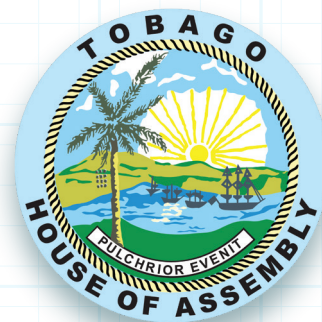
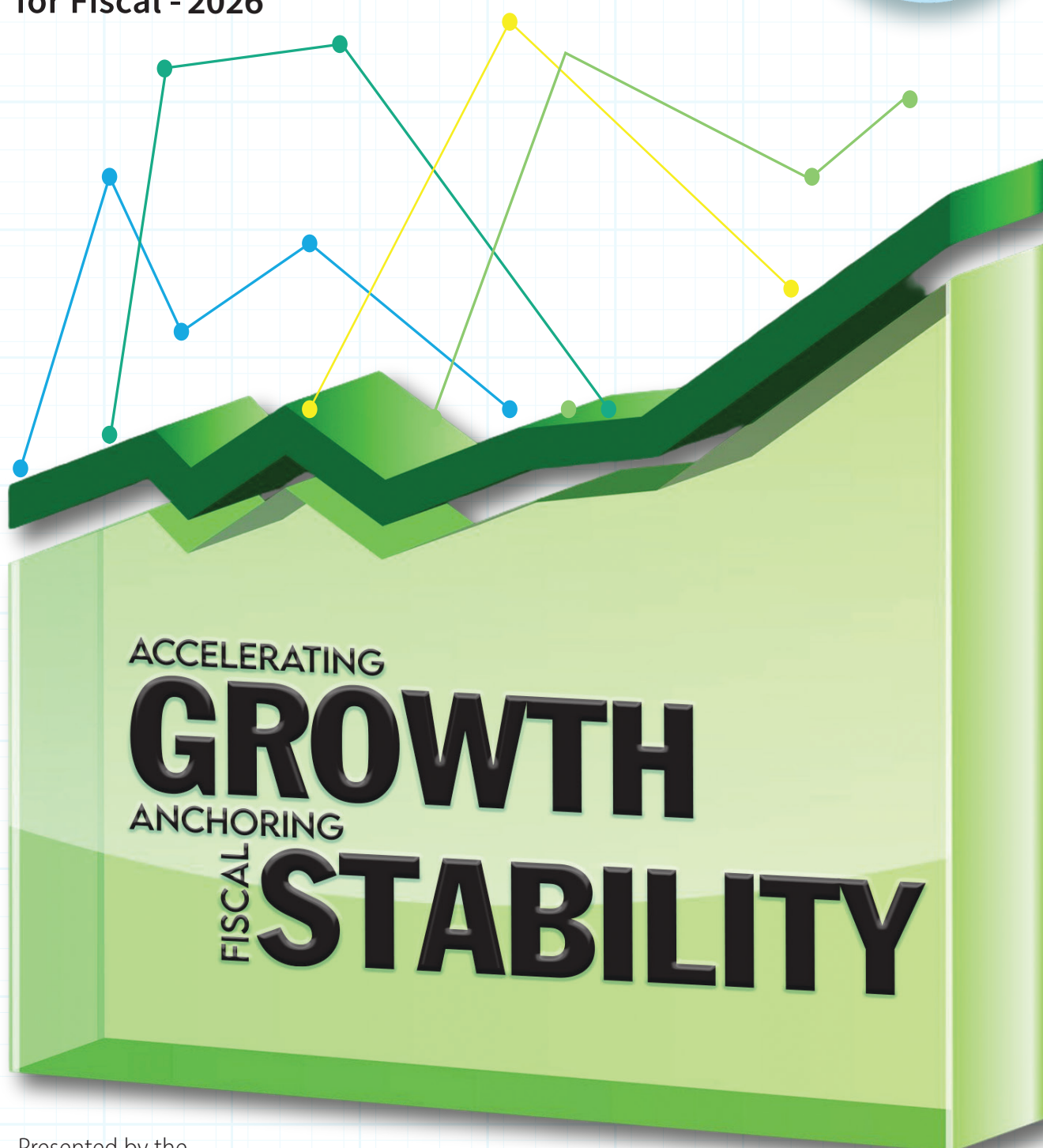


June 23rd, 2025

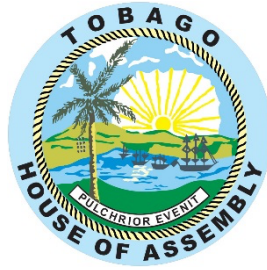


BUDGET STATEMENT

for Fiscal - 2026



Presented by the
Honourable Petal-Ann Roberts
Secretary of Finance, Trade and the Economy.



BUDGET STATEMENT FOR FISCAL 2026

ACCELERATING GROWTH; ANCHORING FISCAL STABILITY

**Presented By:
Councillor Petal-Ann Roberts
Secretary of Finance, Trade and the Economy
Monday 23rd June 2025**

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ACCELERATING GROWTH; ANCHORING FISCAL STABILITY

1 INTRODUCTORY REMARKS

Madam Presiding Officer,

Chief Secretary,

Deputy Chief Secretary,

Secretaries,

Assistant Secretaries,

Minority Leader and other Members of the House of Assembly,

Chief Administrator and other Administrators,

Senior Staff of the Tobago House of Assembly,

Distinguished ladies and gentlemen in the public gallery,

Local and international audiences following this presentation on radio, television, and other live streams,

Members of the Media,

A warm and uplifting Good Morning.

- 1.1 Madam Presiding Officer, it is a tremendous honour and a privilege for me to stand before you in this Honourable House and present the fourth budget instalment of this Administration. This is my maiden budget presentation, and the first to be presented by a female Secretary of Finance in the 45-year history of the Assembly. Madam Presiding Officer, I am certain that this momentous event will be an impactful inspiration for many other hardworking and ambitious female Tobagonians and across the globe.
- 1.2 Madam Presiding Officer, my task today is made much easier by the rich foundation laid by the Honourable Chief Secretary, who professionally led the Division of Finance, Trade and the Economy, which I now lead. It is fitting for me to seize the opportunity here to express thanks and gratitude to the Honourable Chief Secretary for vesting his confidence in me and affording me the privilege and opportunity to serve the people of Tobago in the capacity of Secretary of Finance, Trade and the Economy.

- 1.3 I want to also thank my colleagues, Secretaries and Assistant Secretaries for their overwhelming support, encouragement, prayers and contributions to the statement. Similarly, I wish to express heartfelt gratitude to the senior public officers across the Divisions of the Assembly for their support and dedicated service. It will be remiss of me not to make special mention of my technical team, office and personal staff in the Division of Finance, Trade and the Economy, who worked assiduously in preparing today's budget statement and all the accompanying documents.
- 1.4 I also want to say thanks to all the stakeholder groups and individuals who took the time to participate in the budget consultation process for their invaluable submissions, both in person and through the online platform.
- 1.5 I want to publicly say a loving thank you to my dearest husband and children for their loyal support, understanding and unrelenting encouragement. Finally and most importantly, I want to thank God for his mercies and grace, and for strengthening me with the patience, knowledge, wisdom and understanding to effectively and efficiently discharge the duties and responsibilities to the benefit and upliftment of Tobagonians.
- 1.6 Madam Presiding Officer, it is worth highlighting here that among the documents tabled today are the Tobago House of Assembly's financial statements for the financial years - 2018, 2019, 2020, 2021, 2022, and 2023. Additionally, it is important to note that the financial statements for 2024 are currently being finalised and is expected to be tabled before the end of fiscal 2025. This novel achievement reflects a high standard of accountability, professionalism and a commitment to fiscal transparency. The significance of this development is unprecedented as the Assembly will be up to date in its financial reporting requirement. This is indeed historic, as for the first time in the history of the Tobago House of Assembly, our financial statements are completed, publicised and ready for audit!
- 1.7 Madam Presiding Officer, this momentous achievement is loudly saying to Tobagonians, that what the PNM administration could not do during the twenty-one (21) years in office, this Administration led by the Honourable Chief Secretary Farley Chavez Augustine has done it in merely three and a half years. This is a profound testimony of this Administration's commitment to public accountability, transparency and good governance. Madam Presiding

Officer, it is my sincere hope that the minority councillor gets the lesson herein - that performance beats old talk everywhere and all the time. We have raised the bar and unlike the PNM, we don't see excuses as deliverables.

- 1.8 Similarly, Madam Presiding Officer, the PNM political old talkers were again severely flogged in the April 28th general election, losing the two seats which they held for the last ten years. Let me congratulate our new Members of Parliament for Tobago East, the Honourable David Thomas, and the Honourable Joel Sampson for Tobago West on their resounding victories in the expressed will of the 60,000-strong. I wish them all success, God's abundant blessings and guidance during their term in office. In the same vein, the UNC-led coalition of interest beat the PNM in Trinidad twenty-six (26) to thirteen (13), thereby seating them comfortably in opposition where they will justifiably remain for a long time -- Obliterated! Annihilated! Politically exterminated!! Permanently eliminated and decimated from any form of governance in Trinidad and Tobago!
- 1.9 Madam Presiding Officer, these exciting political developments are presenting fresh opportunities for real social, economic and constitutional transformation in Tobago. With a Central Government in Port of Spain that is sensitive and prepared to work collaboratively with the THA, much can be achieved for the benefit of Tobagonians. This Administration wants to thank the new Prime Minister, the Honourable Kamla Persad Bissessar and her government for the early demonstrated willingness to work side by side, in a productive and a progressively harmonious relationship with Tobagonians and their island government. It is against this backdrop, the elevated sense of hope, and promise that the budget statement for fiscal 2026 is aptly titled ***“Accelerating Growth; Anchoring Fiscal Stability.”***
- 1.10 Madam Presiding Officer, this year's budget statement takes a pivotal departure from the traditional format. Firstly, its social, economic and legislative development priorities are fully nested in this Administration's development planning framework titled ***“Towards the Greatest Little Island on the Planet: A Strategic Development Planning Pathway for Tobago 2025-2045.”*** The planning pathway is significantly advanced and is carded to be launched internally at the end of June 2025.

1.11 Secondly, as reported in last year's budget statement, this Administration secured technical support from the IMF's Caribbean Regional Technical Assistance Centre (CARTAC). The initial support focused on three (3) critical areas.

- ***Review of the budget processes;***
- ***Diagnostic assessment of the THA treasury management and accounting systems; and,***
- ***Strengthening of the internal audit processes.***

1.12 Madam Presiding Officer, an outcome from the CARTAC mission, is a recommendation to reorient the Assembly's two stage budget process. In the first stage, we present draft estimates of expenditure and revenues, which were informed by development agenda priorities, in fulfilment of our statutory obligation under Section 41 of the Tobago House of Assembly Act No. 40 of 1996. Stage two comes after the national budget is approved by Parliament and the allocations to the THA are known. We will return to this House with a more refined statement that presents specific details on the actual programmes and projects that can be realistically financed and delivered. Hence, it is my calculated decision to implement this approach.

1.13 Madam Presiding Officer, I will now examine the outlook for global and regional economies, and then the outlook for the national and Tobago economies.

2 REVIEW OF GLOBAL, REGIONAL, NATIONAL AND LOCAL OUTLOOK

a. Global Economic Outlook

2.1 Madam Presiding Officer, a scan of the global environment reflects a complex interplay of recovery, inflation, uncertainty and geopolitical tension. After the disruptions caused by the COVID-19 pandemic, many economies showed signs of resilience, with growth rates rebounding in several regions. However, significant challenges remain, including persistent inflation, as well as supply chain disruptions occasioned by the Russia-Ukraine war. The ongoing tariff war, primarily between the United States and China, is significantly reshaping the global geopolitical and economic landscape. In addition, the expansion of

the deadly conflicts in the Middle East, between Israel-Palestine and Israel-Iran is seriously destabilising global geopolitics and feeding uncertainty. As recent as Saturday June 22, 2025, the United States executed a military operation “Midnight Hammer” targeting three nuclear sites in Iran, further escalating the crisis.

- 2.2 Madam Presiding Officer, the International Monetary Fund (IMF) projects moderate global growth, with advanced economies experiencing slower expansion compared to emerging markets. The U.S. and Eurozone are navigating economic slowdown, while emerging markets such as India and parts of Southeast Asia are expected to maintain robust economic growth rates. According to the US Energy Information Administration (EIA), the West Texas Intermediate (WTI) price of oil is forecast to average \$64 US per barrel in 2025, falling to \$57 US in 2026. The Henry Hub price of natural gas is expected to average \$4.25 US per MMBTU in 2025, increasing to about \$4.60 US in 2026.
- 2.3 Madam Presiding Officer, as nations navigate this complex global environment, the interplay between trade policies, international relations, and global economic performance becomes more critical than ever. The uncertainty that now surrounds global trade is contributing to increasing volatility in financial markets. Elevated volatility hinders investment decisions and slows growth. Madam Presiding Officer, the future will depend on the ability and willingness of nations to balance their economic and geopolitical interests with the imperative of maintaining a stable, strong and interconnected global economy. The high degree of dependence and openness of our national economy to the preceding global developments, makes us vulnerable and we must take cognisance.

b. Regional Economic Outlook

- 2.4 Madam Presiding Officer, turning our attention to the Latin America and Caribbean region. The World Bank reported that the average projected growth of output is about 2.3 per cent in 2025, increasing to 2.5 per cent in 2026-27. Notably, most of the region is heavily tied to the US market through exports of goods, tourism services and remittances. On the other hand, Chile and Peru are large suppliers of metals to China. The region could see a decline in revenues and growth if demand is dampened by the evolving US-China trade war.

- 2.5 In the Caribbean, output is expected to grow in 2026 at an average of 5.8 per cent, driven largely by Guyana, with an expected growth of 23 per cent in 2026. No other country in the region is expected to grow above the regional average of 5.8 per cent in 2026. In Central America, the average expected growth in 2026 is 2.6 per cent, while in South America, it will be about 3.6 per cent.
- 2.6 Overall, Madam Presiding Officer, while the economic outlook for the region shows potential for growth, it is tempered by global inflationary pressures, social inequalities, and external geopolitical factors. Therefore, policymakers will need to engineer comprehensive strategies that will build resilience, encourage investment, and address social challenges, such as crime and violence, to ensure a sustainable and inclusive economic future for the region.
- 2.7 Madam Presiding Officer, I now turn our attention to the national outlook.

c. National Economic Outlook

- 2.8 Madam Presiding Officer, the national economic outlook reflects a mixed landscape influenced by several key factors. The Central Bank of Trinidad and Tobago (CBTT), in its Monetary Policy Report of May 2025, indicated some improvements in energy sector production supported by more robust growth in the non-energy sector. The energy sector recorded improvements in the manufacture of petrochemicals, extraction of condensate and petroleum, and in the distribution of natural gas. However, there were declines in the exploration and extraction of crude oil and natural gas, and in the asphalt and refining sub-sectors. The non-energy sector realised improvements in manufacturing (excluding refining and petrochemicals), in finance and insurance activities, trade and repairs (excluding energy) and in the transport and storage sub-sectors. Slight declines were recorded in the communication, construction, accommodation, and food services sub-sectors. Adjacent to the country's gross official reserves as at the end of February 2025 stood at US \$5.3B, which represents about seven and a half (7.5) months of import cover. The Heritage and Stabilisation Fund (HSF) stood at US \$5.8B as of December 2024.
- 2.9 Madam Presiding Officer, an average unemployment rate of 5.5 per cent in the 4th quarter of 2024 was reported by the Central Statistical Office (CSO). While the unemployment rate is showing signs of improvement, sustainable job creation remains a critical priority, especially for the youths. On the other

hand, as of April 2025, headline inflation stood at an average of 1.5 per cent, driven heavily by the increase in food inflation of 4.7 per cent, while core inflation rose only slightly to 0.7 per cent. Therefore, in terms of inflation, Trinidad and Tobago has experienced moderate levels, influenced by lingering effects of global supply chain disruptions and local economic conditions.

- 2.10 Madam Presiding Officer, while the national economic outlook is cautiously optimistic, it significantly hinges on the global energy market and the ability of the new government to effectively address domestic challenges such as crime, youth unemployment, and inequalities. Therefore, targeted investment in infrastructure, education, poverty reduction, public safety, economic diversification and innovation will be crucial for achieving sustainable and inclusive economic growth.
- 2.11 Madam Presiding Officer, the Minister of Finance in his recent Mid-Year Budget Review highlighted the troubling economic reality we are facing as a country. He revealed that over the last decade, both domestic and external debt have increased significantly. The external debt ballooned from US \$2.0B to US \$5.5B, an alarming increase of 167 per cent. The national economy contracted by 20 per cent, with the non-energy sector experiencing a 12 per cent decline and the energy sector contracting by 33 per cent. Net foreign exchange has plummeted from US \$10.5 B to US \$5.3B. Even more concerning is that we are now left with only seven and a half (7.5) months of import cover. The overall fiscal deficit is now projected to be TT \$9.67B up from the TT \$5.51B originally forecasted. What the data points to is that the former PNM administration has consistently misrepresented and misled the entire population about our economic realities. But this should not surprise us in Tobago. It is the same disastrous economic and financial situation this Administration inherited from the PNM administration, after twenty-one (21) years of mismanagement, squandermania and wasteful governance.

d. Local Economic Outlook

- 2.12 Madam Presiding Officer, the 2024 Gross Domestic Product (GDP) for Tobago indicates that the island's GDP at constant prices rose from \$1.66B in 2023 to \$1.71B in 2024 – a 3 per cent increase in real GDP. The key sectors driving this increase were Government (4.4 per cent), Financial Services (4.9 per cent) and Distribution & Restaurants (9.1 per cent). It is worth noting that there

was no fundamental change in the sectoral composition of the island's GDP, with the Government sector accounting for 46 per cent, Financial Services 27 per cent, Tourism 14 per cent, and Agriculture and Manufacturing, together contributed about 2 per cent.

- 2.13 Madam Presiding Officer, the latest labour market statistics from the Central Statistical Office (CSO) for Tobago revealed that between the last quarter of 2021 and the end of the fourth quarter of 2024, approximately four thousand (4,000) new jobs were created in Tobago. The rate of unemployment was only 1 per cent, much lower than the national unemployment rate of 4 per cent. Approximately 54 per cent of the labour force in Tobago was employed in the state sector, with the private sector employing about 46 per cent. By contrast, nationally, 25 per cent of the labour force was employed in the state sector, with the private sector employing about 75 per cent.
- 2.14 Moreover, the share of the labour force in Tobago with tertiary education as the highest level of attainment was 22 per cent; the share with secondary education as the highest level was 58 per cent; and the share with primary education as their highest level was about 20 per cent. Madam Presiding Officer, the educational construct of the labour force may present long-term implications for productivity levels on the island.
- 2.15 Madam Presiding Officer, the most recent data on prices available from the Central Bank of Trinidad and Tobago suggest that Tobago recorded headline and food price inflation in April 2025 of 2.3 per cent and 2.4 per cent, respectively. Core inflation, which excludes food and energy, was recorded at 2 per cent. It is interesting to note that for the 12-month period ending April 2025, headline, food price and core inflation all averaged 1 per cent, suggesting that inflation on the island has been kept to modest levels.
- 2.16 I now turn my attention to highlighting some of the key achievements of this Administration.

3 HIGHLIGHTS OF ACHIEVEMENTS (2022-2025)

- 3.1 Madam Presiding Officer, reflecting on the past three and a half years, this Administration has a lot to be thankful for and to celebrate, notwithstanding having to deal with unjustified imposed fiscal constraints and unprecedented

political interference from the past PNM Central Government. However, we remained steadfast to our ambition of making Tobago the greatest little island on the planet and delivered extensively to the people of Tobago.

3.2 Madam Presiding Officer, in the area of physical and social infrastructure development, we delivered the following:

- We eased traffic congestion and enhanced public safety along a critical 600-meter segment in the vicinity of the Carnbee Gas Station by widening the road, realigning the sidewalk, installing traffic signs, and relocating utilities.
- We mitigated critical road erosion through retaining systems along Idlewild Trace by improving access and safety for approximately one hundred (100) residents.
- We completed the Mount Marie to Dutch Fort Connector Road, alleviating commuting delays for commuters, parents and students, enhancing egress in Scarborough.
- We improved King Peters Bay Road access by constructing a bridge crossing, 400m of road widening and paving, kerb and slipper drainage for a major thoroughfare for both residents and tourists in the North of the island.
- We created a seamless link between Canoe Bay Road and Store Bay Local Road through the construction of road networks, including 2.5km of carriageway with drainage systems and two (2) roundabouts, improving traffic flow, reducing travel times and enhancing road safety.
- We rehabilitated Gru Gru Patch Road by undertaking improvement works consisting of the construction of a bridge, retaining walls, culvert crossing, box drains and the widening of 250m of roadway.
- We paved 253m of roadway, constructed box drains and kerb and slipper drains along the Northside Road to provide safe and reliable access to Castara.
- We engaged more than two thousand, seven hundred and fifty (2,750) community workers in the Community Restoration programme also known as the “10 on/10 off programme”, enhancing the capacity to deliver timely infrastructure services while providing short-term employment and community project involvement.

- We successfully cleaned approximately 15km of coastline from Scarborough to Crown Point, removing 60,000 barrels of oily liquid waste and 24,000 cubic yards of oily solid waste emanating from the oil spill, which occurred in February 2024. Tobago's largest ecological disaster!
- We constructed the Courland Beach Sport Arena – the first major sporting facility built on the island in over a decade.
- We completed the electrification of the Patience Hill Recreational Ground and commenced electrification works at Louis D'or Recreational Ground.
- We upgraded the swimming pools at Kendall and YMCA at Courland.

3.3 Madam Presiding Officer, please permit me to highlight some of our primary achievements in the social sector:

- We commissioned and operationalised the Roxborough Hospital, taking tertiary-level care directly to Tobagonians in the east and northeast of the island. Services available at the Roxborough Hospital include:
 - *a Dialysis Unit with five (5) dialysis chairs which has delivered almost three thousand (3,000) life-sustaining treatment sessions over the past three and a half years;*
 - *24-hour emergency care and in-patient care services;*
 - *Cataract surgeries with more than two thousand (2,000) successfully completed.*
- We also acquired cataract-related equipment at a cost of **\$1.3M**.
- We acquired and are currently installing a new Computed Tomography (CT) Scan machine at the Scarborough General Hospital at a cost of **\$8.7M**
- We enhanced service delivery at the Scarborough General Hospital which is now accredited as a '**Baby-Friendly Hospital**' by the World Health Organisation (WHO) and the United Nations Children's Fund.
- We increased the limit of the Emergency Food Card from **\$500** to an upper limit of **\$1,500** (dependent on the size of the family) delivering enhanced benefits to Tobagonians.

- We provided financial assistance to two thousand, eight hundred and fifty-six (2,856) students under the necessitous grant programme to assist with school expenses such as books, stationery and corrective lenses.
- We successfully upgraded and repaired fifty-four (54) ECCE, Primary and Secondary schools to the tune of **\$100.0M** under the school repairs programme.
- We provided financial assistance to two hundred and sixty-five (265) tertiary-level students under the Financial Assistance to Tertiary Students Programme to the tune of **\$16.4M**.
- We provided nutritious and wholesome breakfasts daily to approximately three thousand (3,000) students and daily lunches to 12,000 students at a cost of **\$106.0M**. **In addition, we have provided meals for students on the first and last week of each school term, unlike what exists in Trinidad.**
- We exposed seven hundred and fifty (750) young persons to the world of work through the Youth Department and the Youth Energised for Success (YES) Programme.
- We successfully trained approximately five thousand, one hundred (5,100) persons in the Vocational Skills Programme for the period 2022-2025.
- We successfully hosted major regional sports tourism events including:
 - Commonwealth Youth Games 2023
 - Regional Caribbean Under-14 Football Championship
 - The Tobago Cycle Classic
 - The inaugural Tobago Sand Slam Rugby Fest 2024
 - The 2024 Special Olympic Beach Games, and
 - Dream 11 Cricket Tournament
- We have distributed in excess of **\$26M** in grants and subsidies, benefitting approximately five hundred and eighty (580) residents through various instruments under the Home Improvement Programme.

- We distributed over one hundred and forty (140) parcels of land at Developments, including Blenheim, Buccoo, Belle Garden, Castara, Courland, and Kilgwyn.
- We collaborated with Habitat for Humanity to provide necessary roof repairs, benefitting over seventy-five (75) households at a cost of **\$3.0M**.
- We undertook and successfully executed the largest single street lighting exercise in the history of Tobago with the installation of five hundred and sixteen (516) streetlights across the island, inclusive of one hundred and thirteen (113) between Kings Bay and Speyside, which had been in partial darkness for decades.
- We invested **\$1.03M** in the Programme for Rural Electrification to the direct benefit of ninety (90) families.
- We established and operationalised the Housing Assistance Repair and Transformation (HART) Unit to improve the efficiency, transparency and accountability in the delivery of housing assistance grants to Tobagonians.

3.4 Madam Presiding Officer, with regard to achievements in our financial and economic operations:

- Under this Administration, approximately four thousand (4,000) new jobs were created between the last quarter of 2021 and the last quarter of 2024 in Tobago.
- We maintained low unemployment rates -- averaging 2.4 per cent over the last three and a half years.
- We successfully streamlined the Divisions' financial operations by reducing the number of operational bank accounts from forty-five (45) to just four (4). This consolidation significantly improved liquidity management, internal controls, financial oversight and cost.
- We negotiated a more efficient and predictable release schedule for subventions from the Ministry of Finance, which led to a 75 per cent reduction in overdraft interest payments, resulting in substantial cost savings for the Tobago House of Assembly.
- Only last week, we launched the Loan Guarantee Programme to support access to finance for small and medium-sized enterprises (SMEs),

providing collateral backing to encourage greater lending by enlisted financial institutions.

- We established the Tobago Development Fund, which is set to become fully operational in the first quarter of fiscal 2026. This new entity is designed to drive strategic investments in key sectors, support enterprise development, and promote inclusive economic growth across the island.
- We operationalised the Treasury Management Unit (TMU) under the leadership of the Director of Finance. The TMU enhances the monitoring and management of the Assembly's financial resources, reinforcing principles of accountability, transparency, and fiscal discipline. With the operationalisation of this Unit, we were able to complete and table six (6) financial statements today.
- We completed and submitted outstanding Tobago House of Assembly's financial statements for the fiscal years 2018 to 2023. This marks a major milestone in restoring public trust, enabling timely audits, and improving overall financial governance.
- We enhanced and increased financial support to entrepreneurs, benefiting a total of three hundred and twenty (320) Tobago-based entrepreneurs and business owners over the last three and a half years through grant and loan assistance programmes. This initiative has helped catalyse innovation, job creation, and economic resilience at the grassroots level.
- We increased salaries and wages of Community-Based Environmental Protection and Enhancement Programme (CEPEP) and Unemployment Relief Programme (URP) daily paid workers, putting an additional **\$95M** into their pockets over the last three and a half years.
- We invested **\$36.1M** under the Tourism Accommodation Relief Grants Programme to the benefit of one hundred and twenty-four (124) applicants; and **\$5.0M** under the Tourism Accommodation Upgrade Programme to the benefit of forty-six (46) applicants.
- We introduced and successfully hosted the Tobago Carnival in October 2022, 2023, and 2024, with accommodation properties reporting between 80-100 per cent occupancy during the peak days and an

estimated direct and indirect visitor expenditure of over **\$15.0M** per year.

- We established the Tobago Agriculture Research Institute that is focused on delivering industry relevant training programmes in modern, climate smart agriculture, equipping farmers and agri-entrepreneurs with skills and innovation to drive Tobago's food security and sovereignty agenda.
- We facilitated training and certification for over one thousand (1,000) farmers, agro-processors and fisher folk, empowering Tobago's primary producers with modern skills, improved techniques and recognised credentials to enhance productivity and increase market competitiveness.
- We acquired six (6) wheel tractors, one excavator, one trailer truck and one dump truck to significantly enhance the operational efficiency, responsiveness and service capacity of the Tractor Pool Department, thereby strengthening support to farmers and community-based land preparation services across Tobago.
- We successfully executed major upgrades and refurbishment works to key facilities across Tobago, namely: Roxborough Fishing facility, Bloody Bay Orientation centre, Barbados Bay Fishing Facility, Culloden Fish Facility, Buccoo Fish Facility and Research Centre, Buccoo Training Facility and the Shaw Park Packing House.

3.5 Madam Presiding Officer, the foregoing represents some of what we were able to achieve over the last three years and six months. Our achievements and deliveries were many and multifaceted, in that they covered a wide range of social and economic development sectors and issues.

3.6 Madam Presiding Officer, I will now set out in detail this Administration's Development Agenda Priorities (DAPs) for Fiscal 2026.

4 DEVELOPMENT AGENDA PRIORITIES (DAPs) FISCAL 2026

Introduction

- 4.1 Madam Presiding Officer, when this Administration took control of the Assembly in December 2021, we inherited liabilities of approximately one billion dollars (\$1.0B); fiscal and financial instability occasioned by monthly releases to the THA in open violation of the law; a twenty-one year battered and broken public service; and people without a unified vision. We moved quickly ahead of the irrelevant political noises and presented an all-embracing, ambitious vision of making “Tobago the greatest little island on the planet”, child by child, family by family, village by village. This vision has unified, inspired and energised Tobagonians across the entire island.
- 4.2 Relatedly, Madam Presiding Officer, we have designed, engineered and built our Strategic Development Planning Pathway (2025-2045). This is Tobago’s new approved development architecture which will guide, manage, monitor and evaluate the island’s socioeconomic and political transformation towards becoming the greatest little island on the planet. Our strategic development planning pathway presents and articulates twenty-one **(21) Development Agenda Priorities (A-U DAPs)** that will guide and inform our development programmes and projects. Relatedly, we have established and deployed our institutional strategy (strategic selectivity) to guide social and economic development programming and associated capital investments. And more importantly, Madam Presiding Officer, Tobagonians are now vested with a very clear and precise knowledge of the minimal constitutional transformative provisions necessary to satisfy our right to self-determination.
- 4.3 Madam Presiding Officer, it is against this backdrop, that our development agenda priorities for fiscal 2026, speak to **“accelerating growth; anchoring fiscal stability”** which is the theme of this budget statement. Putting Tobago on an accelerated socioeconomic path and anchoring the island’s fiscal and financial stability are critically urgent and important development priorities for this Administration.
- 4.4 Madam Presiding Officer, purpose-driven economic growth and fiscal stability are significant transformative variables in Tobago’s short to medium-term Strategic Development Planning Pathway. Therefore, our targeted economic

growth programme for fiscal 2026 is designed to foster sustainable job creation, grow Gross Domestic Product (GDP), improve and expand public infrastructure, elevate efficiency in public service delivery, enhance living standards, increase tax revenues and anchor fiscal stability.

4.5 In this regard, Madam Presiding Officer, we intend to make targeted capital investments in strategically selected economies and areas such as tourism, agriculture, the micro, small and medium enterprises (MSMEs) sector, infrastructure, digitisation with high uptake in artificial intelligence, system upgrades and human capital development.

4.6 Madam Presiding Officer, based on the analysis of the day-to-day issues, problems and concerns confronting Tobagonians, the work we did over the last three and half years; the twenty-one (21) development agenda priorities, within the strategic development pathway; and the deployment of our strategic selectivity framework; the following key areas were crystalised for targeted capital investment in fiscal 2026:

- Tourism and the Creative Sector;
- Agriculture;
- Infrastructure;
- Digital Technologies;
- Human Capital Development, Education and Training; and,
- Micro, Small and Medium Enterprises Sector.

4.7 I will now discuss each of these sectors in turn.

Tourism and the Creative Sector

4.8 Madam Presiding Officer, tourism remains a cornerstone of Tobago's economy with its relatively unexploited potential of attracting increasing numbers of visitors to our pristine beaches, coral reefs, green environmental credentials and vibrant cultural festivals. Tourism is therefore a significant growth variable of this Administration. The sector has shown resilience, notwithstanding its slow recovery from the impacts of the COVID-19 pandemic, which severely upended global travel. To accelerate growth in the sector, we propose to invest in product development; destination branding including strategic marketing campaigns; the promotion and support of high-

end accommodation development projects; an increase in airlift and upgrades and modernisation of the general supporting infrastructure.

- 4.9 Madam Presiding Officer, the development and promotion of sustainable community-based eco-tourism economies is aligned with global trends towards responsible travel. This, too, is within our investment matrix for the sector.
- 4.10 Madam Presiding Officer, our growth initiatives and investments are geared towards **Development Agenda Priority (DAP) R**, which articulates harnessing and monetising cultural heritage and creativity, as well as **(DAP) T**, which speaks to building sustainable community tourism economies. In this regard, we will invest in the development and promotion of the following:

- 1. The enhancement of skills and knowledge in the creative and cultural economy through training programs, including artist-in-residence initiatives, workshops, and educational projects that focus on areas such as art, craft, dance and other traditional cultural art forms.*
- 2. Promoting Tobago's cultural heritage as a unique selling point of the island's tourism product by showcasing traditional festivals, historical sites, and cultural practices to attract visitors to be eager to experience Tobago's authentic culture.*
- 3. Development of heritage tourism packages that enable visitors to explore Tobago's cultural and historical sites, featuring guided tours, cultural performances, and interactive experiences that immerse tourists in the island's culture.*
- 4. The creation of digital content that highlights Tobago's cultural heritage, including vlogs, blogs, social media posts, and online exhibitions showcasing the island's traditions, art and history to the world.*
- 5. The engagement of local communities in the preservation and promotion of their cultural heritage, ensuring artistic practices are maintained and that the advantages of cultural tourism are shared fairly among the island's communities.*
- 6. A more targeted investment in airlift, especially in new regional and international markets.*

7. The establishment of a Committee to drive the implementation of set standards and regulations within the sector.

- 4.11 Madam Presiding Officer, our investment to accelerate growth in the tourism sector will not only generate direct employment in hotels, restaurants, and tour operations. It will also stimulate growth in related sectors such as transportation, agriculture and retail, thereby contributing to overall economic vitality. Therefore, this Administration is designing a five-year (2025-2030) investment matrix for the tourism sector to increase its contribution to GDP to 20 per cent by 2030 from its current level of 14 per cent. Madam Presiding Officer, in fiscal 2026, we propose to make an initial capital investment of **\$150.2M** in the island's tourism sector. Madam Presiding Officer, we are confident that this investment will 'crowd in' private investment in the sector and further accelerate growth.

Agriculture

- 4.12 Madam Presiding Officer, the agriculture sector is another critically important growth component of Tobago's economy. This sector has the potential to generate sustainable employment through the building of productive and safe indigenous food systems. We have prioritised growth and development in agriculture through initiatives aimed at enhancing production. One such initiative is our Mega-farming Programme which is designed to stimulate agricultural innovation, strengthen local food systems and position agriculture as a viable and sustainable career path for Tobagonians. The Programme is specifically geared toward both existing and aspiring agri-entrepreneurs and individuals with a demonstrated passion for agriculture who are committed to contributing to Tobago's food security. It encourages the use of agricultural techniques, climate-smart technologies and entrepreneurial thinking.
- 4.13 Additionally, this Programme is designed to improve labour productivity and food sovereignty by the partial and targeted redeployment of workers from CEPEP and URP to support existing and future agricultural projects to promote sustainable practices. The Tobago Agriculture Research Institute (TARI) and the Tobago Agri-Technology Services Limited will provide robust educational and training opportunities.

- 4.14 In addition, Madam Presiding Officer, our food sovereignty programme that is currently being executed by the Home Gardening Unit, will be expanded to include the development and encouragement of community-based agriculture that will empower local farmers and communities to control their food production systems. This approach can involve cooperative farming models and community-supported agriculture (CSA) programmes, as well as the promotion of agroecological farming practices focusing on sustainable and regenerative agriculture. These practices include crop rotation, agroforestry and the use of organic fertilisers to maintain soil health and biodiversity. We are also providing financial support and technical assistance to agro-processors to scale up their productions and thus, an uptake of outputs from the sector.
- 4.15 Another focal area is the establishment of local seed banks to preserve and promote the use of indigenous and traditional crop varieties. This has the aim of ensuring genetic diversity and resilience against pests, diseases and climate change. Relatedly, the development of efficient irrigation systems to support year-round farming, particularly in areas susceptible to water shortages is also another actionable item. This will include rainwater harvesting systems, drip irrigation, and the construction of dams and reservoirs.
- 4.16 Madam Presiding Officer, we also propose to do island-wide education and capacity building programmes to enhance our farmers' knowledge on modern agriculture techniques, sustainable practices and the use of smart agriculture technologies and science. The Tobago Agriculture Research Institute (TARI) and the Tobago Agri-Technology Services Limited will play a lead role in this initiative. Collectively, Madam Presiding Officer, these are essential strategies for revitalising and accelerating the growth of the agricultural sector and advancing our achievement of **Development Agenda Priority (DAP) N, in our development planning pathway, which speaks to food sufficiency and sovereignty. In this regard, we are developing a five-year (2025-2030) transformative capital investment portfolio for this sector which is being designed to increase the sector's contribution to GDP to 6 per cent by 2030 from its current contribution of under 1 per cent.**
- 4.17 Madam Presiding Officer, in fiscal 2026 we propose to make a capital investment of **\$131.9M** in the island's agriculture sector. This investment

portfolio will be led by the Division of Food Security, Natural Resources, the Environment and Sustainable Development, working collaboratively with farmers and other stakeholder entities that have actively participated in our pre-budget consultations.

Infrastructure

- 4.18 Madam Presiding Officer, investment in public infrastructure is widely used as a significant economic growth accelerator. Therefore, this Administration has calculated that infrastructure development will be a powerful driver of economic growth in Tobago. Investments in predictable, reliable and safe public transportation systems, roads, utilities, and digital infrastructure are all essential. These systems are necessary for facilitating commerce, attracting private investment, and improving the general quality of life for residents and the experiences of visitors. This Administration proposes to make significant investment in public infrastructure upgrades. These upgrades will take place particularly in road networks; public utilities; public housing; and coastal protection systems. Upgrades will also include enhanced airlift connectivity with both Trinidad and our international markets, in order to accelerate socioeconomic growth.
- 4.19 Madam Presiding Officer, our investment in infrastructure projects will immediately create employment, both during construction and through improved service and access in the long term. A better island transportation and communication system will reduce travel time and costs, thereby leading to efficiency for businesses and individuals, with the knock-on effects of enhanced productivity. Relatedly, high-quality improvements in the public infrastructure landscape have the potential of attracting both domestic and foreign investors. Moreover, safe and reliable roads, ports, and utilities will enhance the general business environment, enticing companies to set up operations on the island.
- 4.20 Madam Presiding Officer, there is also the multiplier effect of our proposed investment in infrastructure, where spend impact leads to increase economic activities, resulting in higher consumer spending and further job creation. It also promotes social equity and inclusion by bridging gaps in access to essential services, helping rural and marginalised communities through inclusive growth. Similarly, investment in modern infrastructure can contribute to

sustainable development goals, by integrating green technologies and practices that minimise negative environmental impacts. Madam Presiding Officer, a robust public infrastructure system will certainly elevate Tobago's capability to withstand shocks occasioned by natural disasters, ensuring continuity of service delivery and rapid recovery.

- 4.21 Madam Presiding Officer, our proposed infrastructure investment initiatives are in full alignment with **Development Agenda Priority (DAP) J**, that speaks to safe, efficient and affordable public transportation, **(DAP) K**, that addresses sustainable, urban, suburban and liveable village communities and **(DAP) O**, that articulates affordable housing solutions for all. Relatedly, we are developing a five-year (2025-2030) investment programme aimed at increasing our investment in public infrastructure to 30 per cent of GDP by 2030. In fiscal 2026, we programmed for an investment of **\$291.2M** in public infrastructure development and improvement works. This initiative will be led by the Division of Infrastructure, Quarries and Urban Development and the Division of Settlements, Public Utilities and Rural Development.

Digital Technologies

- 4.22 Madam Presiding Officer, in the contemporary landscape of global economics and social development, digital technologies have become pivotal in accelerating growth across various sectors. Therefore, our proposed investment aimed at integrating digital tools into the business operations of the THA, governance, and everyday life will not only enhance efficiency but will also unlock new avenues for innovation, productivity and competitiveness. The deployment of digital technologies will streamline processes, simplify work, reduce operational costs, and improve resource allocation. Automation and Artificial Intelligence (AI) will enable tasks to be performed with greater speed and accuracy, thereby significantly enhancing productivity. For instance, we have been recording improved efficiencies in our financial transactions using the online banking tool Automated Clearing House (ACH) and the digital procurement platform (E-tender). We can also leverage the use of AI for customer service delivery and data analysis which will increase efficiency, output and drive socioeconomic growth.
- 4.23 Further, Madam Presiding Officer, the integration of digital technologies into the operation of the THA will break down geographic (rural) barriers, enabling

the man in Charlotteville or even Lanse Fourmi to enjoy the same real-time access to services as the woman in Scarborough through online portals. Investments in E-government customer service portals will afford Tobagonians the enhanced options of logging in, applying for and accessing public goods and services, without having to leave the comfort of their homes. Relatedly, mainstreaming the use of digital technologies has the potential of facilitating skills development and workforce empowerment which are important for adapting to the ever-evolving labour market. A digitally skilled workforce is essential for driving innovation, operational effectiveness, and efficiency. Additionally, remote work capabilities will enable the THA to acquire talent from diverse locations, broadening the talent pool in its public service delivery matrix.

- 4.24 Madam Presiding Officer, digital technologies are also now playing significant roles in the achievement of sustainable economic growth. Smart technologies and big data analytics enable more efficient use of resources, contributing to environmental sustainability. For instance, the application of smart agriculture technologies optimises water and fertiliser usage, reduces waste, enhances crop yield and supports sustainable practices.
- 4.25 Digital technologies are undeniably powerful accelerators of economic growth. By enhancing productivity; fostering innovation; expanding access to government goods and services; empowering the workforce; and by driving sustainable practices, our deployment and integration of these technologies will reshape Tobago's socioeconomic landscape. Our long-term goal is to make the THA a data-intelligent institution (and its workforce data literate), thereby transforming it into a data-driven decision-making entity. To harness this potential and achieve our goals, we have prioritised investment in digital infrastructure, training, and inclusive policies that will ensure equitable access to technology for all Tobagonians.
- 4.26 Madam Presiding Officer, the above is in keeping with our **Development Agenda Priorities (DAP) C**, that defines a digitally driven competitive society and economy and **(DAP) D**, which speaks to an efficient, effective and accountable public service. Madam Presiding Officer, we are engineering a five-year (2025-2030) capital investment programme aimed at integrating and mainstreaming digital technologies into the business operations of the

Assembly. Therefore, we propose to make an investment of **\$37.4M** in digital technologies and supporting infrastructure in fiscal 2026. ***This initiative will be led by the Office of the Chief Secretary in collaboration primarily with the Division of Finance, Trade and the Economy and the Division of Education, Research and Technology.***

Human Capital Development, Education and Training.

- 4.27 Madam Presiding Officer, in today's fast-paced and ever-changing socioeconomic landscape, the importance of human capital development cannot be overstated. As Tobago adapts to technological advancement and shifting demands of the island's population, the need for a skilled and adaptable workforce is paramount. Therefore, investment in human capital development, task-specific training and public education are vital growth accelerators enhancing productivity and fostering innovation.
- 4.28 Human capital development refers to the targeted enhancement of the collective skills, knowledge, and experiences of individuals within the employment of the THA. Our proposed investment in human capital is essential for preparing workers to meet the challenges of a growing and more dynamic Tobago. We have calculated that our human capital investment initiative will result in higher employee engagement, increased overall performance and cultivating a culture of continuous learning and worker adaptability.
- 4.29 Our task-specific training is designed to ensure that employees are equipped with the precise skills needed to perform their tasks effectively and efficiently. This targeted approach will ensure that workers are both competent and confident in their ability to perform and meet the requirements of their jobs. It is a fact that employees who receive task-specific training tend to perform their jobs more proficiently, which leads to higher output levels and better quality of products and services. Relatedly, when employees are well-trained in specific tasks, they are more likely to innovate and contribute to process improvements. This will lead to the development of new products, services, or operational efficiencies that drive and accelerate growth. It is worth noting here, Madam Presiding Officer, that this Administration has started its task-specific training programme, in areas such budgeting, treasury and financial

management, with technical support from CARTAC and the Accounts Coaching programme led by the Office of the Chief Secretary (OCS).

- 4.30 Madam Presiding Officer, while task-specific training addresses immediate skill needs, our long-term comprehensive human capital development strategy takes a broader approach by focusing on the island's entire education system, honing in on how we are educating our children and the related learning achievements and outcomes. In this regard, the modernisation of the island's education system, to deliver 21st century learning opportunities and knowledge outcomes is a critically important development agenda priority of this Administration. Our reform programme will span from pre-school to tertiary education, with an intense focus on special needs students.
- 4.31 Madam Presiding Officer, this Administration is developing a five-year (2025-2030) capital investment programme to enhance the island's human resource capabilities and general education achievements. This investment programme is geared towards the realisation of **Development Agenda Priority (DAP) B**, which speaks to a highly educated and innovative population and **DAP Q**, which articulates full inclusion of all persons with disabilities and special needs in all aspects of the society and economy. The precise goal is to increase the percentage of the island's workforce with post-secondary education to 30 per cent by 2030 from the current level of 22 per cent. In fiscal 2026, we propose to invest **\$159.9M** in our human resource development programme. The Division of Education, Research and Technology and the Office of the Chief Secretary will lead this initiative.

Micro, Small and Medium Enterprises Sector

- 4.32 Madam Presiding Officer, targeted investments in the micro, small and medium enterprises (MSMEs) sector are increasingly being recognised as a cogent accelerator of socioeconomic growth and development. The Tobago Business Register 2023 revealed that in excess of 90 per cent of the businesses in Tobago are categorised as Micro, Small and Medium enterprises. In small developing economies like ours, MSMEs are significant contributors to employment, accounting for a substantial share of jobs outside of the government sector where formal employment opportunities are limited. Our targeted investment in MSMEs is not aimed only at job creation and reducing unemployment, but also to anchor economic stability and resilience.

- 4.33 Madam Presiding Officer, by providing financial support, access to business management technologies, and training resources, we are empowering the island's MSMEs to scale up, innovate, develop new products, and improve their goods and services. Innovation and scaling are critical for enhancing our economic competitiveness and driving economic growth, as they will encourage a culture of creativity and problem-solving. MSMEs set up a significant pathway to employment for marginalised groups, including women and youth, who may face barriers entering the formal labour market.
- 4.34 Madam Presiding Officer, our investment records in this sector through the Business Development Unit (BDU) and Venture Capital Equity Fund Ltd have facilitated economic empowerment by providing individuals with the necessary technical skills and financing to start and grow their businesses. Therefore, this Administration has calculated that our proposed targeted investment in the sector will not only enhance the livelihood of the beneficiaries but also contribute to a more equitable socioeconomic landscape, reducing income disparities and build social cohesion and stability.
- 4.35 Our calculated and targeted outcome, Madam Presiding Officer, is to increase the MSMEs sector's contribution to the island's GDP and employment, thereby reducing the current share of the labour force employed in the state sector from its current 54 per cent. As we continue to implement business development policies and programmes, such as the Tobago Development Fund (TDF) and the Loan Guarantee Programme which was formally launched last week. These initiatives will provide technical support and access to cost-efficient financing to MSMEs, thereby impacting their ability to scale operations and increase productivity and production. Adjacent, the research has shown that there is great need for technical and business administration support. As such, the Division of Finance, Trade and the Economy is partnering with the Tobago arm of the Chamber of Industry and Commerce and the Bankers Association of Trinidad and Tobago (BATT) towards ensuring that this much-needed support is provided and readily available to all operatives in the sector.
- 4.36 This Administration understands, Madam Presiding Officer, that investing in the micro, small and medium enterprises sector serves as a critical growth accelerator, driving economic development and ensuring an equitable future for all. Our proposed targeted investment in the MSMEs sector is in alignment

with **Development Agenda Priority (DAP) A**, which speaks to targeted GDP growth through “capital” investment in key economies and **(DAP) U**, which outlines growth in micro, small, medium-sized and large enterprises. We are formulating a five-year (2025-2030) investment programme aimed at growing the sector’s contribution to GDP. In fiscal 2026, we propose to make an investment of **\$93.5M** in the island’s MSMEs sector. This investment portfolio will be administered and managed by the Division of Finance, Trade and the Economy, working collaboratively with other stakeholder financial institutions.

4.37 I will now turn your attention to the other critical sectors.

Other Critical Sectors

4.38 Madam Presiding Officer, in addition to the areas and sectors presented above for growth accelerated targeted capital investment in fiscal 2026, we will continue to expand and enhance our works and spend in our **healthcare service delivery, community development, youth development, sport, settlements, public utilities and rural development**. We view these areas as very important in maintaining and improving the quality of life and standard of living of Tobagonians. Therefore, in the case of healthcare service delivery improvement in fiscal 2026, we will continue with the acquisition of new and modern diagnostic machinery as well as with medical digital technologies, including artificial intelligence to be used to analyse and report on diagnostic data and images. We also propose to do physical infrastructure expansion works to both the Scarborough and Roxborough hospitals, to better accommodate and meet the growing needs of our clients. Relatedly, infrastructure upgrade works are also programmed to be executed on some of the island’s primary healthcare facilities. Moreover, Madam Presiding Officer, we will continue to take all the necessary and required actions to enhance the public healthcare experiences, inclusive of a reduction in wait time and an increase in the healthy life expectancy of Tobagonians at birth to seventy (70) years from its current level of sixty-two (62) years.

4.39 Madam Presiding Officer, our proposed programme of works is aimed ultimately at improving the island’s healthcare services delivery and protecting the most socially vulnerable in the society. This work programme is in direct alignment with **Development Agenda Priority (DAP) E**, that

- articulates a modern and efficient healthcare system and **DAP H**, that addresses the protection and care of the most socially vulnerable in the society.
- 4.40 Madam Presiding Officer, our aim is to create a spiritually fulfilled, prosperous, and happy citizenry which is anchored in the **Development Agenda Priority (DAP) P**. In this regard, we are developing a five-year (2025-2030) investment matrix which is being designed to initiate the modernisation and the elevation of efficiency in Tobago's healthcare and social services delivery systems. Madam Presiding Officer, in fiscal 2026, we are proposing a capital investment of **\$670.4M**. The Division of Health, Wellness, and Social Protection will lead this initiative in collaboration with the Tobago Regional Health Authority (TRHA).
- 4.41 In the work programmes of community development, youth development and sport, Madam Presiding Officer, we will continue with increased focus and effort to transform our island into a socially and economically sustainable and safe community. In this regard, we will strategically increase our spend towards ensuring that our communities are safe and have appropriate green and functioning social infrastructure to adequately meet their needs. Relatedly, Madam Presiding Officer, given that Tobago is, in the main, an island of coastal communities, we will promote adaptation to climate change and living with the sea. This will include coastal protection and restoration, sustainable water management and the building of climate-resilient public infrastructure. Adjacently, we will continue to mobilise, organise and empower residents and community groups to participate and take control of the social, cultural and economic fabric of their communities.
- 4.42 Madam Presiding Officer, in the areas of youth development and sport, this Administration will continue to provide technical skill training and capacity development opportunities for the island's youth and young people through programmes such as the community-based vocational training and youth internship programmes. Relatedly, our sport development work programme for fiscal 2026 aims at starting the monetisation of sport and outdoor recreation. This will commence with valuing Tobago's current and future sporting talents, as well as its outdoor and indoor recreational spaces, and the identification of opportunities that can act as a catalyst for investing in sport infrastructure. In this regard, we will invest in the development of a pathway

for harnessing the island's talented athletes through an amateur-to-professional sports pipeline and the construction of modern state-of-the-art facilities to support this initiative.

- 4.43 Madam Presiding Officer, this Administration intends to use sport as a vehicle for the diversification of the tourism offerings, building on several ongoing initiatives such as the international youth cricket tournament and international diving meet. These and other upcoming events are being led by the recently established sport tourism unit working in collaboration with the relevant sporting associations and other community stakeholders.
- 4.44 Madam Presiding Officer, our proposed programme of works in the areas of youth development and sport is informed by the **Development Agenda Priority (DAP) S**, which speaks to monetising sports and outdoor recreation. We are building a five-year (2025-2030) investment portfolio for the development of our youth and monetisation of sports. In fiscal 2026, we propose to invest **\$96.1M** in these initiatives.
- 4.45 Madam Presiding Officer, our portfolio of works in settlement, public utilities and rural development goes beyond our public housing infrastructure works mentioned earlier. Central to the Division's work is the provision of affordable housing which will ensure that all Tobagonians have access to housing solutions designed to meet existing demands and needs while also considering future demands and needs based on population growth and household formation rates. Madam Presiding Officer, we emphasise needs in addition to demand because, given the price of land and housing services in Tobago and the island's relatively low average income, many residents are unable to participate in the open housing market.
- 4.46 In this regard, this Administration has developed a suite of initiatives including subsidised housing for first-time homeowners, social housing, land affordability schemes, resilient housing designs, rental assistance, and home improvement grants and subsidies. These initiatives are in direct alignment with **Development Agenda Priority (DAP) O**, which emphasises affordable housing solution for all. Relatedly, we are engineering a five-year (2025-2030) investment matrix which is being designed towards the achievement of **DAP O**. In fiscal 2026, an investment of **\$134.2M** is programmed to fund these initiatives. The Division of Settlements, Public Utilities and Rural

Development will lead the implementation and management of this work programme in collaboration with the Tobago Urban and Rural Housing Company, and other international and national industry stakeholders.

- 4.47 Madam Presiding Officer, I will now present this Administration's policies and strategies to anchor fiscal stability.

Anchoring Fiscal Stability

- 4.48 Madam Presiding Officer, fiscal stability refers to the ability of a government to manage its finances (cashflow) sustainably, ensuring that its revenues are sufficient to meet its expenditures without having to resort to excessive borrowing. Stable fiscal policies create an environment conducive to investment and economic growth. Fiscal stability enhances public trust and confidence in government with stable revenues to fund essential public services such as healthcare, education and infrastructure. A government anchored by fiscal stability is better equipped to handle economic shocks occasioned by recession or natural disasters.
- 4.49 Fiscal stability is therefore the foundation on which sustainable economic development and social well-being are built. Unfortunately, the Tobago Island government i.e. the THA is currently constitutionally and legislatively debarred from exercising any authority for fiscal policy matters on the island, outside of revenue collection. In our colonial republican constitutional construct, Madam Presiding Officer, all authority for fiscal policy is vested in the Central Government of Trinidad and Tobago. Therefore, fiscal stability for the Tobago Island government can only be anchored by the ***effective and meaningful completion of the decades-old ongoing internal self-government project which was purposefully stalled over the last ten years.***
- 4.50 In this regard, and seemingly with a more progressive and reasonable new Central Government in office, this Administration will aggressively and relentlessly pursue the required constitutional transformation and adjacent legislative changes that will effectively accord Tobagonians, our rights to self-determination. Madam Presiding Officer, immediately after the elections of April 28th, this Administration developed and presented its pathway to internal self-government. In fact, it was only last month the Honourable Chief Secretary, presented a motion seeking to collaboratively advance the

completion of the self-government project. Sadly, but not surprisingly, the motion was passed without the expressed support of the two minority sides.

- 4.51 Madam Presiding Officer, this Administration and Tobagonians are now clinically aware of the minimum transformative constitutional amendments necessary to complete our internal self-government project. In the context of building fiscal stability, a constitutional guarantee of a **minimum of 7 per cent** of the national budget (and any other allocation), must be appropriated to meet the expenditure of the THA in a given fiscal year.
- 4.52 Additionally, the new internal self-government constitutional arrangements must also promote and protect the rights of the THA to borrow, and to directly access grant funding from international agencies without the need for any non-objection from Port of Spain. These critical provisions will clothe the fiscal and financial operations of the THA with integrity, clarity, predictability and anchor its stability. They also provide pillars on which a just and equitable fair-share revenue framework will be built and sustained.
- 4.53 Madam Presiding Officer, our proposed strategic investments to accelerate growth in various sectors of the island's economy will broaden the tax base thereby increasing revenues, which will help anchor fiscal stability. Controlling expenditures with a deliberate focus on eliminating wasteful expenditure and ensuring that spending is directed towards programmes and projects that yield the highest spend impacts will also contribute to fiscal stability. Relatedly, the setting of clear fiscal rules that limit budget deficits and deficit levels; the establishment of a debt management framework; the regular monitoring of fiscal performances and evaluating outcomes of deployed strategies are other anchors in the fiscal stability matrix.
- 4.54 Madam Presiding Officer, the outstanding balance of the \$1.0B liabilities that were inherited in December 2021, from the former PNM administration, continues to pose a threat to our effort to achieve fiscal stability. In our restricted fiscal space, we managed and paid approximately **\$300M** for recurrent liabilities, and over **\$75.0M** in development programme debts owed to contractors without compromising our development programme and service delivery. In this regard, we are in discussion with the Minister of Finance on financing strategies to meet the bond financing **\$165.0M** bullet payment that is due in 2027. We are also seeking reimbursement from the Central

Government for the **\$15.0M** we used from our contingency funds to meet expenditure associated with the oil spill.

- 4.55 Madam Presiding Officer, the foregoing suite of strategic initiatives aimed at anchoring fiscal stability in the operations of the THA and its allied agencies is directly aligned to the ***Development Agenda Priority (DAP) F, that emphasises constitutional autonomy within the twin-island Republic of Trinidad and Tobago.*** These initiatives will be led by the Office of the Chief Secretary and the Division of Finance, Trade and the Economy. In fiscal 2026, an investment of **\$7.0M** has been budgeted to fund these initiatives.
- 4.56 Madam Presiding Officer, I now present the draft Estimates of Expenditure for Fiscal 2026.

5 THE 2026 EXPENDITURE ESTIMATES

- 5.1 Madam Presiding Officer, for fiscal 2026, the total **Estimates of Expenditure** amount to **\$3.71B**, of which the Estimates of Recurrent Expenditure amount to **\$2.71B** and Development Programme Expenditure Estimates total **\$1.0B**. URP Estimates amount to **\$91.9M** and CEPEP Estimates amount to **\$43.4M**. The total estimates of expenditures are predicated on a projected national budget of **\$63.5B** and requested share of **5.9** per cent.
- 5.2 Let me state here, Madam Presiding Officer, any **allocation to the THA in Fiscal 2026** that is less than the **5.9 per cent** will constitute a non-alleviation of the per capita expenditure inequality that has defined the national budget and its appropriation bill since 1962. Basically, all Tobago is requesting is per capita expenditure equality, as a minimum revenue share to the THA, based primarily on the island's population as a percentage share of the national population. In dollars and cents, this is calculated as **\$5.90** out of every budgeted **\$100** in projected national expenditure in Fiscal 2026. Madam Presiding Officer, this is a fair, just and reasonable request, taking into consideration that the Parliament recognised the growth in the island's population and, in turn, legislated an increase in the island government from 12 to 15 seats in 2021, an increase of 25 per cent.
- 5.3 It must be noted, Madam Presiding Officer, that any investment in the development of the Tobago economy constitutes an investment in the

development of our national economy. Tobago has a critical role to play in the national economic diversification thrust that is needed now more than ever. Our nation cannot live up to its fullest potential if a significant part of our nation is not contributing optimally to our overall development. The foregoing are the reasoned economic justifications which guided our budgetary request.

a. Recurrent Expenditure Estimates

5.4 Madam Presiding Officer, the Recurrent Estimates for Fiscal 2026 totalling **\$2.71B** are disaggregated as follows:

- | | |
|-----------------------------------|----------------------|
| ▪ Personnel Expenditure | \$787.3M; |
| ▪ Goods and Services | \$809.0M; |
| ▪ Minor Equipment Purchases | \$43.1M; and, |
| ▪ Current Transfers and Subsidies | \$1,070.6M. |

5.5 Madam Presiding Officer, the disaggregation of the **Recurrent Estimates by Divisions for Fiscal 2026** is as follows:

- | | |
|---|------------------|
| ▪ Assembly Legislature | \$25.7M; |
| ▪ Office of the Chief Secretary | \$184.4M; |
| ▪ Division of Finance, Trade and the Economy | \$262.1M; |
| ▪ Division of Tourism, Culture, Antiquities and Transportation | \$179.5M; |
| ▪ Division of Education, Research and Technology | \$476.5M; |
| ▪ Division of Community Development, Youth Development and Sport | \$122.6M; |
| ▪ Division of Infrastructure, Quarries and Urban Development | \$381.7M; |
| ▪ Division of Food Security, Natural Resources, the Environment and Sustainable Development | \$188.6M; |
| ▪ Division of Health, Wellness and Social Protection | \$845.6M; |
| ▪ Division of Settlements, Public Utilities and Rural Development | \$43.2M; |

b. Development Programme Expenditure Estimates

5.6 Madam Presiding Officer, our investment Estimates for the **Development Programme for Fiscal 2026 total \$1.0B**. The Estimates are disaggregated across the sectors as follows:

▪ Pre-investment	\$0.5M;
▪ Productive Sectors	\$1.5M;
▪ Economic Infrastructure	\$447.8M;
▪ Social Infrastructure	\$435.4M;
▪ Multi-sectoral and Other Services	\$114.8M;

5.7 Madam Presiding Officer, in keeping with the Administration's investment matrix programmed to accelerate growth, the capital investment estimates for the infrastructure priority in Fiscal 2026 are **\$291.2M**. This investment will primarily be undertaken by the Division of Infrastructure, Quarries and Urban Development.

5.8 The capital investment estimates for the tourism and creative sector priority amounts to **\$150.2M**. The primary entity charged with making this investment is the Division of Tourism, Culture, Antiquities and Transportation and its related Special Purpose Entities.

5.9 The digital technologies capital investment estimates amount to **\$37.4M**. The primary entities charged with this investment are the Office of the Chief Secretary, the Division of Finance, Trade and the Economy and Tobago Information Technology Limited (TITL).

5.10 Madam Presiding Officer, the capital investment estimates for the Human Capital Development, Education and Training development priority total **\$159.9M** in fiscal 2026. The primary entities responsible for this investment are the Division of Education, Research and Technology, the Office of the Chief Secretary, and the Division of Community Development, Youth Development and Sport.

5.11 In keeping with our growth-accelerating strategy of making agriculture a development priority, the capital investment estimates for agriculture total **\$131.9M** in fiscal 2026. The capital expenditure in terms of this priority would be undertaken primarily by the Division of Food Security, Natural Resources, the Environment and Sustainable Development.

- 5.12 Madam Presiding Officer, in keeping with our development priority to grow the micro, small and medium enterprises sectors, the capital investment estimates total **\$93.5M** in fiscal 2026. The capital expenditure relating to this development priority will be undertaken primarily by the Division of Finance, Trade and the Economy.
- 5.13 As we continue to address the housing needs of Tobagonians, the capital investment estimates for this development priority in fiscal 2026 amounts to **\$134.2M**. The Division of Settlements, Public Utilities and Rural Development and the Tobago Urban and Rural Housing Company are the entities charged with this mandate.
- 5.14 Madam Presiding Officer, as we continue to address healthcare, public health and social services delivery, we propose an investment of **\$670.4M** in fiscal 2026, under the Division of Health, Wellness and Social Protection and the Tobago Regional Health Authority.
- 5.15 As we move to provide opportunities for Community Development, Youth Development and Sport, we propose an expenditure of **\$96.1M** in fiscal 2026. The Division of Community Development, Youth Development and Sport is the entity charged with this mandate.
- 5.16 Madam Presiding Officer, I now present the financing options.

6 FINANCING THE 2026 EXPENDITURE ESTIMATES

a. Estimates of Tax and Non-Tax Revenues

- 6.1 Madam Presiding Officer, for Fiscal 2026, the estimates of tax and non-tax revenues are as follows:

1. Taxes on Income and Profits	- -	\$152.66M
2. Taxes on Property	- -	\$0.40M
3. Taxes on Goods and Services	- -	\$60.87M
4. Taxes on International Trade	- -	\$2.60M
5. Other Taxes	- -	\$7.00M
Total Tax Revenue	- -	\$223.53M
6. Property Income Taxes	- -	\$0.04M

7. Other Non-tax Revenue	- -	\$1.94M
Total Non-Tax Revenue	- -	\$1.98M
Total Revenue	- -	\$225.50M

- 6.2 Madam Presiding Officer, the total revenue projected to be collected in Tobago for Fiscal 2026 is **\$225.50M**. However, it must be noted here that this is **NOT** an accurate and true picture of the revenues generated in Tobago because there are significant revenue streams generated in Tobago that are collected in Trinidad.
- 6.3 Madam Presiding Officer, the Central Government has legislatively executed its long-held position to repeal the Trinidad and Tobago Revenue Authority (TTRA) and Property Tax Act. It is worth mentioning here that the THA had significant concerns with the legislative set-up of the TTRA, which was raised with the former Minister of Finance, who eventually identified with our concerns. However, up to the time he was electorally removed from office, our concerns were not materially addressed. In addition, segments of the island's population had serious issues with the property tax. Therefore, the action taken by the Central Government to repeal the TTRA is a very much welcome development for this Administration.

b. Multilateral Engagements

- 6.4 Madam Presiding Officer, this Administration intends to intensify its relationships with the multilateral funding agencies such as the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), and the United Nations Development Programme (UNDP) towards enhancing access to loans, grant funding and technical assistance. One of the major challenges experienced in accessing grant funding from multilateral agencies is the failure of the last Central Government to provide the required non-objection. Madam Presiding Officer, case in point, over a year ago the IDB approved TT \$100,000 to assist with some of the preparatory work for the Tobago Development Fund. Notwithstanding several letters and phone calls to the responsible Ministry, up to now the non-objection letter was not sent to the IDB for the THA to access to this much needed financial assistance. Similarly, a US\$32M loan was approved by the IDB for the Riseland Housing

Development and the Urban Revitalisation of Scarborough Projects. However, due to deliberate administrative delays by the Former PNM Central Government, we were unable to access this loan to advance these two critical projects. All these matters were recently discussed with the new Central Government and the IDB and are actively being resolved.

- 6.5 In addition, a **US \$100M** loan was approved by the Development Bank of Latin America / Corporación Andina de Fomento (CAF) for coastal protection and restoration works in Tobago. Since coming into office, this Administration has made several attempts to access this funding without success. With the new Minister of Finance now sitting as the chairman of CAF, this certainly presents new opportunities for access to this loan, as announced in the mid-year review last week.
- 6.6 Madam Presiding Officer, the Assembly is actively engaged in an ongoing technical assistance mission with CARTAC, the regional technical assistance arm of the International Monetary Fund (IMF). I am therefore pleased to announce that shortly following this budget presentation, we will be welcoming a team of CARTAC consultants for a diagnostic assessment of the treasury management systems. As a result, the public can expect to see measurable improvements in the speed and efficiency of public financial management and payments made across the Assembly. In addition, a priority commitment has been made for the internal audit staff to participate in regional intensive training programmes being hosted by CARTAC later this year.

c. Long-term Borrowing

- 6.7 Madam Presiding Officer, we will continue our programme which is geared towards the development of sustainable and predictable revenue streams in our special purpose companies, thereby enhancing their ability to engage in long-term commercial borrowing and equity financing. The companies that are selected for the first phase of this programme are the Studley Park Enterprises Limited (SPEL), the Eco-Industrial Development Company of Tobago (E-IDCOT) Limited, and the Pigeon Point Heritage Park Company Limited. The core business activities of these companies make them ready candidates for this long-term borrowing for revenue-generating initiatives.
- 6.8 Madam Presiding Officer, I now bring the curtain down on this presentation.

7 CONCLUSION

- 7.1 Madam Presiding Officer, as I move to bring my maiden budget presentation to an end, I wish to reiterate that this Administration's 2026 fiscal package signifies a pivotal moment in our collective journey to transform Tobago into a prosperous economy defined by sustained growth and fiscal stability. We have carefully assessed external factors that influence our economy and tailored our strategies to mitigate risks while seizing emerging opportunities. Our development agenda priorities reflect a holistic approach to the island's socioeconomic advancement, as we continue the journey along the path of developing Tobago into the greatest little island on the planet.
- 7.2 By our targeted investments in tourism, agriculture, digital technologies, infrastructure, human capital development (education), and the micro, small, and medium enterprises sectors, we are addressing immediate needs and at the same time establishing a solid foundation for long-term resilience and economic diversification. Ultimately, our fundamental objective is ***to accelerate growth and anchor fiscal stability***. Madam Presiding Officer, each sector is a crucial element within the broader tapestry of the island's economy; when strengthened, they will collectively enhance our social and economic landscape.
- 7.3 Fiscal responsibility remains central to our governance. The expenditure estimates presented in this document reflect the collective aspiration of the people of Tobago to see social and economic transformation of our beautiful island and to improve our quality of life. They also represent our persistent quest for equity in the allocation of budgetary resources to Tobago.
- 7.4 Moreover, Madam Presiding Officer, achieving the milestone of bringing the Tobago House of Assembly's financial statements up to date is not merely a procedural accomplishment; it stands as a testament to this Administration's steadfast dedication to good governance, transparency and public accountability. It also underscores our commitment to ensuring that every dollar will be judiciously spent and strategically allocated to the benefit of Tobagonians.

- 7.5 We have made significant advancements in enhancing the quality of life for our citizens, ensuring the benefits of our economic policies and programmes are felt across all segments of society. The gains made send a powerful message: progress is attainable when we work diligently and collaboratively towards a shared goal. Madam Presiding Officer, it reaffirms our promise to Tobagonians that their trust is well-placed, and that we are committed to upholding the principles of integrity and transparency in all that we do.
- 7.6 As we face the challenges that lie ahead, it is crucial for us to remember that the path to success is built upon partnership and community engagement. I encourage every member of this Assembly, our stakeholders, and all Tobagonians to continue actively participate in the discussions surrounding our policies and plans aimed at making Tobago the greatest little island on the planet. Your voices, insights, and experiences are invaluable in shaping policies that respond effectively to the needs of our diverse population.
- 7.7 Madam Presiding Officer, I want to urge us to embrace the future with renewed vigour, positivity, hope and determination to realise the full potential of Tobago. May we draw inspiration and courage from the progress we have made and remain motivated by the possibilities that lie ahead.
- 7.8 Thank you for your steadfast commitment to Tobago's advancement, and let us continue to work collaboratively as we take **sound strategic steps** towards achieving our shared vision of Tobago becoming *the greatest little island on the planet*. Thank you.
- 7.9 I beg to move.



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