



## 2009/10 BUDGET ADDRESS

**"A Better Way Forward"**  
A Common Vision for the Common Good

DELIVERED BY  
THE HONOURABLE FINANCIAL SECRETARY  
KENNETH JEFFERSON, JP

TO THE LEGISLATIVE ASSEMBLY ON  
FRIDAY, 2<sup>nd</sup> OCTOBER 2009

## **Introduction**

Madam Speaker, on behalf of the Government of the Cayman Islands, I rise to present the Budget for the 2009/10 financial year that encompasses the 12-month period from 1<sup>st</sup> July 2009 to 30<sup>th</sup> June 2010.

As Honourable Members are aware, the Annual Plan and Estimates document, just laid on the Table, is normally prepared and presented to the Legislative Assembly in April of each year. This allows the Appropriation Bill to be enacted before a new financial year begins on 1<sup>st</sup> July.

The recent General Elections which were held on 20<sup>th</sup> May 2009 resulted in a later than usual budget process for the 2009/10 financial year, as there was insufficient time to prepare and present a Budget that reflected the policies of the incoming government before the 1st July 2009: the commencement date of the 2009/10 financial year.

The 2009/10 full-year Budget now being presented to the Legislative Assembly is approximately three months into the financial year. Honourable Members are reminded that during the period from 1<sup>st</sup> July 2009 to 31<sup>st</sup> October 2009, the government is duly authorised to incur expenditures by virtue of Government Motion No. 1/09-10 which was approved by the Legislative Assembly on 29th June 2009.

The Annual Plan and Estimates and other budget documents for 2009/10 will therefore supersede the documents provided to the Legislative Assembly that accompanied Government Motion No. 1/09-10. If enacted into Law, the 2009/10 Appropriation Bill will subsume the interim appropriation authority provided by the Government Motion just mentioned.

The 2009/10 Budget process is outside the normal timing cycle because of the General Elections held in May 2009. The timing for the 2010/11 budget cycle will revert to that prescribed by the Public Management & Finance Law (2005 Revision) (the "PMFL"); the 2010/11 Strategic Policy Statement will be presented to the Legislative Assembly for its consideration no later than 1<sup>st</sup> December 2009, and the 2010/11 Budget will be presented to the Legislative Assembly no later than 1<sup>st</sup> May 2010.

Madam Speaker, although the United States Federal Reserve Chairman, Ben Bernanke, has recently stated that the recession is very likely over, the Cayman Islands, whose economy usually lags behind the United States' economy, has come face to face with what is being termed as the worst global recession of the century and these Islands are definitely feeling the effects of the recession. Countries around the world are seeing the most difficult economic conditions for generations and are taking extreme measures to combat the challenges they are faced with. Germany recently announced plans to spend approximately US\$122.0 billion to rekindle its economic growth. The United States is estimating an operating deficit of US\$1.3 trillion by 31<sup>st</sup> December 2009; while it is being predicted that the United Kingdom's deficit will reach £1.3 trillion by 31<sup>st</sup> December 2010.

The global recession has brought its share of challenges for these Islands and the Government alike. Caymanians and residents have faced job losses, inflation, salary reductions and many have had to dig deeper into their pockets in order to meet monthly household expenses.

The government also faced significant challenges in formulating the Budget.

The 2009/10 financial year, which started on 1<sup>st</sup> July 2009, started out with results and a financial position from the previous year that posed the following challenges for the government:

1. over the 2008/9 financial year, operating revenues declined by CI\$40.8 million when compared to the 2007/8 operating revenues;
2. over the 2008/9 financial year, operating expenses, including extraordinary items and financing expenses, had increased by CI\$56.2 million when compared to the 2007/8 operating expenses;
3. for the very first time, the Government was not in compliance with the Principles of Responsible Financial Management that are stated in the PMFL. This was as a result of the Core Government:
  - a. having an operating deficit of CI\$69.7 million for the 2008/9 financial year when the Government should be operating at a surplus. The Statutory Authorities and Government Companies collectively suffered a net loss for the year to 30<sup>th</sup> June 2009 of CI\$11.4 million – with the result that the Entire Public Sector loss for the year to 30<sup>th</sup> June 2009 was approximately CI\$81.1 million;
  - b. having a Net Debt Ratio of 86% which exceeds the 80% limit set in the PMFL; and
  - c. cash reserves that only covered 63.4 days of the Government’s expenditure which is less than the minimum 90 days of coverage specified in the Law.

The 2009/10 Budget will show that Revenue Measures are needed during the financial year. The decision to implement Revenue Measures during difficult economic times is not one that many economists would recommend. However, the Government had no other choice but to implement Revenue Measures that are estimated to bring-in an additional CI\$126.4 million per year. The Revenue Measures were also a directive of the Foreign & Commonwealth Office in order for the Government to borrow additional funds during the 2009/10 financial year.

The 2009/10 Budget, which demonstrates reduced operating and capital expenditures, is a “bare bones” budget.

The 2009/10 Budget indicates that the Government will borrow up to CI\$275.0 million during the financial year. This amount will be applied primarily to fund existing capital projects such as the continuation of the two high schools and the Government Administration Building.

Although the Government is combating the worst global recession of the century, it is focused and committed on rebounding from these difficult economic times.

The Government is focused on: strengthening the economy of these Islands; practising responsible financial management that will bring the citizens of these Islands back to prosperity; and navigating these Islands to calmer waters for a better way forward.

### **The Economic Outlook**

Madam Speaker, I now turn to the economic outlook for the global economy. The full impact of the difficulties in the global economy is expected to continue in 2009 with expected modest recovery in sight, in 2010. In 2009, world output is projected to decline by 1.4 %, its steepest decline since the Second World War. This outlook is cast amidst massive fiscal deficits and policy support by national governments particularly in the United States and other advanced economies to arrest a prolonged global recession. For the 2009 calendar year, output growth in the United States is expected to decline by 2.6 % while the United Kingdom and the Euro-area economies are projected to contract by 4.2 and 4.6 %, respectively. Recovery for the advanced economies is expected to be slow and is projected to occur during the second half of the 2010 calendar year.

Madam Speaker, for the Cayman Islands' economy, the estimated movement in Gross Domestic Product (GDP) in the government's fiscal year 2008/9 was a contraction or decline of 2.3 %. The GDP growth rate for the calendar year 2009 is forecasted at -5.7 %. These forecasts take into account the local economic indicators in the first half of 2009 and the economic outlook for the US and other advanced economies. Over the next three financial years, economic growth in the Cayman Islands is expected to be negative in 2009/10 but this is projected to stage a rebound in the succeeding two financial years, that is 2010/11 and 2011/12. Given the slow pace of recovery among advanced economies, the Cayman Islands' GDP growth is projected at -3.3 % in 2009/10 followed by a 3.0 % growth in 2010/11 and a stronger growth of 6.5 % in 2011/12.

Inflation in the Cayman Islands is estimated at 2.0 % in 2008/9, compared to 3.5 % in 2007/8, as pressures on the local price level are eased by the downward inflation path in the US, the main source market for local goods. Local inflation is projected at -0.1 % in the 2009 calendar year. Domestic inflation remains highly influenced by inflation in the United States. Based on the inflation forecasts for the US, the local inflation forecasts are 0.6 % in 2009/10, 1.4 % in 2010/11 and 2.0 % in 2011/12.

The unemployment rate is estimated at 5.2 % for 2008/9, higher than the 3.9 % registered in 2007/8. Taking into account the forecast growth rates, unemployment levels are expected at 5.5 % in 2009/10, 3.8 % in 2010/11 and 3.0 % in 2011/12.

Madam Speaker, the current account of the balance of payments measures the total value of the Islands' transactions with the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest of the world compared to its receipts from the rest of the world. For the financial year 2008/9, the deficit on the current account of the balance of payments is estimated to be 15.9 % of GDP. This marginal weakening compared to 2007/8 is premised on a decline in receipts from tourism and financial services in 2009. The current account deficits are forecast at 19.7 % of GDP in 2009/10, 18.8 % of GDP in 2010/11 and 17.8 % of GDP in 2011/12.

The current account of the balance of payments should not be confused with Government's Income Statement: the former is in respect of the entire economy's transactions with the rest of the world whereas Government's Income Statement only relates to revenues and expenditure of the Government. Given our high level of imports it is expected that the current account of the balance of payments will demonstrate a deficit for quite some time. Such deficits can co-exist with surpluses on Government's Income Statement.

### **An Overview of the Financial Statement Forecasts**

Madam Speaker, let me now turn to the financial statement forecasts; I will focus on the Core Government's operating revenue, operating expenses, the forecast operating surplus and the forecast cash flows which will include details of the Government's capital projects and borrowings.

### **Operating Revenue**

The 2009/10 Budget forecasts that the Government will earn CI\$562.2 million in total operating revenue. Eighty-six percent of the operating revenues will be earned between Levies on International Trade and Transactions and Domestic Levies on Goods and Services. Levies on International Trade and Transactions include items such as Import Duties while Domestic Levies on Goods and Services includes revenues in respect of items such as Bank and Trust Licences, Companies Fees and Work Permit Fees.

Madam Speaker, in his letter to the Honourable Leader of Government Business on 27<sup>th</sup> August 2009, Minister Chris Bryant of the Foreign & Commonwealth Office of the United Kingdom Government, stated that in order for the Cayman Islands Government to borrow the funds it was seeking for the 2009/10 financial year, it had to introduce Revenue Measures.

The Government was therefore left with the difficult decision of having to implement Revenue Measures during challenging economic times. The Revenue Measures, which the Government intends to implement during the 2009/10 financial year, is expected to realize an additional CI\$94.9 million in 2009/10 and CI\$126.4 million when the Revenue Measures are in effect for a full 12-month period and are as follows:

- Work Permit Fees – Work permit fees are proposed to be increased across all categories, except domestic workers. Work permit fees for permanent residents and key employee applications are also proposed to be increased. It is expected that the Government will earn additional revenue of CI\$22.5 million for a full 12-month period with CI\$15.0 million being collected in the last 8-months of 2009/10.
- Annual Company Fees – Annual company fees for resident, non-resident, exempt and foreign companies are proposed to increase between CI\$150 and CI\$500. It is assumed that there will be a 10% reduction in the number of Foreign, Exempt and Non-resident companies and a 5% reduction in the number of Resident companies as a result of the announced increase in annual fees. Currently there are 94,221 companies at the General Registry. It is expected that the Government will earn additional revenue of CI\$17.0 million for a full 12-month period with the majority of the CI\$17.0 million being collected in 2009/10 since company fees are due and paid between January and March of each year.
- General Registry Fees – These include various increases in Certificates, Certifications, Express Filings, New Company Registrations, Filings, Name Reservations and New Company Registrations, which were increased to the value of the associated annual fees. The Government expects to earn additional revenue of CI\$7.2 million per year with CI\$4.7 million being collected in the 2009/10 year.
- Mutual Funds – Mutual funds annual licence fees are proposed to increase by CI\$500. Although there are currently 9,825 funds, it is assumed that there will be a 10% reduction in the number of registered mutual funds. The Government expects to earn additional revenue of CI\$4.4 million per year with the majority of the CI\$4.4 million being collected in January 2010 as these fees are due in January of each year.
- Security Investment Business Fee – Persons who operate a security investment business will see fees increasing by CI\$2,500. Although there are currently 2,270 licences it is assumed that there will be a 25% to 30% decrease. It is expected that the Government will earn additional revenue of CI\$7.9 million in a full year. The additional revenue expected to be earned in the 2009/10 year from this item is CI\$5.0 million.
- Fees on Transfers through Money Remittance Companies – This new fee of 2% will be charged on all remittances leaving the Cayman Islands via money transfer entities. The additional revenues to be earned from this proposed fee was calculated on the basis of the CI\$230.0 million that was transferred at the end of 2008. The Government estimates that it will earn CI\$4.6 million per year with CI\$3.0 million being collected in the last 8 months of the 2009/10 year.

- Business Premises Fee – This new fee will be an annual amount payable by the tenants of commercial properties. It is estimated that the rental income from commercial property is CI\$65.0 million. At 10%, the Government estimates to earn an additional CI\$6.5 million per year with CI\$1.6 million being collected in the 2009/10 year.
- Exempted Limited Partnerships – It is estimated that by the end of the 2009 calendar year, there will be approximately 9,000 exempted limited partnerships within the Cayman Islands. With an increase of CI\$250 per annum, the Government will earn an additional CI\$2.1 million per year with the majority of the CI\$2.1 million being collected during 2009/10 due to the fees becoming due in January of each year.
- Cigarettes – Currently the duty on cigarettes is CI\$52.50 per thousand cigarettes. These fees have not changed since 1999. As a result of the increase in duty to CI\$105 per thousand cigarettes the Government estimates to earn an additional CI\$0.7 million per year with CI\$0.5 million being collected in the 2009/10 year.
- Package Tax – The current package tax is CI\$1 per 100 lbs per package and part thereof. It is estimated that an increase by CI\$4 per 100 lbs will earn the Government an additional CI\$0.5 million per year with CI\$0.3 million being collected in the 2009/10 year.
- Warehouse Charge – The current warehouse charge is CI\$2 per 100 lbs or part thereof. It is estimated that an increase by CI\$3 per 100 lbs or part thereof will earn the Government an additional CI\$1.0 million per year with CI\$0.6 million being collected in the 2009/10 year.
- Tax and Trust Undertaking Fees – Tax exemption certificates guarantees that certain entities will not be subject to taxation within the Cayman Islands for 20 to 50 year periods. The fees are currently at CI\$500 per certificate and are proposed to be increased to CI\$1,500. The Government expects to earn an additional CI\$8.9 million in a full year with an estimated CI\$5.9 million being earned in 2009/10.
- Tax and Trust Undertakings (Annual Renewal Fee) – A new CI\$200 annual renewal fee will be introduced on exempted companies, exempted trust and exempted limited partnerships which currently have a tax undertaking certificate. This fee will be paid to General Registry in January of each year when renewing company fees. The Government expects to earn an additional CI\$15.0 million in a full year from this new fee.

- Environmental Impact Fee for Used Vehicles – This new fee will be charged on all used vehicles imported that have a maximum Cost, Insurance and Freight (CIF) value of CI\$12,000. A flat fee of \$1,000 is proposed to be paid in addition to the rate of duty on vehicles. The Government expects to earn an additional CI\$1.8 million per year with CI\$1.2 million being collected in the 2009/10 year.
- Import Duties – There is proposed to be a 2% increase on all imports with CIF values except those imports that are presently duty free. As an example rates that are at 20% will become 22%, and motor vehicles at 27.5 % will now be 29.5%. These increases will result in additional revenues of CI\$16.5 million per year with CI\$10.9 million being collected in the 2009/10 year.
- Miscellaneous Outdated Fees – Madam Speaker, there are various tariffs and miscellaneous fees that have not been updated for many years – in some cases not since 1986. These miscellaneous fees include stamp duty, limited and general admissions for attorneys, passport fees, planning fees and building permit fees in areas A and B, importation of plants, and applications for planning development. The Government expects that it will earn an additional CI\$4.4 million per year with CI\$2.9 million being collected in the 2009/10 year.
- Patents and Trade Marks – These fees will increase from \$100 to \$200 per year. The Government expects to earn an additional CI\$0.4 million per year with CI\$0.3 million being collected in the 2009/10 year.
- Cayman Islands Monetary Authority (CIMA) Transactional Fees – There will be increases in the various miscellaneous fees at CIMA with the majority moving from \$200 to \$400. The Government expects to earn an additional CI\$1.6 million per year with CI\$1.1 million being collected in the 2009/10 year.
- Banks and Trust Licences – The increases in these fees will see Bank/Trust Class ‘A’ - retail banking licences moving from CI\$400,000 to CI\$600,000 and Class ‘A’ (non retail) licences moving from CI\$130,000 to CI\$136,500 and Bank/Trust Class ‘B’ licences increasing from CI\$57,000 to CI\$60,000. The Government expects to earn an additional CI\$2.2 million per year with the majority thereof to be collected in the 2009/10 year as the fees are due in January of each year.
- Insurance Licences – The increases in these fees will see Insurance Class ‘A’ (locally incorporated) licences moving from CI\$30,000 to CI\$50,000, Class ‘A’ (approved external) moving from CI\$40,000 to CI\$50,000 Class ‘B’ (unrestricted) increasing from CI\$7,500 to CI\$8,500 and Class ‘B’ (unrelated) increasing from CI\$7,500 to CI\$8,500. The government expects to earn additional revenue of CI\$1.2 million for an entire year with the majority of the fees being collected in 2009/10 as these fees are due in January of each year.



To reiterate an important point, the Government estimates that it will earn an additional CI\$126.4 million from these Revenue Measures within a full 12-month period. It will only earn CI\$94.9 million during the 2009/10 financial year which ends on 30<sup>th</sup> June 2010. A significant amount of income to be derived from these Revenue Measures is from financial services-related fees – which generally are payable in January of each year.

### **Operating Expenses**

Madam Speaker, the forecast operating expenses of the Government, including financing expense and extraordinary items, totals CI\$557.4 million.

The Civil Service identified various ways in which it could curtail operating expenditure. A rigorous and detailed expenditure review and expenditure-cutting exercise was conducted in order to bring expenditure levels back down to those of 2008/9 and included cost-cutting measures such as:

- restricting the hiring of new staff to a minimum;
- restricting overtime;
- identifying ways to reduce accommodation rental costs;
- eliminating all but essential official travel; and
- restricting the usage of Government vehicles for private purposes.

The total operating expenses amount of CI\$557.4 million includes:

1. CI\$446.1 million for the purchase of outputs, goods and services from Ministries and Portfolios, Statutory Authorities and Government Companies and Non-Governmental Organizations;
2. CI\$6.7 million to account for the expected net loss in investments in Public Authorities; and
3. CI\$18.1 million for Other Executive Expenses. Other Executive Expenses are government expenses that relate to Ministers, Official Members of Cabinet, Members of the Legislative Assembly and the Judiciary. This amount also includes CI\$1.7 million for the annual premium of the Caribbean Catastrophic Risk Insurance Facility.
4. CI\$32.0 million is for transfer payments. Transfer payments are payments where the Government does not receive anything directly itself, for making these payments. This amount includes :
  - a. CI\$7.9 million for financial assistance for the needy,
  - b. CI\$15.9 million for scholarships, bursaries, preschool grants, youth sports and cultural programs; and

- c. CI\$ 7.6 million for grants to ex-servicemen and *ex-gratia* benefit payments to seamen.
5. CI\$20.7 million is for financing expenses. Financing expenses relate to the servicing of government borrowings or public debt and consists of interest costs and any other operating costs relating to government borrowings or loans-made.
6. CI\$4.7 million is for extraordinary items. Extraordinary expenses are those expenses that are infrequent, unusual and material. This amount includes CI\$3.5 million for the Hurricane Paloma recovery efforts in the Sister Islands and CI\$0.8 million for the Judicial Tribunal.

### **Operating Surplus**

Madam Speaker, the total forecast operating revenue for the 2009/10 year is CI\$562.2 million. Subtracting the total forecast operating expenses of CI\$531.9 million which includes the forecast net deficit of Public Authorities (of CI\$6.7 million) and financing expenses of CI\$20.8 million results in a forecast operating surplus for Core Government of CI\$9.5 million.

The Government, Madam Speaker, is therefore in compliance with the Operating Surplus Principle of Responsible Financial Management as specified under the PMFL.

### **Forecast Cash Flows**

Madam Speaker, the forecast cash flow statement shows that the Government expects a net cash inflow from operating activities of CI\$29.4 million where the cash receipts total CI\$566.8 million and cash payments equal CI\$537.4 million.

The net cash outflows from investing activities are forecast to total CI\$62.0 million which includes CI\$42.4 million in cash withdrawals from Public Authorities. CI\$141.4 million is shown in the Statement for the purchase of non-cash assets which is commonly known as the government's capital projects.

The major capital projects that the Government intends to undertake during the 2009/10 financial year include:

- CI\$40.0 million for the continuation of the Government Administration Building;
- CI\$84.5 million for the construction and ancillary costs of the new John Gray and Clifton Hunter Campuses; development of the Sunrise Adult Training Centre and other educational capital purchases and minor capital works;
- CI\$7.2 million for miscellaneous road surface upgrades throughout the Islands;
- CI\$0.5 million for the Bluff playing field in Cayman Brac;
- CI\$0.5 million for the Cayman Brac Emergency Centre;
- CI\$0.2 million for ramps and jetties in Cayman Brac and Little Cayman; and

- CI\$0.3 million for the purchase of the land for the North Side Senior Citizens' Home.

Madam Speaker, the Government plans to borrow up to CI\$275.0 million during the 2009/10 financial year and intends to use the borrowings as follows:

- CI\$154.0 million to repay an existing temporary loan facility. This loan was approved during the 2008/9 financial year in order to meet the Government's expenditure needs to 30th June, 2009. This facility is required to be repaid by 31st December, 2009;
- CI\$15.0 million to fund the overdraft facility; and
- CI\$106.0 million to fund existing capital projects;

Madam Speaker, the decisions taken in formulating this Budget are evident in the Forecast Statement of Cash Flows which shows that as at 30<sup>th</sup> June 2010, the Government will have a total of CI\$137.9 million as its total bank account balances.

Under the PMFL, the cash reserves are equivalent to 97.7 days of operational expenditure coverage which sufficiently covers the minimum 90 days of Government expenses.

### **Compliance with the Principles of Responsible Financial Management**

The Principles of Responsible Financial Management are set out in Section 14 of the PMFL and these Principles are intended to ensure that the Government remains fiscally responsible and prudent. Compliance with the Principles is therefore the first, and perhaps the most important element of the Government's fiscal strategy. It is, and will continue to be, a key driver of the Government's financial decision-making.

The Government forecasts that during the 2009/10 financial year it will be fully compliant with all Principles.

The first Principle relates to the operating results of the Government and requires that Core Government's Revenue less Core Government's expenses be positive. As I mentioned earlier, the Government is forecast to achieve an operating surplus of CI\$9.5 million for the 2009/10 financial year. The Government therefore satisfies this Principle.

The second Principle relates to the maximum allowable Debt Service costs and requires that these costs be no more than 10% of Core Government Revenue. This ratio is ultra prudent, and holds the Government to a very strict limit. It is the international norm for this type of ratio to be calculated using only principal repayments; however the PMFL goes a step further by including interest payments in the calculation, making the ratio more onerous to comply with. For the 2009/10 financial year, the Government is forecasting its Debt Service Ratio to be 8.45%. Since this is below the 10% limit, the Government is in compliance with the Debt Servicing Ratio.

The third Principle requires that Government has cash reserves at the end of its financial year that are no less than 90 days of the Government's estimated expenses for the year to 30<sup>th</sup> June 2010. The 2009/10 Budget forecasts cash reserves at CI\$137.9 million at 30<sup>th</sup> June 2010 which is equivalent to 97.7 days of coverage. Since this is above the 90 day minimum coverage, the Government is also in compliance with this Principle.

The fourth Principle relates to borrowing and sets the limit for the total amount of Net Debt that can be carried by the Government to be no more than 80% of Core Government Revenue. The Net Debt is calculated as being the outstanding balance of Core Government Debt plus the outstanding balance of self-financing loans plus the weighted outstanding balance of Statutory Authorities and Government Companies' debt guaranteed by the Government less Core Government liquid assets. For 2009/10, the Government is forecasting its Net Debt Ratio to be 77.5% of Core Government Revenue – which is below the maximum of 80%. Therefore, this Principle has been satisfied.

The fifth Principle requires that Government maintains a positive Net Worth. Full compliance has been met as the Government's Net Worth is forecast to be CI\$568.7 million at 30<sup>th</sup> June 2010 which has increased from the previous year.

## **Conclusion**

Madam Speaker, the preparation of the 2009/10 Budget has been challenging.

I therefore wish to express my sincerest thanks to the Portfolio of Finance staff for all their hard work in producing the 2009/10 Budget. Particular thanks must be given to the leaders within the Portfolio – the Chief Officer, Mrs Sonia McLaughlin; Mr Michael Nixon; Ms Anne Owens; Mr Ronnie Dunn and Mr Lee Ramoon. I also pay gratitude to all other staff in the Budget and Management Unit. The private sector – particularly those in the financial services industry – also gave significant and valuable input to the budget process.

The government had to make the tough decision of imposing Revenue Measures during a difficult economic period.

The government had to combat the tendency of increasing operating expenses of the Civil Service and to curtail operating costs of the Government as much as possible without seriously jeopardizing the quality and quantity of services to the public.

Madam Speaker, the 2009/10 Budget is a “bare bones” budget. It provides for the basic operational and capital needs of the Government.

Madam Speaker, the 2009/10 Budget demonstrates that the Government is committed to bringing these Islands back to prosperity and navigating us back to calmer waters for a better way forward.

The 2009/10 Budget shows full compliance with all Principles of Responsible Financial Management that are stated in the PMFL.

The requests made in the 2009/10 Budget are encompassed within the Appropriation Bill that is now before the Legislative Assembly.

I, therefore, commend The Appropriation (July 2009 to June 2010) Bill, 2009 to this Honourable Legislative Assembly and respectfully seek Members' support for the Bill.

Thank you, Madam Speaker.