

Budget 2024/2025 Highlights

Key Macroeconomic Indicators

- Real GDP grew by 1.3 percent in 2023
- A fiscal deficit of 3.5 percent of GDP is expected for 2024
- Real GDP is expected to increase by 1.9 percent in 2024
- Expenditure is based on an oil price of US\$ 77.80 per barrel and a gas price of \$3.59 per mmbtu
- Total Revenue for the fiscal year 2025 is expected to be \$54.224 billion. Expenditure for 2025 is expected to measure \$59.741 billion
- A fiscal deficit of \$ 5.517 billion (2.91 percent GDP) is expected for 2025
- Expected Revenue of \$54.224 billion comprises oil revenue of \$14.174 billion, non-oil revenue of \$ 35.039 billion and capital revenue of \$4.011 billion
- The net asset value of the Heritage and Stabilisation Fund as of September 2024 is US\$ 6.1 billion

Areas of Interest

Inflation

- T&T's food import bill is high, at 7.3 billion and 7.2 billion in 2022 and 2023, respectively
- Inflation is under control, as it fell to 0.3 percent in July, 2024

Property tax

- The deadline for property tax payments has been extended by two months, from September 30, 2024, to November 29, 2024. Also, Government expects to implement an online payment solution for property tax on or before October 31, 2024, allowing online bank transfers and card payments

Deposit insurance

- Effective October 1, 2024, deposit insurance increases from \$125,000 to \$200,000.

Government's special projects

- Divestment of Magdalena Hotel: The sale or lease of the Magdalena Hotel
- New International Hotel development: To send out a request for proposals to develop a new 5-star internationally branded resort hotel on the Government-owned Buccoo Estate in Tobago
- Tobago Marina: To send out a request for proposals to develop a yachting marina in Lowlands in Tobago
- Divestment of CLICO: The government plans to facilitate the sale of its 49 percent shareholding in CLICO
- The sale or lease of the Pointe-a-Pierre refinery: Three companies were shortlisted and a formal selective request for proposals process will be initiated to determine the winner

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Tobago

- The budgetary allocation to the Tobago House of Assembly is \$ 2.599 billion
 - \$ 2.376 billion would be for recurrent expenditure
 - \$ 205 million for the THA Development Programme
 - \$ 18 million for the Unemployment Relief Programme (URP)
 - \$ 9.2 million for CEPEP

- \$ 678.5 million is allocated to be spent by various government Ministries and Statutory Authorities

Fiscal Measures for 2024

Online Numeracy Programme for Adults

- Ministry of Education to facilitate an Online Numeracy Programme that will provide classes via the School Learning Management System to complement those with newly acquired literacy skills. Expected to cost \$3.2 million.

National Digital Literacy Project

- Government will collaborate with a suitable NGO to provide essential digital skills and knowledge to vulnerable groups under a National Digital Literacy Programme. Expected to cost \$5 million.

Digital Literacy Certification for Students

- The Ministry of Education to implement a comprehensive digital literacy certification programme for students at various levels of the education system. Expected to cost \$2.9 million.

Solar Powered Sustainability Project in 26 secondary schools

- Geared toward 26 secondary schools, in the first instance. Students in the secondary schools to utilise technological solutions and environmental sustainability to the benefit of their communities. Expected to cost \$2.6 million.

Agriculture Internship Programme

- Government will be establishing an Agriculture internship programme which would provide an opportunity for 30 Associate Degree graduates of Eastern Caribbean Institute of Agriculture and Forestry (ECIAF). This would allow for the exchange of new theoretical ideologies and provide practical real-world agricultural experiences. Expected to cost \$2.2 million.

Budget 2024/2025 Highlights

CSEC Remedial Mathematics Programme

- Programme to be implemented by the Ministry of education as an after-school CSEC Mathematics Tuition Project at 26 secondary schools of focus. The government will allocate \$3.5 million towards this programme.

Increase in minimum wage for government workers

- The minimum wage earned by public sector workers to be increased from \$20.50 an hour to \$22.50 an hour, effective November 1, 2024. Expected to cost \$75 million.

Public Sector Wage Negotiations

- Government has instructed the Chief Personnel Officer to commence negotiations with trade unions for the next triennium January 2020 to December 2022. It is estimated that Government's proposed wage increase of 5 percent will cost an additional \$475 million per year in recurrent expenditure, with backpay up to the end of 2024 estimated at over \$1 billion.

School supplies and book grant extended

- The \$1,000 book grant assistance initiative started last year, will continue over this school year. The estimated cost is \$20 million.

Tax amnesty and NIS amnesty

- An amnesty on outstanding tax and NIS payments will run from October 1, 2024, to December 31, 2024.

Housing and Village Improvement Programme

- Government to increase the price it pays to contractors to build HVIP houses, from \$150,000 to \$200,000 for the basic unit built on flat land.

Sporting equipment

- To encourage healthy lifestyles, effective January 1, 2025, government will exempt all sporting equipment, except for clothing, from taxes and duty. This measure is estimated to cost \$20 million.

Agriculture

- Government to review all items used in agriculture, in order to remove any and all ambiguities in the definitions and laws pertaining to tax concessions for Agriculture, so that those involved in the sector can benefit from its tax-free status. This measure to be implemented in the first quarter of 2025.

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Electric Vehicle Charging Equipment

- Effective January 1, 2025, all electric vehicle charging units and related accessories to be exempted from duties and taxes.

VAT refunds

- In lieu of VAT refunds, by January 31, 2025, government to issue 3 billion in interest-bearing VAT bonds to large companies. Small and medium enterprises who are owed refunds will be paid in cash by December 31, 2024.

Major Fiscal Allocations

- *Education and Training - \$7.512 billion*
- *Health - \$7.571 billion*
- *National Security - \$6.113 billion*
- *Works and Transport - \$1.410 billion*
- *Public Utilities - \$3.221 billion*
- *Infrastructure - \$1.862 billion*
- *Rural Development and Local Government - \$1.771 billion*
- *Agriculture - \$1.184 billion*
- *Housing - \$0.750 billion*