

# **STATEMENT BY RYAN STRAUGHN On behalf of the BARBADOS LABOUR PARTY**

BARBADOS LABOUR PARTY · SATURDAY, MARCH 12, 2016

The Barbados Labour Party is deeply concerned with the assumptions that underpin this year's Estimates.

They bear no relationship to the reality of what is happening in our country. Further, if the Government wants us to believe that its policies are working, they need to explain why they are reversing themselves and increasing the deficit next year.

Further, in spite of this proposed increase in the deficit, these Estimates do not bring us any closer to resolving the burning issues facing the country, whether water, public health, sanitation, education or the increase in crime.

In the interest of our future welfare, we would like the Minister of Finance to answer the following questions so that all Barbadians may understand where we are and how we will all be affected.

1. Will the Minister of Finance please explain the basis for his extraordinary optimism with respect to the government revenue projection for the rest of this fiscal year 2015/16 given that Government's revenue had declined by 2.5% up to January 31st 2016?

2. What unusual economic circumstances occurred or are expected to occur between February and March of this year to allow Government to raise \$250 million MORE than they did in February and March last year?
3. Would the minister of finance tell the public of Barbados what is the source of the investment income of \$95 million that is expected to boost government revenue given that there is no explanatory note in the Estimates?
4. In light of the considerable concerns over the revenue projection, is the Minister of Finance still confident with the fiscal deficit projection of 6.3% of GDP in this year 2015-16?
5. Will the Minister of Finance agree that this projected fiscal deficit of 6.3% of GDP for this year is inconsistent with the Governor of the Central Bank's statement in the December 2015 Economic Review that their target is 4 percent of GDP?
6. Will the Minister please tell the country what is the real target for this year?
7. Further, will the Minister explain why he is reversing himself and increasing the fiscal deficit from 6.3% to 7.8% of GDP in 2016-17, an increase of \$160 million?
8. Does the Minister agree that this increased deficit of 7.8% (\$723 million) does NOT include the required resources for a number of key agencies and departments, most critically Queen Elizabeth Hospital, the UWI, Transport Board, National Housing Corporation?
9. Does the Minister agree that there will be a significant increase in the country's debt at a time when we are already one of the most highly indebted countries in the Caribbean?
10. Which institutions is the Government expecting to buy this additional Government paper that is needed to finance next year's deficit, given that the Central Bank is already holding in excess of \$1 billion in Government paper and the NIS holding \$3.2 billion?
11. Is the Government planning to undertake any foreign borrowings in 2016-17?

12. Will the Minister please confirm whether the removal of the allowances for Income tax announced in his Budgetary Proposal in June 2015 applies for the whole income year of 2015 or only from the date of August 1st, 2015 when they were removed?
13. Is the increase in property taxes in the coming fiscal year reflecting a revaluation upwards of properties, which is contrary to the clear evidence from realtors is that it has declined?
14. Is the life of the consolidated tax going to be extended once again in the next financial year in spite of the public understanding that this tax was to come to an end at the end of March 2015?
15. Could the Minister of Finance explain why there is an unusual fall in the expenditure allocation for retiring benefits and allowances in the coming fiscal year 2016/17?

12th March 2016