requirements, to support the smooth transition to the new Hospital once completed.

National Health Insurance: Expanding Access and Affordability

Mr. Speaker, ensuring equitable access to healthcare remains a priority for this Administration. To this end, national health insurance is of the utmost priority.

Regrettably, after many years there is very little in terms of progress. That said, we are not interested in pointing fingers and ascribing blame on this game-changing initiative in transforming our health sector. This Government's simple commitment to our fellow citizens, "**we WILL get it done.**"

In 2025, we will advance the legislative and institutional framework needed for the implementation of NHI. This will include finalizing the coverage model, engaging stakeholders, and launching public awareness initiatives to ensure smooth implementation. An allocation of **\$2.4 million** is made for this Project under Vote 20.

Strengthening Mental Health and Wellness

Mr. Speaker, mental health and wellness is an integral part of this Government's health strategy. To this end, a new **Ministry of Mental Health, Wellness, and Religious Affairs** has been created to give greater focus and strategic importance to these portfolios.

In 2025, we are committed to expanding access to mental health services, reducing stigma, and integrating mental health support into primary healthcare. Additionally, we will focus on strengthening the infrastructure of our mental health facilities to provide a more patient-centered approach to care, including the start of construction on the **Mirabeau Rehabilitation Centre**.

The combined allocation for the Ministry of Health, and the Ministry of Mental Health, Wellness and Religious Affairs is **\$171.3 million**.

6.2.2 Transforming Education and Skills Development

Mr. Speaker, the foundation of any prosperous nation is a strong and resilient education system. Our Government remains steadfast in its commitment to ensuring that our citizens, especially the youth, have access to quality education and the skills needed to thrive in an evolving global economy.

Building on yet another year of solid progress in the education sector, we will strengthen our efforts on increasing access, enhancing and expanding technical and vocational training, upgrading school infrastructure, technology, and education financing.

Increasing Access to Education

Mr. Speaker, to reduce financial barriers to learning, we introduced free tuition for students up to the tertiary level at the **T.A. Marryshow Community College (TAMCC)** and the **New Life Organization**. This historic initiative saved our hardworking parents and guardians **in excess of one million dollars** and saw record enrollment of students in these institutions. An amount of **\$1.5 million** is allocated for the continuation of the Free Tuition Programme in 2025.

Added to this, Mr. Speaker, our Government is pleased to introduce a new school bus transportation pilot aimed at providing a safe and reliable transportation system for the future men and women of our Country. The 6-month pilot costing **\$0.8 million** will be offered free to students, but there will be a cost sharing formula when the initiative is implemented island wide.

Furthermore, Government will continue to pursue scholarship opportunities for thousands of Grenadians locally, regionally, and internationally. Our inaugural 1st Generation Scholarship Programme in collaboration with Monroe University, which targets a university graduate in every home, is clear testimony of our commitment in this regard.

Free Hot Meals Programme

Mr. Speaker, we are committed to ensuring that no child goes hungry at our primary and secondary schools. To this end, we implemented a free hot meals programme that provided free nutritious meals to all students. This investment in our children's health will continue to improve concentration, reduce absenteeism, and support families facing financial strain. An amount of **\$5 million** is allocated for the continuation of the Free Hot Meals Programme in 2025.

Transforming School Infrastructure

Mr. Speaker, we are cognizant of the fact that some of our teachers and students are operating in less than suitable conditions. Hurricane Beryl exacerbated a school infrastructure system that was largely in a state of disrepair. We empathize with them and continue to thank them for their patience and understanding as we work to address a problem that was left unattended for many years.

We are committed to building and maintaining modern and safe learning environments to support quality learning. In 2025, we are making an unprecedented investment in school infrastructure, with plans to begin construction of several new schools, rehabilitate existing facilities and retrofit math and science labs across the country. These include:

- (i) The St. David's Catholic Secondary School – no objection to award contract already issued by the Procurement Board; Construction expected to commence in May 2025

- (ii) The St. Andrew's Anglican Primary School – the contract has been signed with construction to commence in May 2025
- (iii) The St. Giles Government School – 95% of the Final Design Completed; Construction is expected to commence in July 2025
- (iv) The Florida Government school – Civil works is expected to commence in June 2025
- (v) The Grenada Christian Academy – under construction with 20 percent completed.
- (vi) Dover Government School - Construction scheduled to commence in June, 2025
- (i) St. Georges Anglican Senior - Refurbishments scheduled to commence in June 2025
- (ii) Bonair Government - Retrofitting of Math and Science labs expected to commence in April 2025
- (iii) St. Patrick Anglican Primary - Retrofitting of Math and Science labs expected to commence in April 2025

Equipping Students with Relevant Skills

The demands of the modern workforce are changing rapidly, and our education system must evolve accordingly. In 2025, we will focus on equipping students with practical and relevant skills, ensuring they are prepared for emerging industries. This includes:

- Expanding digital skills training in schools to foster competence in areas such as coding, cybersecurity, and artificial intelligence.
- Strengthening Technical and Vocational Education and Training (TVET) programs to produce a skilled workforce in areas such as construction, renewable energy, hospitality, and other high-demand sectors.
- Establishment of TVET Centres of Excellence.
- Integrating entrepreneurship education to cultivate innovation and self-reliance among our young people.

Mr. Speaker, these strategic interventions in education and skills development will empower our people, drive economic growth, and lay the foundation for a more competitive and resilient Grenada. Through bold investments and decisive action, we are securing the future of our nation—one student at a time.

An amount of \$183.4 million has been allocated for the education sector.

6.2.3 Housing

Mr. Speaker, Grenada's significant housing deficit, was further exacerbated by the devastating impact of Hurricane Beryl. **The post disaster assessments indicated that roughly 2304 houses were damaged with 36 percent being severely damaged or totally destroyed.**

The destruction caused by the hurricane has underscored the need for a comprehensive housing strategy—one that not only rebuilds what was lost but also strengthens our housing sector for the future.

Our strategy has three main pillars.

1. Our **Emergency Housing Recovery Plan** under the ambit of the **Build Back Better Project**, with targeted interventions in critical areas. This includes:

- Reconstructing homes that were completely destroyed, with priority given to the most vulnerable citizens. To date, 147 new houses are at various stages of construction.
- Conducting repairs and providing material assistance to homeowners to help them rebuild their homes. Some 1,866 families have benefited from the materials distribution assistance programme or had repairs conducted on their houses.
- Offering concessions and other forms of financial support to families working to rebuild their homes. Some 318 families have received assistance totaling \$7.5 million under the tax concessions programme to date.

In 2025, allocation is made for the continuation of the Build Back Better Project throughout Grenada Carriacou and Petite Martinique.

In addition to our **Emergency Housing Recovery Plan**, our Government is taking proactive steps to reduce the housing deficit through our **major flagship initiative—Project 500**. This project aims to **construct 500 Grenadian-style homes** on both government and private lands, creating sustainable housing solutions for our people. The initiative is well underway, with a pilot project in Dunfermline, where 17 model homes are currently under construction. An amount of **\$10 million** has been allocated in the 2025 Budget for the continuation of this Project.

Finally, Mr. Speaker, under the third pillar - the **Government Home Improvement & Soft Loan Programmes** – the Government will continue to provide material assistance and soft loans to facilitate additional support measures, providing more Grenadians with access to affordable housing solutions. An amount of **\$15 million** has been allocated in the 2025 Budget for the continuation of these Programmes.

Through these combined efforts, we remain committed to **ensuring safe, resilient, and accessible housing for all Grenadians**, reinforcing our nation’s ability to withstand future challenges.

6.2.4 Renewable Energy Transition

In 2025, we will redouble our efforts geared towards supporting the diversification of our energy mix in the electricity sector, and greening the transportation sector, with the goal of achieving energy security, lowering the cost of energy, and reducing our carbon footprint.

Supporting Electricity Transitioning

Mr. Speaker, the Government of Grenada is actively pursuing all viable opportunities to transition our energy sector through the development of solar photovoltaic (PV) systems, geothermal energy, and wind power. This commitment aligns with our national energy policy and our broader goal of achieving energy security, reducing dependence on fossil fuels, and building resilience in the face of climate change.

At the forefront of this transition are three major renewable energy projects that will significantly enhance our energy infrastructure and sustainability.

First, we are advancing the development of a 15-megawatt geothermal project. This initiative has the potential to provide a stable and reliable source of clean energy, reducing our reliance on imported fossil fuels and strengthening the resilience of our electricity grid. Phase 2, which covers exploratory drilling, is currently underway and we remain committed to unlocking Grenada’s geothermal potential. Mr. Speaker, I wish to place on record my sincere thanks to the United Kingdom Government for the generous donation of **US\$10 million** towards this important project. An amount of **\$ 3.6 million** is allocated for this Project in 2025.

Second, the Government is facilitating the establishment of a solar PV system at the Maurice Bishop International Airport (MBIA) as a utility-scale Independent Power Producer (IPP) project. This initiative will contribute to the country’s renewable energy mix and demonstrate the viability of large-scale solar investments. To support this and future IPP projects, the Government is making critical investments in the necessary infrastructure, ensuring a conducive environment for private-

sector participation in renewable energy generation. Grenada plans to contribute **US\$10 million** towards the Caribbean Renewable Energy Infrastructure Investment Facility, a fund spearheaded by the ECCB to finance private sector projects in this area.

Third, we are embarking on a transformative project to install solar PV systems on government buildings. This initiative will not only reduce the public sector's electricity costs but also serve as a model for sustainable energy use. Importantly, this project includes critical upgrades to the national transmission and distribution network, along with battery storage solutions, to enhance grid stability and accommodate increased renewable energy generation. Mr. Speaker, this Project is funded through a grant and concessional loan from the World Bank, the Caribbean Development Bank, and the Clean Technology Fund and will be executed jointly with GRENLEC. An amount of **\$ 1.6 million** is allocated for the rollout of this Project in 2025.

Mr. Speaker, these projects underscore our Government's commitment to a clean energy future. By expanding renewable energy generation, modernizing our infrastructure, and fostering private-sector participation, we are laying the foundation for a more sustainable and energy-secure Grenada.

Greening the Transport Sector

Mr. Speaker, to accelerate the transition to a greener transport sector, the Government will build on existing measures, such as the removal of duties and taxes on renewable energy vehicles. Furthermore, the Government will **lead by example** by transitioning its vehicle fleet to electric and hybrid models. As a decisive step, we are setting a **25 percent target** for all new Government vehicle purchases in 2025 to be either electric or hybrid, reinforcing our commitment to sustainability.

6.3 Expanding and Diversifying our Economic Base

Mr. Speaker, a robust economy, delivering sustainable jobs, is the bedrock of a thriving society. Through solid economic management, innovative policies, and sustained investment in both existing and emerging sectors, we are committed to transforming our economy—ensuring that our people not only adapt to the challenges of tomorrow but thrive in an ever-evolving global landscape.

Our strategy places strong emphasis on private sector-led growth, complemented by proactive government policies that create an enabling environment for businesses and entrepreneurs to succeed. This collaborative framework will drive development across key sectors, strengthening resilience and unlocking new opportunities in sectors such as agriculture, tourism, and the digital and blue economies.

6.3.1 Agriculture, Food and Nutrition Security

Mr. Speaker, agriculture remains a cornerstone of our economy, and our vision is to modernize and expand this sector for greater productivity, sustainability, and food security.

Our vision for the sector was dealt with a major blow in July of last year. The impact resulted in untold hardship for our farmers and fisherfolk who saw their lives and livelihoods upended by yet another natural Hazzard.

In the wake of this disaster, the government acted swiftly to provide much-needed relief. Through the Emergency Response Plan, we invested roughly **\$32 million** in income support, farm labour support and farm input assistance, helping farmers and fisherfolk regain stability and begin the recovery process. But our work does not stop there.

In 2025, we are deepening our commitment to revitalizing agriculture through strategic interventions that will build resilience, enhance productivity, and drive long-term growth. An allocation of **\$32.4 million** has been made in the 2025 Estimates to fund various projects in the Agricultural Sector. The Minister for Agriculture will highlight some of these key initiatives in his presentation.

6.3.2 Tourism Creative Economy & Culture

Mr. Speaker, tourism is one of the main pillars of Grenada's economy, providing thousands of jobs and contributing significantly to GDP. Thankfully, the sector was largely untouched during the passage of Hurricane Beryl and was primarily responsible for the robust economic performance in 2024.

Notwithstanding the strong rebound of the sector in the post COVID-19 period and its significant contribution to employment and GDP, much more needs to be done to harness the full potential of the sector.

Mr. Speaker, our government is committed to the realization of the full potential of the sector through targeted interventions.

To this end, it is imperative that we fully integrate and leverage the potential of the creative economy and cultural industries, both of which are intrinsically linked to our tourism product.

In 2025, as a first step, we have undertaken a portfolio realignment by bringing the portfolios of Tourism, creative economy and culture under one umbrella to exploit synergies and shore up opportunities.

By strengthening the linkages between tourism, culture, and the creative economy, we can increase visitor spending, extend their length of stay, and create new avenues for sustainable economic growth.

In 2025, the focus will be on ease of travel, expanding airlift, product enhancement, expanding the creative Industries Fund, and growing of our festivals. An allocation of **\$37.4 million** has been made in the 2025 Budget to fund various policies, projects and programmes, in support of the integration of the tourism sector, the creative economy, and culture.

6.3.3 The Blue Economy and Marine Affairs

Mr. Speaker, Grenada's marine and coastal resources offer significant opportunities for economic growth, environmental conservation, and community resilience. To harness these assets sustainably, the Government has established the **Ministry of The Blue Economy and Marine Affairs** to drive an inclusive and transformative agenda.

The Government aims to position Grenada as a regional and global leader in sustainable ocean-based development, leveraging strategic investments, sound policies, and strong partnerships to promote economic diversification, climate resilience, and innovation while enhancing livelihoods.

Key Pillars for transformation, include:

1. Sustainable Marine Resource Management – Expanding Marine Protected Areas (MPAs) to cover 30% of coastal ecosystems by 2030, reducing illegal fishing by 50% by 2027, and integrating climate adaptation into marine governance.
2. Fisheries Transformation – Increasing fish production and exports by 20% by 2028, ensuring 80% of fishing households adopt climate-smart practices by 2030, and improving market access for fishers.
3. Blue Economy Diversification – Developing marine biotechnology, renewable ocean energy, and sustainable maritime tourism, attracting \$100 million in investments by 2030, and supporting 20 blue economy startups by 2027.
4. Coastal Community Empowerment – Strengthening community participation in marine management, boosting coastal incomes by 30%, reducing food insecurity by 20% by 2030, and enhancing disaster resilience.
5. Governance and Institutional Strengthening – Building a highly competent ministry, enforcing transparency and accountability, and implementing performance-based policies.

An allocation of **EC\$36.9 million** has been made in the 2025 Budget to fund various projects to drive this new engine of growth.

6.3.4 Rebuilding a Stronger Economy and People - Carriacou and Petite Martinique

Mr. Speaker, one of the most defining moments of our nation's recent history occurred on July 1, 2024, when Hurricane Beryl ravaged Carriacou, leaving widespread destruction in its wake. However, in the face of adversity, the resilience of our people shone through. From the very first moments after the Hurricane, our Government committed to rebuilding a stronger, more resilient Carriacou and Petite Martinique.

Today, I am pleased to report that significant progress has been made. The clean-up of both land and marine environments has restored a sense of normalcy. Homes and businesses are being rebuilt, and government operations have resumed. Most importantly, economic activity is once again gaining momentum. But our work is far from over.

In 2025, we will continue to press forward with strategic investments aimed at building back better.

The budget for Carriacou and Petite Martinique has increased from \$33.4 million in 2024 to \$44 million in 2025—a clear demonstration of our commitment to the full recovery and transformation of our sister isles.

Mr. Speaker, Carriacou and Petite Martinique is rising once again. The spirit of resilience and determination that defines our people is stronger than ever.

The Minister for Carriacou and Petite Martinique Affairs will further elaborate on the key interventions planned for 2025.

6.3.5 Youth and Sports Development

Mr. Speaker, as we continue the journey of economic transformation, we recognize that our young people are the backbone of our nation's future. Investing in youth development and sports is not just a social priority—it is a strategic economic imperative. Sports, in particular, holds immense potential as a new engine of growth, fostering employment, entrepreneurship, and national pride while promoting health and social cohesion.

Sports as an Economic Driver

Grenada has long been known for its sporting talent, with our athletes excelling on regional and international stages. However, to fully harness the economic potential of sports, we must transition from viewing it solely as a recreational activity to a viable industry that generates employment, investment, and opportunities for our youth.

In 2025, we will focus on:

- Expanding sports tourism;
- Infrastructure development, including the lighting of the National Cricket Stadium, construction of an Olympic size swimming pool, and the upgrading of the La Saggese Playing facility; and
- Incentivizing and empowering our athletes

Youth Development: Fostering Leadership and Participation

Beyond sports, our young people must be actively engaged in shaping the future of Grenada. We are committed to ensuring their participation in all spheres of national development. Key initiatives for 2025 include:

- **Youth Parliament:** Strengthening platforms for young people to engage in governance, policymaking, and national dialogue.
- **Skills Development Programs:** Expanding training beyond traditional skills to include digital economy skills, entrepreneurship, and innovation, ensuring our youth are equipped for the jobs of the future.
- **Youth Economic Inclusion:** Providing funding, mentorship, and networking opportunities to help young entrepreneurs establish businesses in agriculture, sports, technology, and other emerging industries.

Mr. Speaker, one of our flagship programme in 2025 is our **Elevate Her Programme**, which targets young women, especially heads of households, with the necessary skills and financial and other support to improve their lives and contribution to national development.

Mr. Speaker, by investing in youth and sports, we are not only nurturing talent but also laying the foundation for a dynamic and diversified economy. Our young people are ready to lead, and this Government stands ready to support their ambitions—whether on the playing field, in government, or in national leadership. This is our commitment to building a future where youth and sports are central pillars of Grenada’s economic transformation.

An allocation of **EC\$68.9 million** has been made in the 2025 Budget to fund various policies, projects, and programmes in the area of youth and sports development.

6.3.6 Digital Transformation

Mr. Speaker, our vision to transforming Grenada not only as a consumer of digital technology but as a creator is taking shape.

In just over two and a half years we have achieved the following, among other major accomplishments.

- We have digitised the application process for passports, and are on the verge of digitising other certificates, such as birth and death certificates and other government services, thereby reducing the time and cost for accessing these services.
- We have digitised the application process for Pension Life Certificates renewal;
- Expanded the network of Free Wireless Access Points in every community, school, government office, tourism site and recreational parks.
- Expanded education and training in coding and other critical IT skills.
- Launched Phase 1 of the Digital Workforce Initiative, in collaboration with **Cyber Nations Canada** to provide internationally recognised cybersecurity training, certification and work opportunities.

May I remind everyone, Mr. Speaker, that Grenada under the former Government held the position of ICT lead for CARICOM for many, many years, with nothing to show for it. Mr. Speaker, make that make sense.

Mr. Speaker, in 2025, the focus will be on establishing a digital transformation agency and further reinforcing the foundations of our digital economy.

More information on our achievements and detailed plans for digital transformation will be provided during the budget debate.

6.4 Investing in Cross Cutting Areas

Mr. Speaker, as we drive the comprehensive transformation of the Grenadian society, we must invest strategically in cross-cutting areas that create synergies across multiple sectors. This includes investing in resilient physical infrastructure, promoting private sector development, modernizing labour relations, safeguarding citizen safety and security, and investing in social and community development, among others.

I will now elaborate on some of these cross-cutting areas.

6.4.1 Transforming our Physical Infrastructure

Mr. Speaker, transforming our physical infrastructure landscape is fundamental to expanding and diversifying Grenada's economic base and more broadly speaking, transforming our economy and society. Mr. Speaker, this will require significant investments in resilient infrastructure over many years.

In 2025, strategic initiatives and investments will include:

- **Grenada Resilient Infrastructure Project;**
- **Cliff Road Rehabilitation Project;**
- **Coastal Protection of the Shoreline of the Sauteurs Bay Project;**
- **The South St. George Water and Sewerage Expansion Project;**
- **The G-CREWS Project;**
- **St. John's River Flood Mitigation Project;**
- **Feeder Roads Project;**
- **Bridges Rehabilitation Project; and,**
- **Hurricane Beryl Response initiatives.**

An allocation of **EC\$155.7 million** has been made in the 2025 Budget to fund various policies, projects, and programmes in the area of infrastructure, physical development, public utilities, civil aviation and transportation.

Mr. Speaker, the Minister with responsibility for Infrastructure, will elaborate on the major initiatives and interventions under this portfolio.

6.4.2 Social and Community Development

Mr. Speaker, a robust social protection system is essential for reducing poverty, promoting economic participation, and ensuring that no one is left behind in Grenada's development journey. In 2025, our government remains committed to protecting the most vulnerable while fostering opportunities for self-sufficiency and economic empowerment. Building on the significant progress made including the strengthening of the National Insurance scheme, the introduction of the permanent Unemployment Insurance Benefit Programme and the better targeting for the

support for Education, Empowerment, and Development (“the SEED Programme”), key initiatives for 2025 include:

- Continued support for the SEED programme, with enhancements to ensure greater efficiency and impact for beneficiaries.
- Continuation of the Multiple Projects for the Elderly.

Mr. Speaker, the government is also committed to fostering resilient communities through investments in community infrastructure and grass roots empowerment programmes.

Furthermore, Government will continue to support policies and programs that promote gender inclusivity and equality. As we are one day away from the universal celebration of International Women’s Day 2025, we reaffirm our dedication to advancing the rights and opportunities of Women and girls in the state of Grenada, ensuring their full participation in our national development.

Permit me, Mr. Speaker, to wish our women a Happy International Women’s day!!

An allocation of **EC\$85.1 million** has been made in the 2025 Budget to fund various policies, projects, and programmes in the area of Social and Community development and gender affairs.

6.4.3 Mobilisation, Implementation and Transformation

Mr. Speaker, the Ministry of Mobilization, Implementation, and Transformation (MIT) was established to enhance coordination within the government and improve the execution of policies, programs, and projects. In 2025, our government will further strengthen collaboration across all sectors to accelerate national development, ensuring that our economic and social policies align with our overarching vision for transformation.

Through this cross-cutting strategy, we are reinforcing our commitment to building a stronger, more prosperous, and resilient Grenada—one where progress is not only envisioned but actively realized.

To this end, several long-stalled World Bank-funded projects have been transferred to the Ministry of Mobilization, Implementation, and Transformation to remove bottlenecks and accelerate implementation. The results thus far have been extremely promising, demonstrating the effectiveness of this strategic approach.

An allocation of **EC\$47.8 million** has been made in the 2025 Budget to support the implementation of key policies and initiatives, ensuring sustained progress toward national development goals.

6.4.4 Promoting Private Sector Development

Mr. Speaker, the Grenada Investment Development Cooperation (GIDC) continues to play a critical role in attracting and facilitating private sector investments in Grenada.

In 2024, the GIDC generated 238 investment leads, a 31.5% increase from the previous year, with local investments showing great potential. These leads spanned key sectors, including manufacturing, tourism, agribusiness, health and wellness, ICT, and services, reflecting the country's diverse investment opportunities.

Furthermore Mr. Speaker, the GIDC processed 65 applications for investment incentives, surpassing its annual target by 163%. **This resulted in the approval of 61 projects, with a combined EC\$80 million in proposed investments and the creation of over 800 permanent jobs. Additionally, 66 projects commenced operations, generating 564 direct jobs, a 14% increase over 2023.**

To build on the strong momentum, the Government is committed to enhancing the GIDC's capacity and effectiveness in 2025. Key focus areas include:

1. Expanding Investment Promotion Efforts – Strengthening engagement with international and regional investors through targeted roadshows, trade missions, and digital marketing campaigns.
2. Streamlining the Investment Approval Process – Enhancing efficiency in processing applications and approvals to create a more investor-friendly environment.
3. Leveraging Strategic Partnerships – Collaborating with multilateral agencies and development partners to unlock new investment opportunities.
4. Leveraging the hosting of the Afro-Caribbean Trade and Investment Conference in July of this year – A major platform to showcase Grenada's investment potential to regional and global stakeholders.

By prioritizing these strategic initiatives, Grenada will further strengthen its investment climate, increase capital inflows, drive economic diversification, and expand job creation opportunities.

6.4.4.1 Support for MSME Development

Mr. Speaker, we reiterate the critical importance of supporting the creation of new micro, small and medium-sized enterprises and the expansion of existing ones in delivering sustainable jobs throughout the State of Grenada.

In 2025, the following interventions will be pursued in this regard

- i) The extension of the incentive package for non-priority sectors on selected building materials, equipment, capital goods and other critical inputs.
- ii) The extension of the MSME concession for priority sectors.
- iii) The repurposing of **\$7 million** in existing funds at the Grenada Development Bank (GDB) as equity contribution to support business lending.
- iv) The recapitalization of the Small Business Development Fund administered through the GDB with an injection of **\$3 million**.
- v) The provision of competitive matching innovation grants of up to **US\$30,000 per beneficiary** through the Grenada Investment Development Corporation as part of the OECS Skills and Innovation Project.
- vi) The provision of grant financing to farmers through the GDB as part of the Challenge Grant Component of the G-CREWS Project.
- vii) The provision of grant financing by the Ministry of Agriculture to support young farmers through the CARICOM Development Fund supported Youth in Agriculture Initiative.

6.4.4.2 Strengthening the Citizenship-By-Investment Programme

Mr. Speaker, Grenada's Citizenship By-Investment (CBI) Programme continues to evolve. It is now a note-worthy contributor to government revenues, tourism, and job creation. Our Programme continues to be one of the best with deeply entrenched robust due diligence processes. In 2024, Grenada and four (4) other CBI jurisdictions in the Eastern Caribbean signed a Memorandum of Agreement, which inter alia, called for the establishment of an independent regional regulator for the industry. Legislative drafting and consultation have commenced, with the plan to have the Independent Regional Regulator operational by mid-2026.

Mr. Speaker, Grenada's Citizenship by Investment Programme is also innovative. We have listened to the genuine advocacy of local businessmen and women for their participation in the program. While there are already a few local developers who have successfully developed and marketed their projects, the years ahead would witness a ramping up of such projects. Mr. Speaker this government in the coming weeks will pass amended regulations to reduce by 70% all fees that are to be paid by local Grenadian-developers with new projects, in any priority economic sector under the CBI Program. Moreover Mr. Speaker we will facilitate the mentoring and coaching of

our local Grenadian-Developers with the international developers to help them execute their projects with utmost efficiency.

6.4.5 Prudent Economic Management

Mr. Speaker, we continue to manage the Grenadian economy with distinction. **No amount of old talk and disinformation will change that fact.**

The International Monetary Fund (“the IMF”) in a release published on January 24th, 2025, commended our Government for the excellent stewardship of the economy. This is the third commendation in a row. Moreover, they lauded our decisive and strategic handling of Hurricane Beryl.

Mr. Speaker, other reputable regional and international organisations have expressed similar sentiments.

This speaks volume, Mr. Speaker, about our ability to lead, not only in times of calm but also, in times of crisis.

Building on our strong record of fiscal discipline, aggressive resource mobilisation, and prudent debt management, we will press ahead with ambitious reforms to maintain economic stability and build resilience towards achieving robust, sustained and inclusive growth.

6.4.6 Modernising Labour Relations

Mr. Speaker, we remain steadfast in our commitment to modernize labour relations to ensure that the needs of both the employers and employees are met.

As promised, we met our commitment to the workers by addressing the Minimum Wage, a matter of zero significance to the former administration.

In 2025, we will continue to modernize labour relations by updating our labour laws, enhancing dialogue with stakeholders, and enhancing the dispute resolution mechanism.

Through these efforts, we aim to foster good labour relations and maintain industrial peace.

6.4.7 Enhancing the Governance of State Bodies

Mr. Speaker, we are continuing to make good progress in strengthening the governance and fiscal management of public institutions.

As I speak, 125 directors have completed the Directors' Education and Accreditation Program of the Corporate Governance Institute of Canada, facilitated by the Eastern Caribbean Securities Exchange (ECSE).

Further Mr. Speaker, we have issued a "Governance & Fiscal Management Handbook" for public sector institutions which aims to bring about clearer guidance on how they should operate within the legal, fiscal and governance framework provided by various legislative instruments and best practice.

Mr. Speaker, we are all aware of the legacy of the former administration regarding the oversight of statutory bodies and state-owned enterprises, so I will spare you the details.

6.4.8 National Security, Home Affairs, Information and Disaster Management

Mr. Speaker, we will continue to work diligently to maintain Grenada's reputation as one of the safest places in the region and the world, to work and live and as a model of disaster management.

My Government Priorities for 2025 are as follows:

We are committed to reducing crime through targeted initiatives, community partnerships, and leveraging modern technologies for law enforcement. We will invest in advanced crime prevention technologies, expand community policing, and introduce tougher measures to address organized crime and repeat offenders. Legislation will be introduced for the installation of CCTV cameras in public spaces across the country.

We will remain steadfast in our efforts to enhance the working conditions of the Royal Grenada Police Force and His Majesty Prisons to ensure greater efficiency and effectiveness in maintaining law and order. To this end, we have accomplished a significant milestone by relocating the Police Headquarters from Fort George to the Carenage, a long-awaited and welcomed move for many Grenadians. Added to that, the Grenville Police Station will be relocated to the former MNIB Grenville location very soon. Going forward, we will be taking proactive steps to improve other police stations, including the Coast Guard Base and the prison system. Additionally, we will strengthen the human resource capacity of both the Police and Prisons in 2025.

To improve passenger clearance, we commissioned on Thursday, 6th March 6 new kiosks at Maurice Bishop International Airport, we will replace physical E/D Cards with an online version, and upgrade the Sea Farers ID/Passport and Emergency Travel Documents to meet international standards.

We are committed to enhancing financial security through a Public Sensitization Programme at the Financial Intelligence Unit (FIU) to educate citizens on preventing scams and securing their finances.

We will introduce an automated system for the application and certification processes for Permanent Residence, Citizenship (including Citizenship by Investment), and Alien Land Holding Licenses.

Additionally, we will transition the National Disaster Management Agency (NaDMA) into a statutory entity to improve disaster preparedness, response, and recovery efforts.

For the Government Information Service and Government Printery, we will focus on building human resource capacity and upgrading equipment to enhance productivity and broaden service delivery to a wider population.

A combined total allocation of **\$133.9 million** is allocated in 2025 to support our national security, information, and disaster management systems.

6.4.9 Prioritising Foreign Policy and Trade

Mr. Speaker, as Grenada navigates global challenges and advances its transformation agenda, we remain focused on strengthening external relations and trade.

In 2025, Grenada will enhance diplomatic engagements, promote South-South cooperation, and deepen ties with African and Asia-Pacific nations. Strengthening Caribbean regional integration and advocating for Small Island Developing States (SIDS) in global forums will also be central to our efforts.

In the area of trade, the government will enhance trade and export facilitation by reducing barriers, improving export readiness, and supporting value-added production. Focus will be placed on streamlining processes, leveraging trade agreements, trade promotion, and providing technical assistance, particularly in agriculture and manufacturing.

An amount of **EC\$23.5 million** has been allocated in the 2025 Budget to support foreign policy and trade.

7 Economic Reforms

Mr. Speaker, this budget is responsive to the near-term challenges as well as the longer-term developmental needs of our nation.

In this section, I will elaborate on the reform of existing policies to enhance long-term growth and competitiveness and relief measures to reduce the impact of inflation on the population.

7.1 Structural Policies

Mr. Speaker, to support our transformative agenda, the following structural reforms will be implemented in 2025:

1. **DEVELOPMENT AND IMPLEMENTATION OF A POLICY ON THE PROCUREMENT, MAINTENANCE, AND DISPOSAL OF GOVERNMENT VEHICLES**

Mr. Speaker, efficient management of the Government's vehicle fleet is critical to ensuring cost-effectiveness, accountability, and operational efficiency in public service delivery. To address longstanding challenges related to vehicle acquisition, maintenance, and disposal, the Government is advancing a comprehensive policy reform. This policy will establish clear guidelines for the **procurement, maintenance, and disposal of Government vehicles** to improve transparency, reduce costs, and enhance fleet efficiency. The Grenada Transport Commission will drive the development of this Policy.

2. **Amendment to the Importation Policy on Used Vehicles.**

Mr. Speaker, as part of our strategy to ease the congestion of traffic on our nation's roads and improve road safety and environmental concerns, we will amend the current policy on the importation of used vehicles. The existing restriction, which prohibits the importation of vehicles 10 years and older, will be revised downwards after consulting widely on this issue. The new policy will take effect no later than June 2025.

7.2 Cost of Living Measures

Mr. Speaker, since assuming office, this Government has taken decisive steps to mitigate the impact of inflation, recognizing our heavy reliance on imported goods. Without these interventions, ordinary Grenadians would have faced significantly higher prices, particularly for essential items such as food and fuel.

While global inflation has eased compared to previous years, Mr. Speaker, price pressures persist due to ongoing supply chain disruptions, geopolitical tensions, and climate-related shocks. As a small island developing state, Grenada remains highly vulnerable to external economic conditions, which continue to drive up the cost of living.

That said, Mr. Speaker, this Government remains committed to shielding citizens from the adverse effects of high prices for as long as necessary, particularly for essential goods and services.

In 2025, the following cost-of-living relief measures will remain in effect:

1. Extension of VAT Exemptions on Essential Goods

To ease the financial burden on households, Government will extend the VAT exemption on 20 basic food items and essential products, ranging from cooking oils to baby diapers to all female sanitary hygiene products, including sanitary napkins, tampons, and panty liners for an additional year, effective January 1, 2025, with a review scheduled for December 2025. The full list of items can be found in Appendix 2. The estimated revenue forgone for this measure is **\$3.1 million**.

Mr. Speaker, while we had intended to further protect consumers by placing these items under formal price control for monitoring by the Consumer Affairs Division, this step was not completed in 2024. However, we remain fully committed to implementing this measure in the near term to prevent price gouging and ensure that savings reach consumers.

2. Maintaining the Fixed Price of Cooking Gas

The government will continue to cap the price of a 20-lb gas cylinder at **\$40**, helping to cushion households from fluctuations in global energy prices. The estimated revenue forgone for this measure is **\$2 million**.

3. Reduction in Petrol Tax

To mitigate the impact of high fuel costs, Government will maintain the reduced Petrol Tax at **\$3.50 per gallon** instead of **\$5.50 per gallon** on duty-paid sales. This measure alone is expected to result in **\$26.9 million** in foregone revenue.

4. Electricity Subsidy for Low-Consumption Households

To support low-income households, Government will maintain the **\$10 monthly electricity subsidy** for all residential consumers using up to **99 kWh per month** at an estimated cost of **\$3 million**.

The following new cost-of-living relief measure will be introduced:

1) Public Transportation Subsidy

Mr. Speaker, our bus fares, which are regulated by the Government, have not been increased for over a decade. That said, our bus operators who are faced with high and rising operational costs, are legitimately seeking an increase in bus fares. Recognizing the impact of an increase in bus fares on the population, Government is introducing a **Public Transportation Subsidy** to support bus operators and maintain affordability for commuters.

Through this initiative, the Government, through the Grenada Transport Commission, will provide a direct subsidy to registered bus operators to help offset the increasing costs of fuel and maintenance. This measure is designed to stabilize operational expenses and, in turn, maintain the current regulated bus fares, preventing any undue financial burden on the traveling public. The annual cost of the subsidy is estimated at **\$12 million**.

Mr. Speaker, in total, this targeted relief package represents an investment of over **\$47 million, a 76 percent increase over 2024** in direct support for Grenadian households. These measures underscore our commitment to protecting the most vulnerable while balancing the need for long-term fiscal sustainability.

As global economic conditions evolve, we will continue to monitor external developments and take proactive steps to safeguard our people from economic shocks.

8 Conclusion

Mr. Speaker, as we reflect on our journey through 2024, we stand as a testament to resilience, determination, and unwavering commitment to the people of Grenada, Carriacou, and Petite Martinique. Despite the trials of Hurricane Beryl and the excessive rains in November, we did not falter. Instead, we rose to the occasion, delivering on our promises and securing a brighter future for our people.

Indeed, we have demonstrated that we are a Government at work—**promises made, promises kept**. Our nation has witnessed the fulfillment of long-overdue reforms, from long-awaited minimum wage adjustments to the historic implementation of a Contributory Pension Plan. We have empowered our youth through digital skills training, increased wages for our IMANI workers, and ensured that no child goes hungry in our schools. Our economic growth has remained strong, investor confidence is unwavering, and our people are finding opportunities to thrive.

But, Mr. Speaker, even as we celebrate these achievements, we remain ever mindful that our work is not done. We press forward, knowing that our strength and wisdom come not from ourselves alone, but from Almighty God, for as Philippians 4:13 reminds us:

“I can do all things through Christ who strengthens me.”

We remain humbled by this responsibility, fully aware that to whom much is given, much is required (Luke 12:48). We are called not only to govern but to serve, ensuring that **no one is left behind—from our children to our youth to our elderly**.

As we look ahead to the next 25 years, we call on all Grenadians to unite in the spirit of **nation-building and collective progress**. For, as Proverbs 29:18 states, **“Where there is no vision, the people perish.”** Our vision is clear—a **resilient, rising Grenada, one that stands firm on the foundations of equity, prosperity, and sustainable development**.

Mr. Speaker, let us move forward in unity, putting Grenada first in all that we do. Let us build a legacy worthy of future generations, ensuring that what we leave behind is greater than what we inherited.

With renewed energy and unwavering commitment, we reaffirm our pledge to work tirelessly for you, the people of Grenada, in 2025 under the theme:

“Towards Vision 75: Grenada – Resilient and Rising.”

May God bless Grenada, Carriacou, and Petite Martinique.

Let us unite. Let us build. Let us rise!

9 Acknowledgements

Mr. Speaker, it would be remiss of me if I did not take this opportunity to thank all our friends and partners who have helped us through our journey.

As you can appreciate, our list of acknowledgements is extremely long, therefore, a detailed listing can be found in Appendix 3 of this Statement.

Permit me however to mention just a few.

We cannot thank enough the creator.

Allow me to also reiterate sincere gratitude to the Prime Minister and my other Cabinet Colleagues. We have a great team of men and women who love Grenada and are committed to serving you.

I wish to also thank all those who contributed to the preparation and presentation of the 2025 Budget and accompanying documents, including the staff of the various Ministries and Departments, Statutory Bodies, State-Owned Enterprises, and all other public officers.

Permit me to especially thank the Permanent Secretary, Deputy Permanent Secretary, Advisor, and staff of the Ministry of Finance who have worked tirelessly in the past year in a less-than-ideal working environment.

I must also mention the Attorney General and her staff, the Cabinet Secretary, the Director of the GIS and staff, the Press Secretary, and many others who played various roles in the budget preparation and presentation process.

I wish to record my thanks to you, Mr. Speaker and the Clerk of Parliament and his staff who have given me full support in facilitating the delivery of my presentation.

Mr. Speaker, finally allow me to reiterate my appreciation to my constituents of St. Patrick East, for their support and confidence in my representation in this Honourable House.

Thank you and may God continue to bless us all.

10 Appendices

Appendix 1 – Allocation by Votes

Vote	Recurrent \$	Capital \$	Sum Not Exceeding \$
01 Governor General	1,831,894	-	1,831,894
02 Parliament	8,808,277	-	8,808,277
03 Supreme Court	6,854,494	210,000	7,064,494
04 Magistracy	3,205,734	80,500	3,286,234
05 Audit	2,038,619	-	2,038,619
06 Public Service Commission	1,507,866	-	1,507,866
07 Director of Public Prosecutions	1,551,589	-	1,551,589
08 Parliamentary Elections Office	1,954,531	4,735,914	6,690,445
09 Ministry of Legal Affairs, Labour & Consumer Affairs	9,424,386	2,525,000	11,949,386
10 Office of the Prime Minister	6,379,719	25,811,173	32,190,892
11 Prisons	12,564,806	1,685,000	14,249,806
12 Police	76,834,773	1,450,000	78,284,773
15 Ministry of Tourism, Creative Economy and Culture	29,695,445	7,800,000	37,495,445
16 Ministry of Foreign Affairs, Trade & Export Development	21,428,087	2,080,230	23,508,317
17 Financial Intelligence Unit	1,685,127		1,685,127
18 Ministry of Nat. Sec. Home Affairs, Pub. Adm. Information & Disaster Management	38,470,318	2,940,249	41,410,567

19 Ministry of Youth and Sports	44,744,424	24,155,530	68,899,954
20 Ministry of Finance	145,180,743	14,279,100	159,459,843
21 Pensions and Gratuities	143,155,114	-	143,155,114
22 Public Debt.	439,285,761	-	439,285,761
25 Contributions	26,986,802	-	26,986,802
26 Ministry of Economic Development, Planning, and Co-operatives	4,550,038	26,738,877	31,288,915
28 Ministry of Climate Resilience, The Environment & Renewable Energy	2,937,185	13,184,559	16,121,744
29 Ministry of Mobilisation, Implementation & Transformation	3,952,782	43,891,005	47,843,787
30 Ministry of Infrastructure, Physical Development, Public Utilities, Civil Aviation & Transportation	30,779,133	124,970,000	155,749,133
35 Ministry of Social & Community Development, and Gender Affairs	63,063,841	21,988,706	85,052,547
36 Ministry of Carriacou and Petite Martinique Affairs & Local Government	22,370,841	21,672,000	44,042,841
38 Ministry of Housing	2,283,979	25,000,000	27,283,979
40 Ministry of Education	135,805,848	47,592,332	183,398,180
50 Ministry of Health	94,380,984	64,848,145	159,229,129
52 Ministry of Health, Wellness & Religious Affairs	10,096,303	2,030,000	12,126,303
61 Ministry of the Blue Economy and Marine Affairs	4,918,648	2,050,000	6,968,648

64 Ministry of Agriculture and Lands, and Forestry	17,690,347	14,735,256	32,425,603
TOTAL	1,416,418,438	496,453,576	1,912,872,014

Appendix 2 – List of VAT Exempt Items

1. Soya chunks
2. Veggie patties
3. Olive oil
4. Canola oil
5. Soybean oil
6. Sunflower oil
7. Coconut oil
8. Red kidney beans
9. Black-eye peas
10. Lentil peas
11. Hand sanitizers
12. Adult diapers
13. Baby diapers
14. Toothpaste
15. Mouthwash
16. Toilet paper and inputs for local manufacturing of toilet paper
17. Liquid soap, bath gel, and hand soap
18. Laundry soap (bars, liquid, powder)
19. All female sanitary hygiene products, including sanitary napkins, tampons, and panty liners
20. Condoms

Appendix 3: Acknowledgements

Mr. Speaker, on behalf of the Government of Grenada and people of our beautiful nation, I would like to thank the following Governments and institutions, for providing financial, economic, and technical assistance during the past year.

The Government of the People's Republic of China
The Government of the Bolivarian Republic of Venezuela
The Government of the Republic of Trinidad & Tobago
The Government of the Republic of Cuba
The Government of New Zealand
The European Union
The Government of Japan
The Government of the United Arab Emirates
The Government of Mexico
The Government of the Kingdom of Morocco
The Government of the Federative Republic of Brazil
The Government of the Republic of Turkey
The Government of the Republic of Kazakhstan
The Government of the Republic of Korea
The Government of the Russian Federation
The Government of the Republic of France
The Government of the Republic of Chile
The Government of the Argentine Republic
The Government of Costa Rica
The Government of the United Kingdom and the Department for International Development
The Government of Canada and the Department of Foreign Affairs and Development (DFAD)
The Government of the United States of America and the United States Agency for International Development
The Federal Republic of Germany
The Caribbean Development Bank (CDB)
The Kuwaiti Fund for Arab Economic Development
The OPEC Fund for International Development (OFID)
The Eastern Caribbean Central Bank (ECCB)
The Organisation of Eastern Caribbean States (OECS)
The Caribbean Regional Technical Assistance Centre (CARTAC)
The CARICOM Secretariat
The CARICOM Development Fund (CDF)
The International Monetary Fund
The World Bank Group
The United Nations Development Programme
The United Nations Population Fund
UN Women

The United Nations Children's Fund
 The United Nations Educational Scientific and Cultural Organization (UNESCO)
 The United Nations Environmental Programme (UNEP)
 The Food and Agriculture Organisation (FAO) of the United Nations
 The Organisation of American States (OAS)
 The Global Environmental Facility (GEF)
 The Inter-American Institute for Co-operation on Agriculture
 The Caribbean Export Development Agency
 The Commonwealth Secretariat and Commonwealth Fund for Technical Cooperation (CFTC)
 The International Fund for Agricultural Development (IFAD)
 The Green Climate Fund (GCF)
 The Small Island Developing States Island Energy for Island Life Assembly (SIDS DOCK)
 The Government of India
 The Government of Barbados
 The Pan American Health Organisation (PAHO)
 The World Health Organisation (WHO)
 The Government of Columbia
 The Government of the Netherlands
 The Caribbean Community Climate Change Centre (5Cs)
 The United Nations Climate Change Conference (UNCCC)
 The International Renewable Energy Agency (IRENA)
 The Government of the Kingdom of Saudi Arabia and the Saudi Fund for Development
 The Government of Qatar
 The Government of Italy
 The Government of Algeria
 The Government of Georgia
 The Community of Latin American and Caribbean States (CELAC)
 The University of the West Indies
 Monroe University
 United Nations Framework Convention on Climate Change (UNFCCC)
 Caribbean Community and the CARICOM Secretariat
 CAF Latin American Development Bank
 African Export Import Bank ((AFREXIMBANK)