



Office of the  
**Prime Minister**

**Address to the Nation Forward, Upward, Onward Together**

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**Hon. Philip Brave Davis KC MP**

**Prime Minister and Minister of Finance**

**11 October 2022**

## INTRODUCTION

Good evening to my fellow Bahamians:

Thank you so much for joining me tonight.

I have now had the great privilege of serving you as your Prime Minister for a little over a year, and I'm grateful for this opportunity to share my thoughts about the progress we've made, the challenges facing the country, and our plans for the way forward.

Next year, we celebrate 50 years of independence, and I know that many of you, like me, have been reflecting on our nation's extraordinary accomplishments, while at the same time thinking about the road ahead.

We have shown time and again that our country's small size is no barrier to greatness.

As a people, we are strong, resilient, entrepreneurial, creative, and compassionate.

We know how to make an impact, at home and on the world stage.

There is no pride quite like 242 pride -- we know how to lift each other up, and truly rejoice in Bahamian talent and success.

We have come a long way since Sir Lynden and the brave activists of his generation marched and fought for us, achieving Majority Rule and then Independence.

Over the last fifty years, we have built a Bahamas that is free and democratic, a nation that is modern and independent, a true family of islands.

We should be fiercely proud of what we have accomplished.

At the same time, we know in our hearts there is still too profound a gap between where we are today, and where we want to be -- as a nation and as a people.

There is still too great a concentration of wealth and opportunity at the top, with too few ladders to success and ownership for those of us who start life in humbler circumstances.

Crime and violence haunt our neighborhoods. Too many of our young men are in crisis.

These problems have been with us for a long time, and despite good faith efforts by many, enduring progress has been elusive.

These difficult problems are not new.

But these difficult problems are the reason I wanted this job.

Because despite how hard these problems are, despite how intractable they may seem, I know that if we come together, we can create real change.

Tonight, we'll talk about how we can begin to move forward, out of crisis.

## THE ECONOMY

Let's start by talking about the economy.

When we took office, we inherited an economy in severe recession, a government deeply in debt, empty classrooms and schools in disrepair, and a health care system on the verge of collapse.

An economic crisis, a fiscal crisis, an education crisis, and a health crisis.

My fellow Bahamians, although our challenges remain very serious, we are finally moving in the right direction on all of these fronts.

Facing the worst unemployment emergency in our modern history, we decided to aggressively prioritize getting Bahamians back to work.

We knew we could fight COVID and get the economy moving at the same time.

We immediately ended the curfew, so restaurants and bars could re-open.

We ended the Emergency Orders, we ended the Competent Authority, and we ended the travel visa for Bahamians.

We have conducted more than 170,000 free COVID tests, handed out nearly a million free medical-grade masks, recruited nurses and doctors, and expanded health care capacity.

Because we were giving Bahamians tools to subdue transmission, while simultaneously expanding clinic and hospital capacity, we were able to safely welcome more and more visitors, re-open the straw market, bring back festivals and regattas, and thousands of Bahamians were able to return to work.

Progress continues.

Properties that were shuttered for years are opening again, including Sandals in New Providence, and Club Med in San Salvador.

Construction of the new Carnival Cruise port in Grand Bahama is underway, and the sale of the Grand Lucayan is progressing.

We will announce before year's end our selection of a partner to build a world-class airport in Grand Bahama, a crucial component for the island's rebuilding. In the meantime, we are making the improvements necessary to welcome the tens of thousands of visitors we expect this winter season, after increasing airlift directly to that island from Florida, North Carolina, Toronto, and Montreal.

Work on the Exuma International Airport resumes this month. Major new developments totaling hundreds of millions will create good jobs in Eleuthera and Long Island.

In fact, just one year into our term, we have more than one billion dollars of new investments in the pipeline – projects which will create thousands of new jobs across our islands.

We are expanding and modernizing our tourism product, emphasizing our unique culture and ability to provide a multi-island experience. We are relaunching Sports in Paradise, and exploring new opportunities in medical tourism.

More Bahamians back to work has meant more money circulating in our local economy, so our small and medium-sized businesses have started to recover, too.

We also made it a priority for the government to pay off significant arrears owed to Bahamian businesses. Doing so injected over \$100 million into our local economy and rescued many businesses from bankruptcy.

And in the public sector, we've taken the important and long overdue step of settling promotions and regularisations. We paid off significant salary arrears to public officers, many of which had been outstanding since 2017. We have successfully reached agreement with unions representing teachers, nurses, and customs and immigration officers, and we're in advanced stages of negotiations with additional unions. We've approved the return of annual increments for public servants and increased public service pensions.

All of these changes add up to real and meaningful relief in many homes.

But we know that many Bahamians are still struggling -- trying to survive without regular work, or trying to make one paycheck stretch to cover the bills for an entire household.

Consider how much severe disruption and crisis our country has faced:

In 2017, a shock 60% increase in VAT.

In 2019, on top of a stagnant economy, no significant new investment, and billions in new borrowing -- a Category 5 hurricane.

In 2020, a pandemic that led to closed borders, a curfew, and wave after wave of lockdowns.

And then, just as we started to recover, over this last year, a global inflation crisis led to prices rising across the board -- faster than they have in many decades.

I want to emphasize just how big a shock this has been to households and businesses – we haven't seen double-digit increases in global inflation like this in nearly 40 years.

The COVID pandemic caused – and continues to cause – major disruptions in manufacturing and supply chains.

Last February, Russia, a major energy producer, invaded Ukraine; the war, and the sanctions that followed, and the geopolitical turbulence, sent high oil and gas prices even higher.

The inflation crisis has spared no country, but small island nations like ours, dependent on imports, have been particularly hit hard.

The cost of living was already far too high in The Bahamas; this global inflation crisis has made life even more unaffordable.

I know what it's like to live in a home where every time a little money comes in, you have to decide which bill is most important to pay, because there's no way to pay them all at once.

We are taking many different steps to provide relief to Bahamian families:

- We cut import duties on dozens of food items, including many fruits and vegetables.
- We are hiring new price control inspectors.
- We increased funding for social assistance by 50%, compared to pre-pandemic levels.
- We are providing substantial support to successful, church-led local feeding programmes.
- We launched a Home Assistance Repair Programme in New Providence, Grand Bahama, Abaco, and Bimini.
- We are building hundreds of new affordable houses, and cutting VAT and other taxes related to building materials and property transfers.
- We launched free Wi-Fi in 30 parks across the country, expanding high-speed access.
- And we created a new Catastrophic Health Care fund, to help Bahamians with health care costs.

Tonight, I want to announce that we have added 38 new items to be subject to price controls in our country – we are limiting the wholesale and retail markup of everyday items like diapers, and food like chicken, eggs, bread, bananas, apples, oranges, broccoli, onions, and potatoes.

These items are being added for at least a 6-month period, at which point we will review and evaluate the impact on businesses and consumers.

We are also reducing the profit margin on price-controlled drugs, providing additional relief to Bahamians.

During an inflation emergency, it's important to take the steps we can to improve affordability.

Of course, nothing is more important to helping families make ends meet than higher wages.

## MINIMUM WAGE

The last time the minimum wage was raised in our country was 2015.

A new increase has long been overdue.

Tonight, I'm announcing that the country's new minimum wage will be \$260 a week.

For minimum wage earners in the public service, the change will be retroactive, going back to July of this year. (insert)

For minimum wage earners in the private sector, the increase will begin in a little less than three months, in January of the coming year, allowing employers time to prepare for the increased expense.

The higher minimum wage will benefit tens of thousands of Bahamians.

Will the increase help? Yes, it will. It was long awaited, long overdue, and the extra money every week will make a difference.

However, we are aware that this will not eliminate the hardship of trying to make ends meet in today's economy.

Instead, it represents progress on the way to a livable wage.

The raise was negotiated by the National Tripartite Council, which includes the government and representatives from the private sector and unions.

Our shared goal was to raise the minimum wage without having a negative impact on employment or job growth, and we believe that has been achieved.

## BEYOND RECOVERY: EXPANDING SUCCESS AND DIGNITY

We've been talking about recovery, and relief.

But I want to be clear: our goal for the Bahamian economy goes beyond recovery.

The goal can't simply be to return to the way things used to be – because let's be honest – there's never been a time when our economy created enough opportunities for Bahamian advancement and ownership.

Returning to the past economy isn't the goal. Creating a new, more inclusive economy is the goal.

Many Bahamians have achieved remarkable success, but thousands more can and should join them.

That's why we're expanding access to capital, so small Bahamian-owned businesses can turn into big ones.

That's why we are starting to work with the private sector, to smash through the glass ceilings that are limiting Bahamian advancement to leadership positions.

That's why we're taking steps to create a vibrant and innovative economy – because we want young Bahamians to build their lives here, at home.

And let me say this, too, because yes, it's true that we direct a lot of our support at our young people: Bahamians of *all* ages deserve help securing meaningful opportunities. We have so many talented and hard-working people who were trained in one field, but who could succeed in new areas, too.

Think for a moment about how many Bahamians lost jobs during the lockdowns – jobs they had counted on to support their families. We all know Bahamians who turned crisis into opportunity – turning talents into new small businesses. During my campaign and now as Prime Minister, I've made time to visit many of these small businesses, to celebrate the Bahamians who started them, and to hold them up as inspiration to their fellow citizens. I know the ingenuity and bravery required to create something new, especially during uncertain times.

Investing in Bahamians is always a smart move.

That's why we're emphasizing the teaching of financial literacy and expanding access to technology.

That's why during this term, we are investing more than \$250 million in Bahamian-owned businesses.

And that's why we're already planning for the next generation of entrepreneurs – data and market analysis, finance, business management – these skills should be taught much more widely; we have to expand our idea of who can achieve success in our society.

I've worked packing groceries. I know what the economy looks like from that vantage point.

I know what it feels like to have doors to opportunities closed in your face.

I know what it feels like when people in positions of authority don't believe you can make it.

That's never going to be us – we believe the opposite: We believe Bahamians from every walk of life are capable of greatness.

## EDUCATION

This brings us, of course, to education.

We conducted more than 200 repair projects at our schools, to make them ready for reopening.

But as extensive as the infrastructure repairs were, it is far more difficult to repair the damage done by years of interrupted schooling.

Bahamian parents know that a good education is not just important but essential if their children are going to have access to the opportunities of the future.

Our teachers and administrators are working hard, despite facing serious challenges.

Our Learning Recovery Task Force is taking a multi-layered approach to making up for lost time. Multiple agencies are working alongside education officials, so that social services and mental health support can be integrated as well.

More than 100 teachers have been recruited, and for the first time in years, teachers are seeing an increase in salaries and benefits, along with a retention bonus.

We have added security officers in junior and senior schools, after conducting specialized trainings, to make these environments safer for students and staff.

BTVI and Urban Renewal are working together to engage students across our islands in the Smart Start Programme, which provides training and job readiness certificates for those who didn't graduate due to the pandemic.

We're not giving up on anyone. We're working to reach all of our children, and assessing what they need to be healthy and to learn.

This isn't just an issue for parents with school-age children. Educating our children is how we build our nation. The disruptions caused by the absences from school will be with us for a long time, and will manifest in many ways.

The work of lifting our children up in the years to come belongs to all of us, not just to parents and teachers and school administrators, but to extended family members, to neighbors and church parishioners, to retired teachers and volunteers. It takes a village to raise a child, they say, and that is never more true than in times like these.

I know that if we extend our love and support to our children, and to the parents and teachers working so hard to raise and teach them, that they will grow and flourish and achieve.

Just because we have these new post-pandemic challenges to contend with, don't think for one minute that we're trimming our ambition for our children.

I believe in them, and I hope you do, too.

## ECONOMIC DIGNITY

At the heart of our commitment to education and opportunities is our core belief that every Bahamian deserves economic dignity.

Sometimes government help comes directly in the form of scholarships, or training, or mentorship programmes, or loans or grants. And sometimes it comes through partnership with the private sector.

The government has formal partnerships with the private sector, of course, like when we enter into public-private arrangements to build vital infrastructure, or when we negotiate the minimum wage and industrial agreements.

But I've also been meeting with executives at various companies and asking them to take steps that improve life for their employees.

One example is the Freeport Container Port: During a meeting on another matter, I shared with them that the practice of hiring Bahamians as casual workers -- rather than permanent staff -- meant those workers had fewer benefits and reduced access to credit. These are Bahamians who are working hard, but the way their employment was structured was keeping them from building economic security.

Since our discussions, many of those hired as casual workers have been made permanent.

I thank the Freeport Container Port for their continued progress, and I will continue to encourage other companies to be inspired by their example.

Whether it's with the private sector, the public sector, unions, regional allies, and others -- dialogue and partnership are always an important stepping stone to progress.

## DIVERSIFYING OUR ECONOMY

I said earlier that we need to do more than return to normal; recovery might be step one, but even as we recover, we also need to build a new, stronger Bahamian economy.

The extraordinary beauty of our country means that tourism will always be a central pillar of our economy, but if anyone ever doubted the urgency of diversifying, and strengthening industries beyond tourism, the pandemic surely proved how vital an undertaking that is.

I want you to know that we're fighting for fair, unbiased treatment of our financial services industry. Addressing the United Nations last month, I said that black-governed countries matter, and I meant it. We don't want or need special rules, we just need a fair application of the rules. I'm always going to stand up for what is right.

We have leveraged our expertise in financial services to expand beyond traditional finance. In just one year, we are well on our way to becoming an important center for the cryptocurrency industry. Our new and innovative digital assets regulatory framework is being described as leading the world.

To make sure opportunities in this industry reach Bahamians, we're creating training programmes and partnerships with digital assets companies, the securities commission, and the University of The Bahamas.

We've also passed a new Merchant Shipping bill to promote the Bahamian shipping industry, and created a partnership between the Bahamas Maritime Authority and the LJM Marine Academy, to expand training and opportunities for Bahamians in the maritime sector.

And we have launched truly historic changes in agriculture, with major investments to empower Bahamian farmers and agri-business.

I want to emphasize how profoundly I believe agriculture should play a central role in the next stage of our national development.

We talked earlier about our country's vulnerability to rising prices. Why shouldn't we grow more of our food here at home?

We can lower food prices for families, keep more of our money inside our country, and create a new wave of successful Bahamian entrepreneurs.

We are not simply talking about small-scale farms. Food production is big business. Consider poultry farming: there are millions to be made in this industry -- it is past time for Bahamian farmers to own this market. Every chicken in every bag should come from a Bahamian farmer!

We are also educating the farmers of tomorrow through BAMSI, where the focus is agricultural science and research. Students will learn modern farming and business techniques to equip them to be competitive in 21<sup>st</sup> century farming.

They will have access to the latest advancements, including the automated greenhouse initiative, in which greenhouses under the care of BAMSI will be leased to local farmers who – thanks to this innovation -- will be able to grow crops year-round.

Additional investments are being made in vertical farming and container farming.

A new Sustainable Food Security Grant will fund agriculture and fisheries through the SBDC. These are grants, not loans – we consider them to be important investments in our nation’s food security.

Farming and fishing businesses which are 100% Bahamian-owned will have the opportunity to fund construction, heavy-duty equipment and vehicles, supplies, and insurance.

Farmers will also benefit from duty-free concessions for equipment, land leases for agribusiness purposes, electricity rate reductions, and subsidies.

After four long years, we reopened packing houses in New Providence and Hatched Bay, Eleuthera, so our farmers can access seeds, plants, fertilizers, and planning support.

We are digitizing the process of getting licenses and permits, to speed efficiency.

We are launching cultivation centres, where local agri-business entrepreneurs will be trained in the processing and packaging of their products at an international standard.

This is *not* business as usual.

We have big ambitions – starting with our goal to reduce our food import bill by 25% in just two years, in 2025.

RELIEF NOW, LEADING TO TRANSFORMATION

I think by now, you can see the pattern in our policies:

We think it's important to provide relief now, given the serious battering our economy has endured, and now continues to endure, thanks to the global inflation crisis.

But at the same time, we can't wait to start the country on a path to transformative change.

We have to start now:

Even during times of global crisis and uncertainty, to build an economy that includes and uplifts more Bahamians.

And surely, we must also build a country that is less vulnerable to *future* crises.

We've just discussed several ways we're becoming stronger:

We're expanding tourism;

We're diversifying our economy;

We're strengthening education;

We're growing more of our own food; and

We're investing in our people to create more Bahamian success stories.

There's more, too:

We are investing in **health care** – training and recruiting more health care providers, upgrading our infrastructure, including updates to our clinics and new hospital services, and reducing catastrophic care costs.

We will break ground by the end of this year on a new, \$200 million hospital in Grand Bahama.

And tonight, I'm announcing that we have made major progress on securing both the land and the resources for a new hospital in New Providence. Our capital has long needed an additional hospital to keep up with expanding health care needs.

These new, state-of-the-art hospitals in Grand Bahama and New Providence will help Bahamian patients receive top quality care, and improve working conditions for our doctors, nurses, and hospital staff.

We will never forget the bravery and dedication of our health care professionals during COVID.

As for COVID, we all hope the worst is behind us, but unfortunately, we can't be entirely sure yet. The virus keeps changing, and cases caused by new variants are rising again in some countries. We are all more than ready to put the pandemic in the rearview mirror, but we need to stay updated, and follow expert advice from doctors.

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On another front, I want to share with you some of the ways we are moving to fortify and protect our **borders**:

We are recruiting hundreds of new Defence Force and Immigration officers.

We are investing \$6 million in new Defence Force vessels.

We are strengthening our partnerships that amplify our ability to patrol our waters.

We established a new Maritime Surveillance System and commissioned a new Coastal Radar at our Defence Force's Coral Harbour base.

And we will commission additional satellite radar systems in locations throughout The Bahamas, including Ragged Island, Andros, Eleuthera, and Exuma.

Last June, I attended the Summit of the Americas, where regional migration was one of the items on the agenda.

During the Summit, countries were asked to sign a declaration on migration, which included language suggesting that countries support and host undocumented migrants.

We did NOT sign this declaration.

20 countries signed the declaration, including: Argentina, Barbados, Chile, Jamaica, and the United States.

Let me repeat: The Bahamas is NOT a signatory to this agreement.

I made it very clear to President Biden and to other leaders that our country does NOT have the resources to bear this burden.

We need to devote Bahamian resources to solving Bahamian problems.

There is no question that worsening instability in our region is a national security problem for The Bahamas.

That is why we are increasing patrols of known passageways for human trafficking.

And that is why we are increasing the use of technology to detect undocumented vessels, and directing more manpower in our southern islands to intercept them before they venture deeper into our territory.

These measures make an important difference – but our sea borders span thousands of miles – we need the United Nations to step up and do more to stop human smuggling at the source.

A message must also be disseminated on the ground there, warning people not to make the dangerous journey – warning them not to risk their lives to be turned around again.

To the extent that CARICOM can make headway on the ground where these very serious and tragic humanitarian crises are unfolding, that would only benefit our country. The Bahamas will be part of a multi-country regional effort to address the emergency there.

But what we will not do, what we cannot do, is absorb the problems of other countries here.

CRIME

We need to defend our borders from those who would come here illegally, and we also need to defend our borders from weapons and drug smuggling.

Here's what's happening – individuals in the United States are able to purchase guns there legally – then smuggle them here, where they are used in shootings on our streets and in our neighborhoods.

We have a formal working arrangement with the American law enforcement agency, ATF – the Bureau of Alcohol, Tobacco, Firearms and Explosives – who now have a presence in The Bahamas.

And we are working with American intelligence to share information to stop this flow of arms across our borders.

As a country, we have at times made temporary progress in the fight against crime, but we have never made major inroads.

When the last few years of trauma, dislocation, and unemployment were added to an already chronic problem, it was like pouring gasoline on a fire.

The result is tragedy.

We didn't get here overnight, and so major progress will take time – but we are pushing hard for immediate advances, because we need to make people safer, *now*.

Our police now have new leadership, new resources, and new initiatives targeting gangs and guns.

We have created a collaborative multi-agency approach to interrupting the cycles of violence that are tearing up our streets and communities.

After years in the previous administration during which recruitment exercises were suspended, we are conducting a major effort to add manpower and revitalize law enforcement.

We are recruiting hundreds of new police.

We're also focused on intervening early, identifying those at risk and steering them to a better path, which is why we're expanding and improving programmes like Urban Renewal and Second Chance.

We know that gangs have started reaching into our schools to recruit – so, as I mentioned earlier, the Royal Bahamas Police Force has added a security presence to our school campuses.

It is clear we also need to stop gangs from recruiting inside prisons and start taking prisoner rehabilitation more seriously, because right now, all too often, young men are leaving prison with few options, but with more dangerous connections.

The primary responsibility for making progress on crime lies with the government, of course.

But there are limits to what any government can do – we can invest in new police cars, or technology, or programmes that rehabilitate and offer opportunity – but we still need parents to create loving, safe homes.

We still need role models to offer the power of their example.

We still need neighbors and communities that care.

If our young men are turning to gangs for a place to belong, we have all failed them.

We all know parents who love their children but who are too immersed in their own struggles to raise them.

Poverty, addiction, trauma, mental health crises – these are real plagues of our time.

They are not easily solved, but nor are they unsolvable.

If communities step up, instead of giving up, together we can build a path forward.

If you are able to mentor a young man who may be on the edge of making bad choices, do it.

If you believe a mental health crisis is leading to dangerous behavior, don't be silent, please, reach out.

And if you have knowledge that could prevent or solve a crime, come forward.

As always, partnership is the key.

## FISCAL PROGRESS, CLIMATE CHANGE

I've talked tonight about the progress we are working for in our country – in education, food security, job readiness, health care, national security, and more.

Moving forward on all these fronts requires resources.

Over the past year, we have made significant strides in getting our country's fiscal house in order.

The multiple, extended lockdowns during the pandemic were a very major blow to our economy and revenues.

But in the last budget, we were able to substantially reduce the budget deficit and lower the amount of money the government has to borrow.

Central to our efforts has been our newly reconstituted Revenue Enhancement Unit, which is targeting the \$1 billion owed to the government in tax arrears. The majority of those arrears are Real Property Tax for relatively high-value properties. Our commitment to increasing enforcement and compliance reflects our deeply held conviction that these better-off taxpayers must do more to meet their legal obligations and shoulder their fair share of the nation's tax burden.

Success on this front has already brought millions into our Public Treasury, and we're just getting started.

I want to share something important with you:

Last week, one of the international ratings agencies acknowledged that in the last year, our country has made substantial progress in our economic recovery and fiscal performance.

And then they downgraded the rating of our sovereign debt, anyway.

They agree that we're taking responsible and effective steps to grow our economy, reduce our debt, and put our fiscal house in order – so what's going on here?

This ratings agency explicitly cited that our country is vulnerable to climate shocks that are likely to come with increasing frequency and intensity.

So, when they look at our country, they are pricing in a high probability of future Hurricane Dorian – and saying, essentially, that they believe we have a worse outlook than other countries who have similar economic and fiscal situations, but less climate risk.

Now you understand why I spend so much time and energy on the issue of climate change.

It's not just one issue among many for our country.

Fighting climate change, and fighting for fair climate finance, is central to our country's ability to thrive.

Actually, it's central to our country's ability to *survive*.

That's why we call it an existential threat.

And that's why our country's climate activism and leadership is so important.

That's why I hosted our regional neighbors for a first-of-its-kind conference here in August, so we can work with other small island countries to have a stronger voice in the upcoming COP27, the global UN climate conference in November. A lot of important decisions will be made then about how to compensate countries like ours for our climate debt and risks.

The wealthiest countries on earth have become so wealthy by using oil, gas and coal to produce energy and power their industrialization, and these fossil fuel emissions pump massive amounts of carbon dioxide into the atmosphere. All that carbon dioxide in the atmosphere traps more of the sun's rays, heating up our planet.

And that warming is having all kinds of climate effects – including rising sea levels and more intense hurricanes.

The Bahamas has contributed only the tiniest percent of the world's global emissions, yet we are on the frontlines, consistently rated as one of the countries most at risk.

The nations who have caused the most harm to the climate have made various pledges and commitments to reduce emissions, compensate countries like ours for loss and damage, and offer fair climate finance so we can have the resources to adapt and become more resilient.

Now they have to live up to those commitments they've already made -- and step up even bigger on climate justice.

This is the great fight of our time.

In just seven years, our country has suffered more than 4.2 billion dollars in damages and losses related to hurricanes – Joaquin, Matthew, Irma, Dorian.

Each hurricane causes terrible destruction, and each hurricane leaves us deeper in debt.

And when hurricanes destroy businesses, roads, water and sewage pipes – not to mention homes, hospitals, and schools -- the impact to the economy lasts a long time.

The effects cascade forward. After each hurricane, we have to borrow to rebuild, and the increased borrowing means our overall debt is bigger, and the increase in the size of our debt means we pay higher interest rates to lenders to compensate for the additional risk.

And as we can see – the risk of future hurricanes is priced into our debt as well.

We're paying for storms that haven't even formed yet!

I don't know about you, but this makes me angry. Hurricanes made more destructive by the emissions of other countries – the very emissions that have made them rich -- are affecting *our* ability to invest in our people, our infrastructure, our economy, and our country.

I don't want our country to be forever trapped by this cycle of destruction, tragedy, and debt.

That's why we're fighting for change.

One important way to fight is the one I just mentioned – building coalitions to have a more powerful say on the world stage.

But we are taking matters into our own hands, too.

I made new legislation for carbon credits an early priority in our first year.

What are carbon credits, and how do they work?

Because the threats posed by climate change are now widely acknowledged to be serious and imminent, countries and corporations are making a transition from carbon-emitting fossil fuels to renewable energy sources like solar and wind.

But it's going to require a massive and very expensive change to energy infrastructure, all over the world -- so it won't happen overnight. During the transition, our existing energy systems will continue to push carbon dioxide into the atmosphere.

Now many countries and companies are required to compensate for those emissions by buying carbon credits – carbon credits are a way to pay the planet back for the harm caused by those continuing emissions.

A carbon credit is generated by activities that remove carbon from the air.

Green carbon credits are generated by ecosystems on land – for example, trees remove carbon from the air, which is why climate activists are so focused on preserving forests.

The green carbon credit market is well established.

What we in The Bahamas are now doing is working to become the first in the world to sell blue carbon credits.

Did you know that our seagrasses and mangroves play a critical role in capturing carbon from the air?

That means when we protect, restore, and preserve them, we are a major part of the climate solution!

We have been working with top scientists to map and verify our mangroves and seagrass meadows, so that we can begin trading carbon credits.

So, we are innovating in a way that is going to protect our environment, *and* bring in what we believe will become a very important source of revenue for The Bahamas.

## ELECTRICITY

Now, last week I had the unhappy task of announcing an increase in BPL's monthly fuel charge.

It was suggested to me to let BPL make the unwelcome announcement.

Why would I want to go make such an unpopular announcement myself?

Well, because the buck stops with me.

I also wanted an opportunity to explain the timing and reason for the change.

It had been clear for some time, given the increase in energy prices and the war in Eastern Europe, that an increase was inevitable.

I wanted to delay it for as long as I could. High energy costs are already a source of pain for households and businesses.

Maybe some in our country can't understand what a \$20 monthly increase in a light bill means to families, but I sure as hell do.

Given how hard the last few years have been, given all the Bahamians still looking for work, and given all the other inflationary pressures, I wanted to hold off and give more people time to find work in a growing economy. And indeed, many Bahamians have found work over the last months.

We also wanted to spare consumers the increase during the spring and summer months, when people consume more electricity.

I explained the different ways BPL is working to minimize the impact of the increase – those who consume less will pay less; the increases are phased in over time; and the VAT ceiling is raised, so there is no VAT now on electricity bills up to \$400. These measures will soften the impact, but an increase is an increase. No one wants their bill to go up.

Most importantly, though, these increases are short-term.

Because we are building a different energy future for the country.

A key priority for us is to transition The Bahamas to cleaner, more affordable energy.

That shift is underway, with solar micro-grids in the Family Islands, already operating in several locations and expanding to benefit 17,000 Family Islanders.

And the launch of a 60-Megawatt solar farm in New Providence in the next year means that approximately 25-30% of the island's electricity needs will come from solar, resulting in less expensive, cleaner energy for residents.

These are big steps in the right direction – but we want to really go big. To make a massive shift to renewables will require absolutely enormous investments in changing how we generate and store and transmit energy. In other words, it's a really expensive thing to do, especially in an archipelago.

So, how we can pay for this clean energy transition to renewables?

It goes back to the carbon credits I was just telling you about.

A major portion of the new revenue from carbon credits will be used to invest in renewable infrastructure.

I'm really excited about this new energy future, and I hope you are as well.

## CONCLUSION

I hope by now you can see that we're not here to defend the status quo, but to change it.

So much more change is on the way. We are launching a new Rent-to-Own programme to bring the dream of homeownership to more Bahamians. A new Youth Guard is recruiting and training young people to become part of our nation's disaster response teams. New mental health legislation will finally mean progress on that crucial health issue.

We're going to have some bumpy moments, too. You won't always agree with all our decisions. That's how things go during times of great challenge and disruption.

But it's important for me that you know how seriously I take this privilege of leading this country.

I don't just want to attack the symptoms of our hardest problems, I want to attack the sources of them.

And I want you to know that even though our country is finally moving in the right direction, I understand how hard it is for you, still.

I see you sitting in your home, your bills in front of you, wondering which one you can't postpone paying any longer.

I see you worrying about how the years out of school have affected your children.

I see you wondering whether you'll ever feel safe again on the streets at night.

I know the obstacles we are facing are really big, but so is our people's capacity to overcome them.

Every day, we're working to fulfill the commitments we made to you in our Blueprint for Change.

Every day, we're working to build a more inclusive economy, and a stronger, safer country.

We can't stop hurricanes, or viruses that cross borders, or wars taking place across the world, or a global inflationary crisis.

But we can build more resilience, and make our country stronger.

We can grow more of our own food.

We can stand up for our country and fight for what is right.

And we can deepen our commitment to take care of each other through all of these storms.

Let's turn hardship and challenge and tragedy into shared purpose.

Let's decide that we won't let big problems stop us from dreaming big for our country.

Returning from San Salvador a few days ago, I looked down from the plane window, and – as always – wondered at the beauty of our country, and felt such deep gratitude for all of our blessings.

I began tonight by speaking about Sir Lynden and the sacrifice of his generation.

Imagine the courage it required to stand up to the economic and political powers of that time.

The best way for us to honour their courage today, is to continually ask ourselves if we're doing enough --in our time -- to challenge the status quo, empower our people, and move the nation forward.

It is the privilege of a lifetime to be engaged in this work, and I hope you will partner with us in this national project for renewal and transformation.

May God Bless You, and May God Bless The Bahamas.