



CONTRIBUTION TO THE 2018-2019 BUDGET

BY

THE HON. BRENT SYMONETTE, MP

**MINISTER OF FINANCIAL SERVICES, TRADE &
INDUSTRY, AND IMMIGRATION**

HONOURABLE HOUSE OF ASSEMBLY

PARLIAMENT SQUARE

BAY STREET

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Mr. Speaker,

A year ago I became a Member of Parliament representing the great constituency of St. Anne's, and assumed the post of Minister of Financial Services, Trade & Industry and Immigration, an honour that I am grateful to have bestowed on me.

I listened with much interest as the Honourable Deputy Prime Minister and Minister of Finance as he introduced this years Budget. I too agree that it is a landmark and transformative Budget which will adopt a new approach to the fiscal affairs of our country, in the way it is managed, becoming more responsible, transparent and accountable. I too believe that the present budget will bring about much needed transformation of both public financial management and our economy in order to secure a better life and future for all Bahamians. I also believe that Bahamians want to know the truth about the state of, and prospects for our economy and public finances and what the Government plans to do about the challenges we as a country face.

Mr. Speaker,

Financial Services, as you all know, is the second pillar of our economy, second only to Tourism. It employs more than 20,000 people directly and indirectly, and accounts for more than 15% of the country's GDP. Financial Services is connected to all other industry sectors in our economy and supports the growth of these sectors. As

Minister with responsibility for Financial Services, I will work diligently to ensure that this pillar of our economy remains strong, for the preservation of the Bahamian people.

Mr. Speaker,

Some very tough decisions have been made regarding VAT for the continued sustainability of the Bahamian economy. If we are serious about keeping the Bahamian economy healthy, more tough decisions will have to be made.

The battle is not over. We have to be more decisive and direct to meet the pressures and demands of the international bodies governing our activities in order to maintain the status quo and eventually rise above it. Financial services is an industry that is constantly being threatened by increased global regulatory standards, unscrupulous persons wishing to use it for illicit or illegal activity, and technological changes that threaten human capital allocation in the future.

Mr. Speaker,

We need to stand ready as we enhance systems and processes to comply with ever increasing global regulatory standards, create and amend legislation and enforcement actions to thwart against illicit or illegal activity, and sharpen human resources education and development to adapt to technological advances.

Mr. Speaker,

Our regional counterparts, recognize the potential of financial services as an industry, and have been strategically positioning themselves as viable competitors, focusing attention and resources in building this sector of their economies. As a result, they have increased market share in the financial services sector over the past 10 years.

We must wake up and commit to doing the things we do well, better, and change what is not working. And that entails every Bahamian and resident doing their part. We cannot continue to do the same things and expect different results.

Mr. Speaker,

Our progress thus far, has primarily been attributable to domestic adjustment efforts, rather than to exogenous factors. They consist of new legislation and legislative amendments that affect various industries including financial services, immigration, trade and commercial enterprise, as well as, the implementation of appropriate structural and macroeconomic policies which are being designed to improve economic efficiency and to create conditions conducive for integration into the world economy.

Mr. Speaker,

We must realize that although we are an independent and sovereign nation, we exist in an interdependent, and integrated ever-changing global economy. This means

that we must embrace and adapt to change, this is the only way we will be able to create opportunities for ourselves and survive the global crisis.

All across the world, governments and global organizations, are struggling to find solutions for the problems they are confronted with, to help their own economies thrive.

We also have to create our own solutions.

Mr. Speaker,

This government's plan for the period ahead, is focused on transformation objectives.

These objectives will help to accelerate growth, create opportunities for more jobs and encourage greater entrepreneurship as we seek to build a more stable economic society, through the empowerment of the Bahamian people.

Mr. Speaker,

Today, I stand before you, with a profound sense of optimism, purpose and resolve, filled with focused intentions and measurable goals.

In this debate, I intend to lay the foundation for the reforms envisaged for my Ministry that will help this

Government in its role to ignite and stabilize the economy of The Bahamas.

These reforms set out an intensified resource plan to be implemented for the facilitation of deliberate economic transformation toward a sustainable future for our financial services sector – beyond regulation.

Mr. Speaker,

1. Human Capital Development

We must first be proactive in investing in human capital through education and diversity to achieve service quality that is second to none. By improving our talent pool, we will ultimately increase efficiencies in the “ease of doing business” in The Bahamas.

We know, that we have some of the best and brightest financial services professionals in the world, but we must face reality and examine all layers of the profession to ensure it is stable and solid.

Technological advances show that the work force for financial services will require new skills and additional resources, therefore, we must continue to develop educational programs and platforms that invest in increasing the value of the work force. The proliferation of mobile phones and other handheld devices, as well as, Fintech and Cryptocurrencies mean that financial transactions and services can be performed through online platforms anytime and anywhere.

Mr. Speaker,

Establishing the “Centre for Excellence” for professional skills development in financial services in the region is, therefore, a priority.

Through a grant from The European Union (EU) facilitated by The Caribbean Development Bank (CDB) a roadmap was developed to enable us to demonstrate our commitment to educating and equipping our financial services workforce to meet and maintain quality standards in the provision of financial services through the Centre for Excellence.

This project is envisioned as a public-private sector partnership to create a financial services “SMART CITY” for education, research and development, and internship.

Through the Centre for Excellence, we must create a “Professional Change Programme”. This programme will help to re-train employees in financial institutions who have been displaced, to re-apply their knowledge when technology makes their function obsolete.

Mr. Speaker,

As we move along, it is the intention of my Ministry to work along with the University of The Bahamas to see how we can best integrate their business program to create opportunities for research and internships. My Ministry

will also work along with the Ministry of Education to strengthen financial services education at the tertiary level. This is how we will create a future ready workforce in financial services.

Mr. Speaker,

2. THE BAHAMAS ADVANTAGE

The Bahamas is known for its long history and knowledge in the wealth management space. In the next phase of our development, we must expand this space to include Asset Management, Global Forex pricing and liquidity, and Fintech, just to name a few.

We can also look at opportunities to develop platforms for the financing of infrastructure development and enterprise growth beyond what is currently being provided by the banks. We have a unique opportunity as the “Gateway to the Americas” to provide infrastructure financing throughout the region.

Mr. Speaker,

Our financial system must also support enterprise and entrepreneurship. More and more young people in The Bahamas have the desire to start their own business and become entrepreneurs.

We have to create the environment to facilitate and help them realize their dreams. Entrepreneurship is the pulse of a sustained economy for the creation of new jobs and

the rejuvenation of how we do business through technological advancement.

The Government of The Bahamas recognizes that we can no longer remain on the periphery of the global discussions that impact the way we do business, we must act now.

We must be innovative in our services and product offering while also putting in the framework for policy, and innovation that will foster flexibility for the creation of new products and services as well as investment in new areas of financial services.

Mr. Speaker,

3. EASE OF DOING BUSINESS

While The Bahamas is recognised internationally as a mature, well-regulated and sophisticated international financial centre with international financial institutions, the Government recognizes that concerns about the ease of doing business in The Bahamas if not addressed could potentially erode our competitive advantage in these areas. Ranking 119th will certainly not cut it.

Mr. Speaker,

The ease of doing business touches across the whole economy of The Bahamas, but is of particular importance to the Financial Services sector. There has been a lot of talk surrounding this issue, but the goal of eliminating

unnecessary bureaucratic protocols and practices in our administration for daily business operations is coming to fruition.

Mr. Speaker,

While improvements in the business license process is in its infancy phase, we have already eliminated the business license fee for new businesses in the first year. Already, we are seeing greater communication between departments where the provision of information between agencies is being streamlined. This has enabled most of the transactions for obtaining a business license to occur in one place.

And, while there have been some improvements and advances in the Registrar General's Department, we are working on a plan to increase efficiencies even more to improve processes for turnaround time and accessibility of information.

We are also looking at amendments to legislation coming from the Central Bank of The Bahamas, around making the process about Know Your Customer, Money Laundering and Terrorist Financing less regimented and more fluid, effectively making it easier to open accounts and transact business.

The Government is also engaged in discussions with the Governor of the Central Bank on calls to relax exchange control, an issue which is of concern to many in the

business community. Many believe that relaxation can attract foreign direct investments and allow Bahamians and foreigners alike to move goods and products more freely and efficiently.

The Securities Commission of The Bahamas is also making amendments to the Investment Funds Act which will aid to enhance this service.

Mr. Speaker,

4. INNOVATION

The Bahamas brand label has to become a label of quality, creativity, innovation and technological advancement. We live in a knowledge based era, where these things are the key to future advancement.

We must develop a Financial Services Technology and Innovation scheme where research centres and innovation libraries can be bread for user experience, data science and machine learning. This is where technological advancement is, it is happening now and we have to embrace it.

Mr. Speaker,

Global Regulatory Initiatives

COMMON REPORTING STANDARD (CRS)

As a global financial centre, we are committed to keeping abreast and compliant with global financial initiatives.

We did not shy away from the challenge. Last year, we signed the Convention on Mutual Administrative

Assistance in Tax Matters and the Multilateral Competent Authority Agreement for the OECDs Common Reporting Standard. Reporting by The Bahamas for the Standard begins September of this year. We also became a member of the Inclusive Framework for the implementation of Base Erosion and Profit Shifting (BEPS). We are working assiduously to implement the BEPS minimum standards and to meet our commitments to the EU directives by the end of 2018.

Signing onto these initiatives sends a loud and clear message to our international counterparts that The Bahamas is serious in its commitment to adhering to international standards relative to tax compliance and co-operation.

Mr. Speaker,

Not being a part of the decision-making process affecting our country's development, and not having a voice when rules or decisions are made is no longer an option for The Bahamas. We aim to become an active participant in making those rules and decisions that can affect our country's economic wellbeing.

Mr. Speaker,

These are exciting times for The Bahamas and the renewal of our country's economic growth. Financial Services is integral to the sustainability of the Bahamian economy. And while we are committed to protecting and growing

this sector, we are also seeking to stimulate growth in non-traditional sectors of economic activity which will better enable us to adapt in these times of uncertainty.

TRADE & INDUSTRY

Mr. Speaker,

As the Minister responsible for Trade & Industry I will now address some of the issues which impact this area of my portfolio.

As I have said before, technology has brought the global economy to our doorstep and globalization demands that we create a more open, transparent, productive and competitive society. If we do not adapt and position ourselves to compete in the global marketplace, we will be left behind and run the risk of jeopardizing our survival as a country and the way of life to which we have become accustomed.

Diversifying the economy, creating jobs, providing opportunities for entrepreneurship and business development, and promoting the ease of doing business have to be top priorities for the Government. However, achieving these goals in the context of an increasingly globalized environment comes with certain realities.

Mr. Speaker,

As a country which has depended heavily on foreign direct investment to grow the economy, we must be cognizant

that there are other countries competing with us to attract those same investments. The size of our domestic market will not allow our economy to grow to address our unemployment issues and provide the number of jobs and the kinds of jobs needed for the hundreds of young Bahamians leaving school every year. We must begin to look outwards and find new markets.

If we are to attract the quality and type of investment needed to improve the standard of living of Bahamians, create jobs and develop new skills for the hundreds of young Bahamians leaving school each year and the many returning from Universities, we must be responsive to changes happening internationally. We must do what is necessary to improve our chances of attracting the type and quality of investments needed to grow and stimulate the economy.

ECONOMIC PARTNERSHIP AGREEMENT (EPA)

Mr. Speaker,

Historically the international trade arrangements which The Bahamas has participated in and benefited from have been non-reciprocal arrangements. Today however, that position is no longer supported by the international trading community and instead most trade agreements between states tend to be reciprocal in nature and must be negotiated.

In that vein The Bahamas negotiated and signed the Economic Partnership Agreement (EPA) with the European Union and other CARIFORUM Member States (ie CARICOM States and the Dominican Republic) on 15th October, 2008.

The EPA is of particular significance for The Bahamas. It guarantees the access of Bahamian goods and services to the markets of Europe and CARIFORUM States. Through the EPA Bahamian fishermen are able to export their lobster to Europe on preferential trading terms. In addition to exporting to Europe, Bahamian businesses are also able to obtain cheaper products from Europe. In addition The Bahamas is able to benefit from the technical assistance made available to the region under the Agreement.

Mr. Speaker,

The signing of the EPA, the Government's decision to advance the accession of The Bahamas to the World Trade Organization (WTO) by December, 2019 should be viewed in the context of the Government's ongoing efforts to support the modernization and diversification of the Bahamian economy, and creating an environment which will facilitate the growth of trade from which all Bahamians can benefit.

Mr. Speaker,

The Government is very mindful of the fact that The Bahamas remains the only country in the Western

Hemisphere that is not a member of the WTO. Other than the EPA, The Bahamas has no other negotiated trade agreement to secure and guarantee the access of Bahamian goods and services to foreign markets.

Mr. Speaker,

WORLD TRADE ORGANIZATION (WTO) ACCESSION

The WTO was established in 1995. WTO and its members account for 98.4 % of global trade. Acceding countries, the category into which The Bahamas would fall, account for only 1.5% of global trade. The Bahamas presently only has Observer status in the organization and has no say when decisions are being made which can affect our country's economic well-being and development. Although the rules of the WTO are applied by our trading partners when we trade with them, The Bahamas does not have the protections or the guarantees that are afforded by the WTO to its members.

Mr. Speaker,

The Bahamas can no longer remain on the outside looking in when the rules that will govern international trade and can affect our country's development are negotiated and made. On assuming Office last May, the Government took a decision to complete by December 2019 a process it began in 2001 when it submitted the application of The Bahamas to become a member of the WTO.

By giving the date of December 2019 to conclude the accession process, The Government recognizes that this will represent a paradigm shift in the way Bahamians view international trade and the role it can play in our country's development.

Mr. Speaker,

The Government is fully aware of the opportunities and challenges that membership in the WTO will pose, but believe that, based on research and best guidance that this is in the country's medium and long term interest. We believe that membership can strengthen The Bahamas' competitiveness for international capital as we apply ourselves to global standards of trade, and aggressively and strategically pursue international partnerships that work to increase innovation and development in our country.

The Government believes that membership in the WTO will also give international investors the guarantees they seek that any investments they make in The Bahamas will be protected by the rules that govern international trade. This will encourage them to consider The Bahamas as a place to do business. Additionally, membership will better protect our trade by enabling us to seize upon the protections and safeguards of the rules based system that the WTO offers while improving our access to global markets for Bahamian products and services.

Mr. Speaker,

Membership in the WTO is not automatic. The Bahamas must negotiate the terms of its membership. To ensure that the Bahamian negotiators understand the sensitivity and concerns of Bahamian stakeholders, officials of my Ministry have been holding consultations with Bahamian stakeholders to obtain feedback and inputs into the Revised Goods and Services Offers, the tools needed to resume the WTO accession process.

Mr. Speaker,

I have taken note of the concerns expressed by certain quarters of the business community during the consultations held in Nassau in April and the ongoing consultations taking place in the Family Islands.

While the negotiating team will seek to reflect concerns identified to the extent reasonably possible, we must also put forward Offers that sensibly, realistically, reasonably and strategically reflects what will encourage the growth and development of the Bahamian economy over time.

Mr. Speaker,

Some have argued that becoming a member of the WTO will impede the ability of the Government to control the migration of foreigners, particularly unskilled persons from neighbouring countries, into The Bahamas.

I wish to reiterate that the WTO is a trade organization and does not deal with immigration issues. The Bahamian Government will remain fully empowered to control the flow of persons seeking permanent residency or employment in The Bahamas. The WTO rules only deal with the TEMPORARY entry of foreign service providers to perform services that are specifically liberalized under the WTO services schedules negotiated by the Parties and are based on the Offer documents. Even then, the Government is fully empowered to determine the conditions under which temporary visas may be granted.

I have also heard the assertions of some members of the business community that The Bahamas is not ready to meet the December 2019 time line set by the Cabinet to conclude the WTO accession process.

In response I wish to say that since 2001 when The Bahamas submitted its application to become a member of the WTO, successive Governments have been strengthening trade-related institutions and ensuring that The Bahamas has in place relevant laws and institutions which will facilitate trade and are in keeping with international best practices.

The enactment of the Customs Management Act in 2011, sought to modernize the Customs Department and incorporate internationally agreed modern Customs management practices.

In 2012, the Inter-American Development Bank approved a US\$16.5 Million loan to the Government of The Bahamas to boost international trade by improving the facilitation of trade and modernizing Bahamian customs operations while still strengthening the ability of customs to collect revenue and protect the borders.

The move to establish the Electronic Single Window (ESW) by the Customs Department means that The Bahamas will be joining 70 other countries in the world which have implemented single-window systems and in so doing enable customs brokers, importers, and overseas suppliers, to submit all Customs documents such as Customs declarations, export/import permit applications, trading invoices and origin certificates - through a single electronic platform. Additionally it will result in the harmonization of the Custom's Department's IT system with other Government agencies to reduce bottlenecks. To the businessman, time savings is money saved.

In 2015 a suite of Intellectual Property Legislation was passed. Intellectual Property Regulations which will enable those Statutes to be brought into force have been drafted, public and private consultations held moving us closer to bringing the statutes into force.

Mr. Speaker,

The importance of enacting Intellectual Property Legislation has to be stressed given its implication for trade. The passage of Intellectual Property Rights Legislation not only gives foreign direct investors, but Bahamian entrepreneurs, and artists the confidence to know that their investment in their intellectual property will be protected according to the highest international standards. Thus as a result of the passage of the new legislation artisans in Andros will have the assurances that the Bahamian Androsia fabric cannot be copied or Bahamian recording artists the assurances that they will be compensated for their original recordings.

The Bahamas has also enacted new Sanitary and Phytosanitary (SPS) legislation. The present legislation provides a modern framework for food safety, animal and plant health and will allow for the easy adoption of new standards set by the international standard-setting bodies thus ensuring that Bahamians are supplied with food that is safe to consume through the implementation of strict health and safety regulations in a manner that is compliant with accepted international standards.

The Bahamas now has a Bureau of Standards (the *Bahamas Bureau of Standards and Quality ("BBSQ")*), the establishment and operationalization of which will assist in ensuring that imported products are of a high quality and standard, and will also assist local businesses in meeting international standards to get their products on

the global market. The recently established *Food Safety and Quality Authority* will be charged with formulating a food safety and quality policy and strategy, ensuring that all food produced, distributed or marketed in The Bahamas, whether for domestic consumption or export, meets the highest standards of food safety.

Mr. Speaker,

Commercial Enterprise Act

The recent passage of the Commercial Enterprise should result in greater attraction of foreign direct investment in strategic sectors which have the potential to create new jobs and opportunities for Bahamians. We have already processed at least 16 applications relating to this Act and have seen several businesses open in Grand Bahama.

The Government is seeking to make it easier for persons investing in specialized areas such as arbitration, technology, call centres, international and maritime trade and captive insurance to obtain work permits more quickly and efficiently, with the ultimate aim of transferring ingenious knowledge, talent and techniques to the local workforce.

We will next move to bring greater transparency to the process involved in the approval of the foreign direct investments by codifying the process through the Foreign Investment Bill.

Mr. Speaker,

In addition the Government commissioned a *Vulnerability Assessment Study* to identify those sectors of the Bahamian economy which may be most vulnerable to trade liberalization including possible accession to the World Trade Organization (WTO) and to provide advice on various policy options that the government may use to address those concerns. An *Economic Revenue Study* to compliment the Vulnerability Study was also commissioned and once completed will provide a revenue model that can provide the Government with the macro-economic and macro-financial analytical models that guide the Government in future trade negotiations and budget exercises, taking into consideration the flexibilities of revenue as it relates to current tax rates, proposed tax rates bands, demand and supply weaknesses and external shock considerations.

A consultant has also been engaged to review the current competition regime existing in the country, to provide develop a new competition policy and regime in keeping with international best practice for the consideration of the Government.

Mr. Speaker,

These are just some of the initiatives undertaken by successive governments to create an environment which will facilitate trade.

However, recognizing that much work is needed to educate the public about the WTO accession process and trade generally, this administration has undertaken an aggressive Public Awareness campaign to raise awareness about trade and its benefits as well as the WTO accession process.

Mr. Speaker,

My Ministry continues to work closely with The Bahamas Chamber of Commerce and Employers Confederation (BCEC) on the operations of the Bahamas Trade Portal. The Portal serves as an important business facilitation tool which reduces the cost and time required to access important relevant and current national, regional and international trade information on The Bahamas, and in turn improves the ease of doing business in The Bahamas. The Portal serves as a useful tool to inform buyers outside The Bahamas about what the Bahamian business community has to offer as well as the processes we presently have in place. Currently the use of the Portal and registering on the Exporter Directory is free to any Exporter who registers. I encourage Exporters and potential exporters to take full advantage of the Portal in order to promote their business and products to the world.

ARBITRATION

Mr. Speaker,

The need to resolve disputes promptly and in a manner acceptable to all Parties is paramount given the financial, economic and reputational implications for all. The Baha Mar saga underscored this so well.

For a country which depends so heavily on foreign direct investment, we have to recognize and accept that arbitration is quickly becoming the dispute resolution method of choice, which many investors see as more effective and efficient than litigation.

The Government remains committed to the establishment of The Bahamas as a modern and sophisticated international commercial arbitration centre. We believe that given our developed financial services sector and large ship registry, there are opportunities which can allow such matters to be arbitrated in The Bahamas, creating the potential for long term employment opportunities for Bahamian professionals with trickle down effects for the economy at large.

Mr. Speaker,

The Bahamas already has a diverse cadre of local professionals fully trained in arbitration. The establishment of an arbitration centre will therefore not only complement the Bahamian legal profession, but also the Bahamian financial services and maritime services sectors, foreign direct investment projects and international business initiatives. It will also help to build investor confidence in The Bahamas as a jurisdiction of choice which can rapidly and affordably resolve disputes.

Mr. Speaker,

Since assuming the office of Minister of Financial Services, Trade and Industry and Immigration, I held consultations with Law Firms and Industry professionals on the government's ongoing efforts to establish The Bahamas as an international arbitration hub.

The *International Commercial Arbitration Bill 2018* has been drafted and seeks to make provision for the procedure for the conduct of international commercial arbitration hearings in The Bahamas and incorporates the provisions of the International Commercial Arbitration Model Law of the United Nations Commission on International Trade Law (the UNCITRAL Model Law).

To improve transparency for practitioners, the Drafters have included in the Schedule of the Bill, a matrix illustrating how the provisions of the Bill align with the corresponding provisions of the UNCITRAL Model Law. The Government also aims to amend the 2009 Arbitration

Act (No. 52 of 2009) and to rename the 2009 Arbitration Act as The Bahamas Domestic Arbitration Act to govern arbitral proceedings in domestic matters.

The Ministry of Financial Services, Trade & Industry and Immigration has already circulate a survey questionnaire to industry professionals and firms both locally and internationally to assist the Government in determining target markets and hope to update the business and legal community on our findings once completed.

DEPARTMENT OF IMMIGRATION

And now Mr. Speaker,

I turn to the advancements that have taken place in the Department of Immigration. The Department continues to focus on resolving the many issues surrounding the thousands of undocumented immigrants in The Bahamas and removing the bureaucratic and delays that exist in the Department.

In the 2017/2018 Budget, the Department of Immigration received an allocation of \$21,764.68. In the upcoming 2018/2019 budget cycle the Department anticipates \$35,527.972.

Personal Emoluments increased from \$16.8 million to \$20.7 million.

\$1.7 million was for new appointments.

Nassau/Family Islands

The former administration hired over 200 recruits in 2017. 20 received negative drug results; 12 received negative security vettings; 79 received appointment letters and 4 security vettings are outstanding.

Freeport

Documents are outstanding for 8 persons.

End of 52 week programme affected 15 or 16 people.

The uniform allowance was increased from \$980,000 to \$1.6 million to accommodate the new recruits and those who did not have uniforms.

\$1.08 million has been inserted for overtime which was previously under the Ministry of Finance Head.

The rent block of expenditure went from \$770,000 to \$918,000.

The Department has rented further space on Hawkins Hill to establish in one place a Registry with proper security and management so that the loss and/or misplacement of files is minimized.

As a result some 325,000 files have been moved from the Department's building freeing up much needed space so officers can work in a more conducive environment.

The Department is also renting another building which the Department intends to occupy later this year.

This building will house the area responsible for citizenship, naturalization and permanent residence.

Other major items include:

\$6.3 million – to pay for the extra cost of the computerization programme from \$11 million to \$18 million.

\$1.8 million was for food.

Under this Budget the Department will be responsible for the food at the Detention Centre which was formerly under another Budget Head.

The Capitol Budget also includes an allocation of \$2 million for the purchase of vehicles.

The Department badly requires new buses and cars in order to carry out their duties.

THE TRUSTED TRAVELLER PROGRAMME

Mr. Speaker,

My Ministry remains committed to keeping up to date with global trends and ensuring that The Bahamas remains a great place for all to do business. In keeping with the Government's commitment to incorporate new mechanisms to address the ease of doing business in The Bahamas, my Ministry has introduced the Trusted Traveller Programme.

The new Trusted Traveller Programme (TTP) allows persons to visit The Bahamas for a period under (14) days without requiring a Work Permit, provided they are not engaging in any gainful employment.

The TTP covers persons visiting for the purposes of attending business meetings, conducting research and other studies, etc, and hold a position in senior management in companies or organizations operating in The Bahamas or its affiliates (including, but not limited to: chairman, Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), consultants, legal counsel, compliance officers, accountant, auditor, controller, actuary, medical professionals, managerial titles, analysts, etc).

The TTP includes persons visiting for the purpose of showcasing at events, trade shows, conferences, seminars, summits, etc. this does not include persons visiting as the organizers of such events for profit. Those persons will require a Work Permit.

All persons not covered in the above categories are required to pay a work permit fee unless otherwise determined by the Minister responsible for Immigration.

The effective implementation date: 27th February, 2018.

CITIZENSHIP COMMISSION

Mr. Speaker,

The Cabinet of The Bahamas recently approved the appointment of an Immigration Citizenship Commission with responsibility for reviewing all citizenship applications with a view to expediting the process.

The Commission comprises a diverse and distinguished group of individuals who contribute unique expertise to the review process, thus ensuring that each application is given focused and considered attention. Private sector representation on the Commission provides transparency and accountability to the process involved in the granting of citizenship, the most prized legal status in The Bahamas.

Since its inaugural meeting on the 2nd of February, 2018, the Citizenship Commission has reviewed and considered a total of 214 applications, 144 of which have been forwarded to the Cabinet for final determination. The balance will be sent to Cabinet shortly.

In addition to the Citizenship Commission Cabinet has delegated to the Minister, subject to a reporting requirement that ability to approve Permanent Residence for the spouses of Bahamians.

The former administration increased from 5 years to 10 years the period under which persons have to be married before they can obtain Permanent Residence.

During my tenure it is my intention to expeditiously deal with Spousal Permits so that who qualify can obtain Permanent Residence.

IMMIGRATION REGULATIONS

Mr. Speaker,

My Ministry is also committed to creating new avenues to improve the ease of doing business in The Bahamas and ensuring that all facets of the Department function in accordance with global best practices.

The Government is currently undertaking a complete review of the Immigration laws and the Law Reform Commission at the Office of the Attorney General is drafting revised legislation.

REPATRIATIONS

Mr. Speaker,

With the increasing inflow of illegal migrants to our borders, the cost of repatriations continue to grow. Expenditure on repatriations for the fiscal period July 2017 to May 2018 was \$1,102,388. From January 2018 to date, One Thousand One Hundred and Thirty Six (1,136) illegal immigrants were repatriated.

This figure represented Nine Hundred and Fifty Four (954) Haitian Nationals, One Hundred and Eighty Two (182) Other Nationals.

Although the 2018/2019 budget allocation for repatriations will not increase from \$1.2 million, it is our hope that major cost savings will occur with the introduction of prosecutions on the Family Islands and direct repatriation from those islands.

Whilst no provision has been made in this Budget period the Department will continue to review the provision of Detention Centre in Inagua. Several months ago the Prime Minister and I travelled to attend a town meeting where the idea of a Detention Centre was discussed.

Likewise the Royal Bahamas Police and Defense Forces are reviewing the possibility of introducing drone technology to assist with the detection and arrest of illegal immigrants.

DEPARTMENT OF IMMIGRATION SYSTEM ADVANCEMENTS

- **The Identification Documents Management System (IDMS)**

Mr. Speaker,

The Immigration Department is responsible for providing identity documents to naturalized citizens and non-Bahamians who wish to legally work or reside in The Bahamas. The Department also functions as the regulatory body for the movement of persons across the borders of The Bahamas and the enforcement of all laws pursuant to the Immigration Act and Bahamas Nationality Act.

The Department has been challenged with the use of outdated equipment which has contributed too much of the backlog currently existing in the Department. This has negatively impacted staff productivity and the Department's service delivery to the general public and corporate Bahamas.

In order to address the inefficiencies of the current Electronic Identification Documents (or E-ID) system, this July the Department will roll out a new ID Management System (IDMS) at a cost of some \$18 million. The primary goals and objectives for the IDMS are:

- ▶ **To improve the efficiency and speed of application processing.**

- ▶ **To move to a paperless process with the digitization of files in order to reduce dependency on physical file movement and issues associated with this.**
- ▶ **To introduce electronic workflow management to aid in the tracking and security of application processing.**
- ▶ **To improve security controls associated with viewing and retrieval and modification of scanned documents.**
- ▶ **To introduce an Automated Fingerprint Identification System to reduce the risk of identity fraud.**
- ▶ **To introduce new tamper resistant secure ID cards and certificates**

Consequently, through the application of communication and web-based technologies, the IDMS will facilitate secure online application submissions, including payment via a web-portal. The intelligent and streamlined application processing of the IDMS therefore makes it a suitable replacement for the existing E-ID Management System.

Mr. Speaker,

The introduction of the new ID Management System (IDMS) represents a strategic undertaking to enhance border security, improve revenue collection and increase the efficiency of services delivered by the Department. It

will allow the Department to transition into an automated paperless system that will include all functions relative to the processing of status applications. In addition, the IDMS will feature mobile verification capability which will allow Officers to conduct real-time status checks in the field using mobile devices.

It is anticipated that within a few short weeks, with the deployment of this new software system, the Department will launch newly designed, secure tamper resistant identification documents to replace the current permit cards and certificates being issued to the public. The IDMS will provide a solution for secure and efficient identity document production, application management and document issuing system. In addition, the system will seek to automate tasks that are currently being completed manually.

Mr. Speaker,

As has been tabled, there will be several increased in the Immigration Fees in the incoming year. It is interesting to note that these fees have not been increased since 2008.

The Budget provides for an increase in revenue from the Department of Immigration from \$52.4 million to \$73.8 million.

Review some of the changes.

ECONOMIC PERMANENT RESIDENCY

Mr. Speaker,

Since assuming office, my Ministry has undertaken a review of the current polices for qualification for economic permanent residence. I am pleased to announce that earlier this year the Cabinet of The Bahamas approved the increase of the minimum threshold for economic permanent residence from \$500,000 to \$750,000 with effect July, 1st, 2018.

CONCLUSION

Mr. Speaker,

The history of The Bahamas tells us that progress has to be built on a vision coupled with a strategy shared by the leaders and the people.

The economic transformation which the current Budget seeks to implement cannot be geared toward the few with vested interests, nor can it be about unrealistic promises and catchy slogans.

We have to all work together to benefit all the people. This means working with our major businesses so that they span across the globe. It means working with entrepreneurs to grow their companies across The Bahamas and beyond, working with small, medium and

large businesses to build linkages that support entrepreneurship and competitive enterprises. At the end of the day it means a better standard of living for all Bahamians.

Mr. Speaker,

It is my prayer that God continues to bless the Commonwealth of The Bahamas and its people.

As the Member of Parliament for the constituency of St. Anne's, I support this transformative Budget which will position our country to take advantage of the global changes we see taking place and which will have far reaching implications for our country.