

Barbados National Budget Analysis

March 2022

Barbados' survival & sustainability roadmap

Always be prepared





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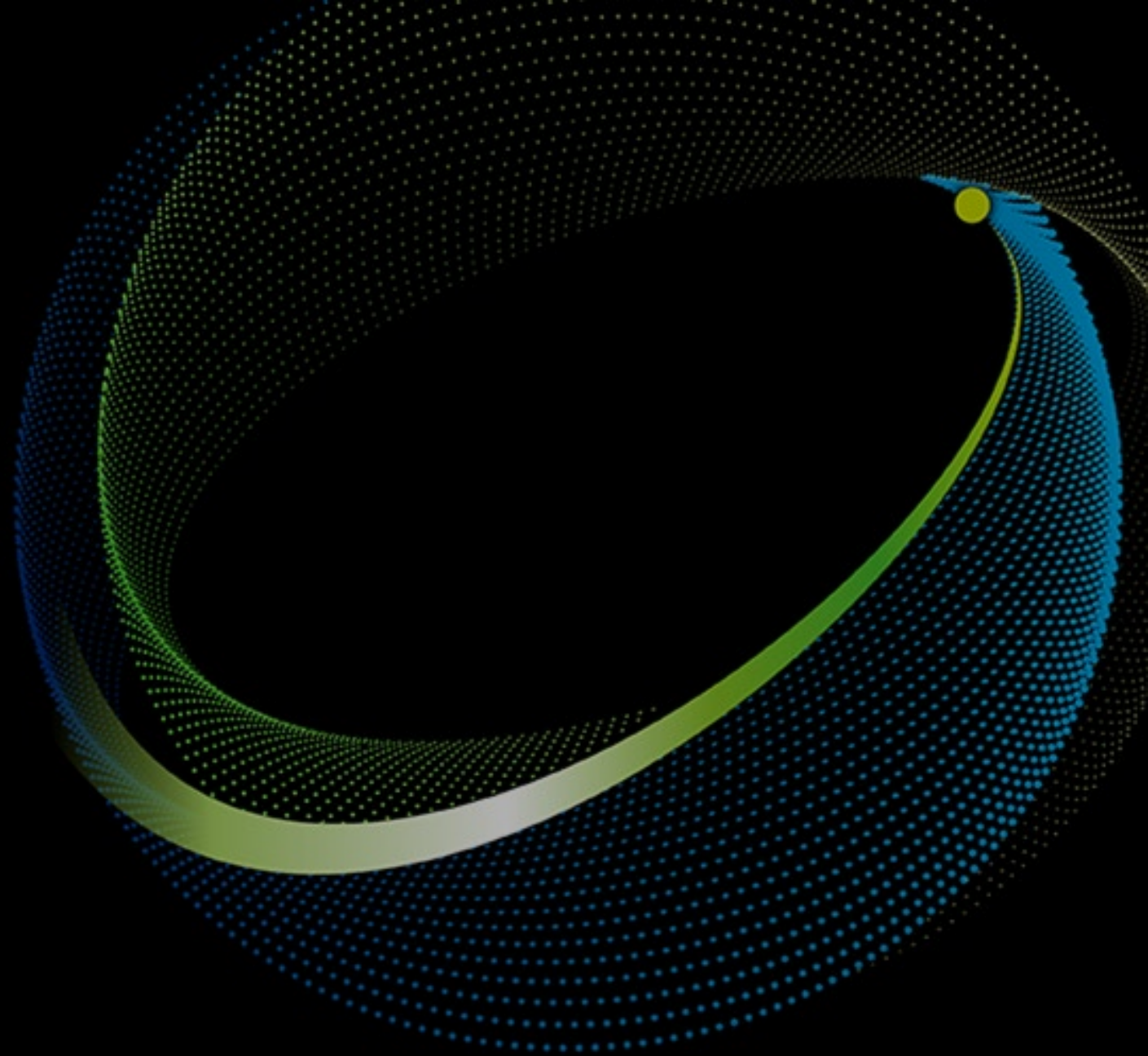
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Message from the Managing Partner



Message from the Managing Partner

Barbados continues to deal with the impact of an avalanche of challenges ranging from a pandemic, a hurricane, climate change issues and now the Russia-Ukraine war. Even though the war is far away, it is rather close to home in the form of increased oil, gas and food prices and the disruption of supply chains.

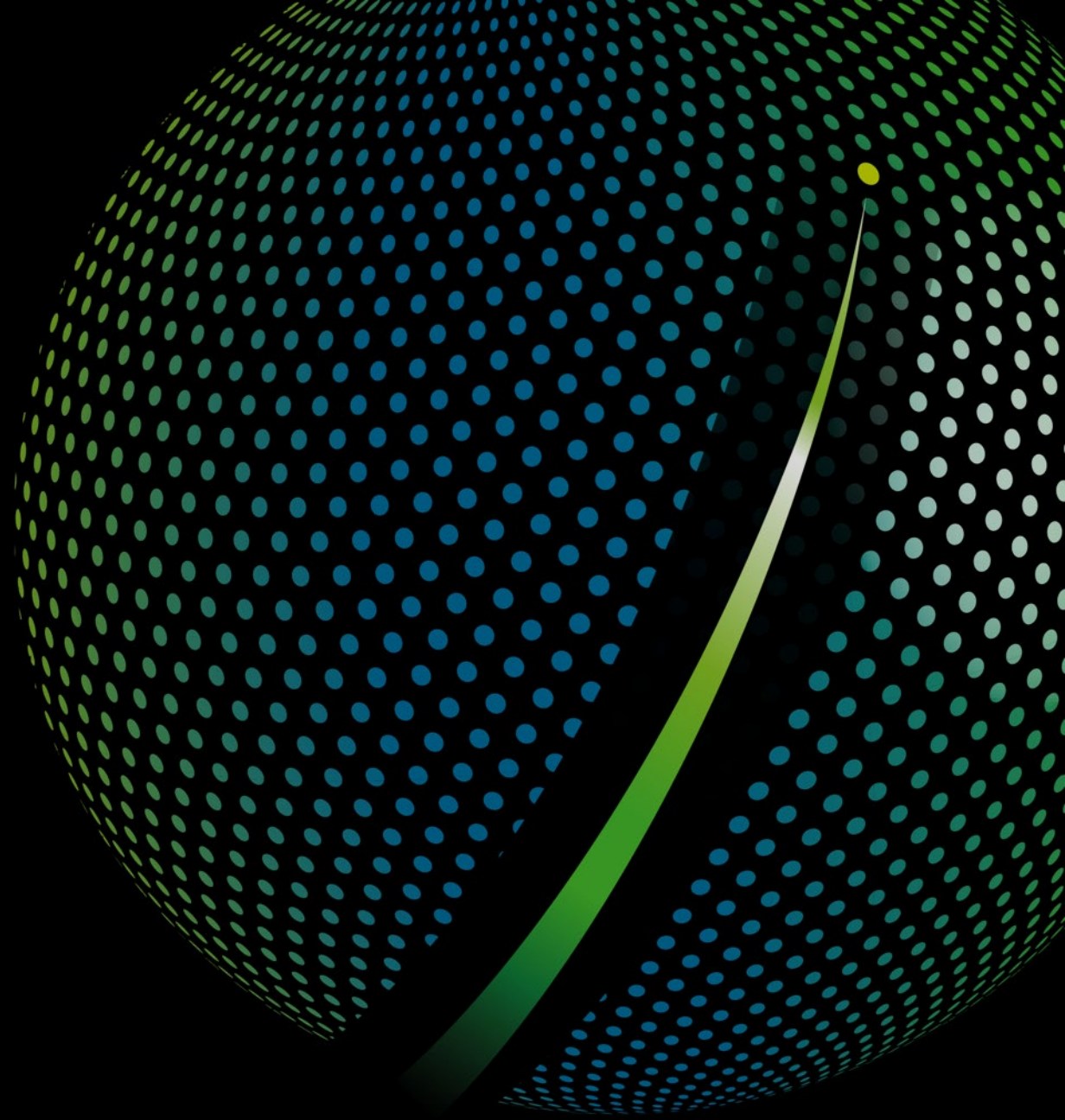
The Prime Minister is faced with the perennial economic problems of reducing balance of payment deficits, earning foreign exchange, employment creation and protecting our two most important income earning sectors, tourism and international business. This is not an enviable position to be in and so the expectation is that the measures introduced in this budget are designed to achieve the following:

- Satisfying the International Monetary Fund (IMF) and other international borrowing impositions.
- Cushion the impact of international developments on the local landscape.
- Create opportunities for the development and facilitation of new businesses.
- Incentivize businesses to make new investments.

How these would be achieved and measured is not only dependent on what is done locally, but also on external factors beyond our control. It is therefore hoped that the measures introduced would be monitored regularly to allow for nimble and flexible actions.

Ikins D Clarke

Budget snapshots



VAT & Duties Savings

- Effective April 1, 2022, Government has proposed the zero-rating of certain personal care and critical items.
- The dollar amount of VAT payable will be capped on gas and diesel. The new prices per litre will be BBD\$3.99 and BBD\$3.22, respectively. These changes will take effect from 16 March 2022.

01

Pandemic Contribution Levy Corporations

- A "one-off" levy of 15%, is applicable to a company with net income above BBD 5M in 2020 and 2021. It applies to domestic businesses in telecommunications, retail sale of petroleum products by dealers, commercial banking, general and life insurance. Credit Unions are excluded from this measure.
- The levy is to be paid in addition to corporation tax and will not be tax deductible. It commences July 15, 2022, ends March 31, 2023, and is payable to BRA in 8 monthly payments.

03

Pandemic Contribution Levy Individuals

- Effective April 1, 2022, Individuals earning in excess of BBD6,250 per month will be required to contribute 1% of their monthly earnings for 12 months only.

04

Container Duties

- Government will cap its customs duties based on the 2019 (Pre-COVID) container values, partially shielding consumers from the increased freight costs. Government will forego that revenue until March 31, 2023.

02

05

Land tax

- Effective April 1, 2023, the exemption on residential land tax will be increased to BBD300,000 and from April 1, 2026, it will increase to BBD400,000.

National Insurance Scheme

- Effective January 1, 2023, the insurance earnings ceiling will be increased to BBD1,182 per week and BBD5,120 per month. These ceilings will be increased on January 1st of each year until 2035.
- Maximum pension for new employees entering the public service will be attained after 40 years of service instead of 33 1/3 years.

06

Greening Transition

- Effective April 1, 2022,
 - Public officers will be offered interest free loans of up to BBD100,000 for the purchase of electric and hybrid vehicles.
 - The import duty and excise tax for new fuel cell electric vehicles will be reduced to 20%.
 - There will be an excise and VAT holiday on electric vehicles (EVs) for 24 months.
- Effective 1 July 2022, an Alternate Fuel Levy comprising a fixed BBD25 per month component and an annual BBD0.02 per km exceeding 15,000 kms variable component will be introduced for vehicles not powered by diesel or gasoline.

08

Greening Transition

- The Government has signaled their intention for Barbadians to have the right of Barbadians to own and install PV systems on their roofs.
- Effective April 1, 2022, the import duties for Used Electric vehicles will revert to 10%
- Effective April 1, 2022, Tariff for fuel cell electric and solar powered vehicles will be reduced to 10%.

09

National Insurance Scheme REFORM

- There will be a moratorium on interest of any outstanding contributions once settlement of principal contributions is made within 2 years.
- A 4-step plan to ease the burden on the NIS Department is being proposed. The objective is to have the NIS be a more independent and investment-diversified institution.

07

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Other Measures

- Effective May 1, 2022, there will be a fixed rate for water of \$1.80 per cubic metre across the agricultural sector.
- CARICOM citizens will be offered reduced and capped roaming charges once agreed by CARICOM.

Other measures

- The current arrangements where the BADMC extracts water from wells that they control and sells to farmers will end from April 30, 2022.
- New public officers earning above the earning ceiling of BBD4,880 per month will be required to contribute to their pensions.

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- Effective April 1, 2022, the excise tax on sweetened beverages will be increased from 10% to 20%.
- The BWA will seek funding of BBD19.6M from the Green Climate Fund, to assist with water tanks and rainwater harvesting systems to be used at homes, facilities and various centres.

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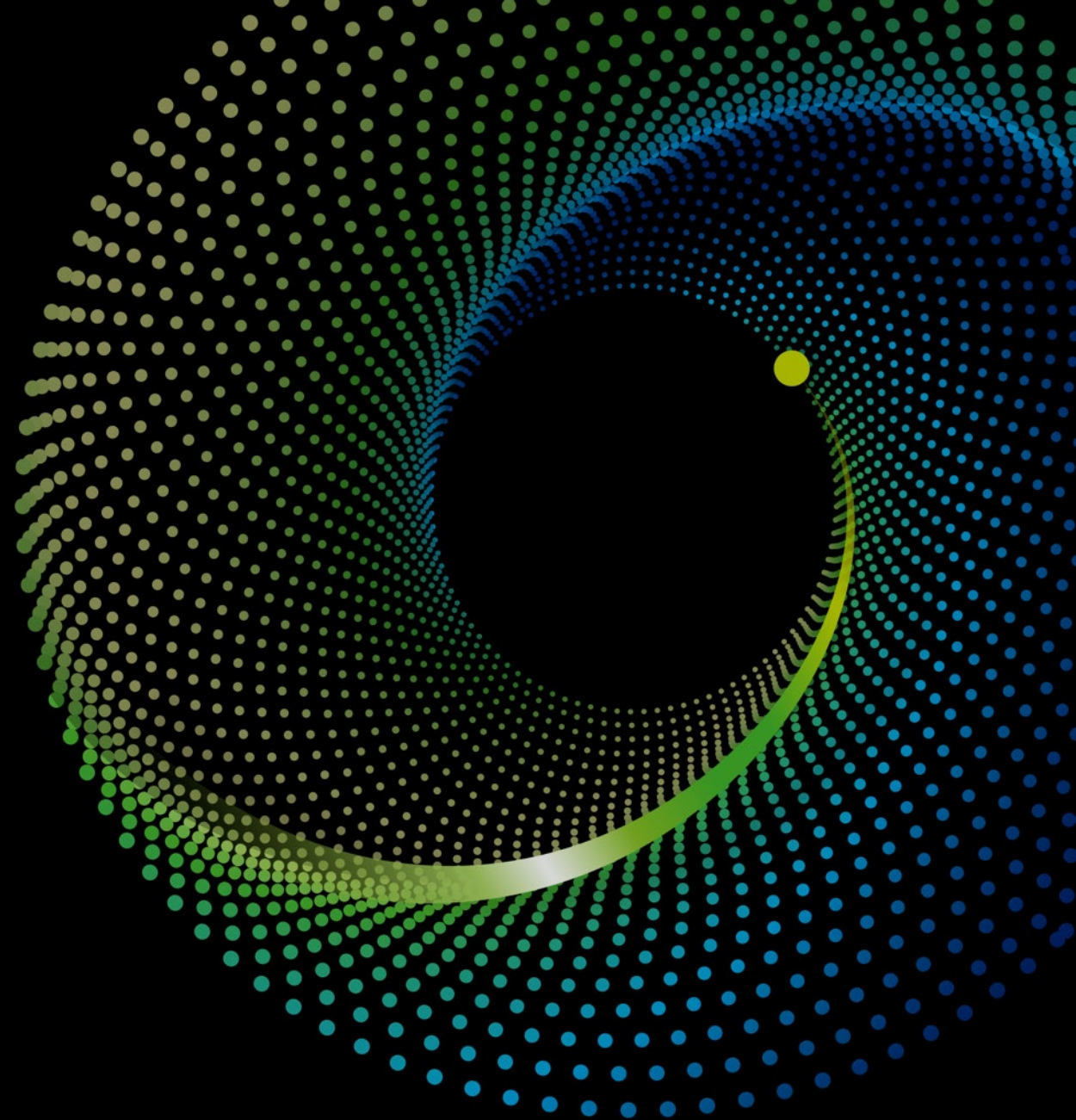
- Effective April 1, 2022, import duties and VAT will be waived on the purchase and installation of generators for residential use.
- Effective April 1, 2022, authorized car rental dealers will be allowed to pay 50% of their license and the remainder paid over 18 months.

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- The Government is proposing to supply 50 shade houses from Guyana and to be used in the Lears Land Project

Economic overview

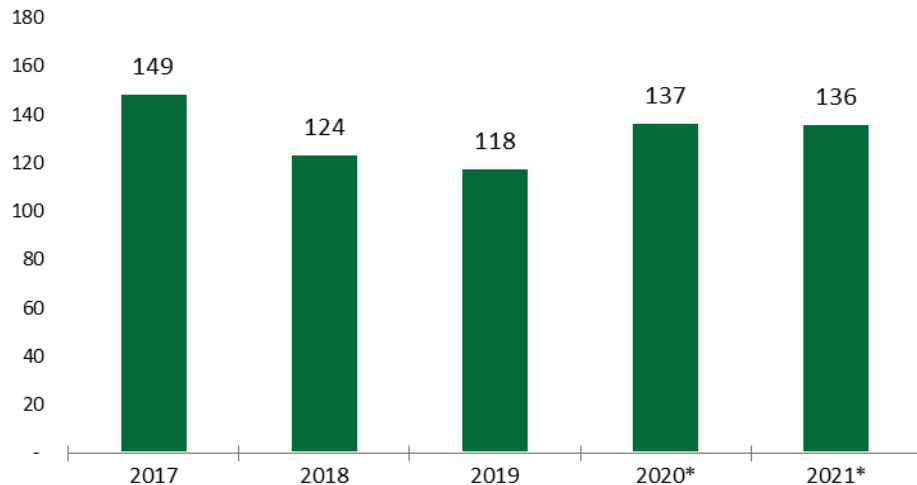


Government Debt

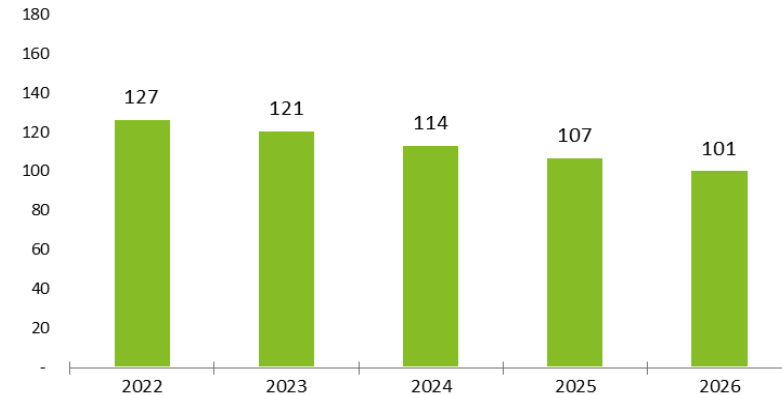
The IMF concluded its recent virtual visit to Barbados in February 2022, providing a post-visit assessment that Barbados continues to demonstrate its commitment to adopting fiscal measures designed to place the debt ratio on a sustainable path in face of the global pandemic. It is critical that the Government continues to progress towards debt sustainability in terms of the 60% debt-to-GDP target by 2035, a key measure of country risk in the view of investors and businesses.

Pre-COVID, gross public sector debt declined from 123% of GDP in 2018 to 118% in 2019. Since 2020, counteractive measures to address the global pandemic eroded economic activity resulting in greater debt financing needs for the Government to make up for the shortfall in tax revenues as well as to fund its expenditure on the health and welfare system.

Gross Government Debt (% of GDP)



Gross Government Debt (% of GDP) (2022-2026)



Source: International Monetary Fund, WEO Data, October 2021.

It was the intent of the Barbados Economic Recovery and Transformation (BERT) programme to arrest the rate at which public expenditure has grown, particularly over the past 10 to 15 years. However, prior to the Russia-Ukraine war, the IMF forecast an average increase in fiscal spending of 2.9% per annum until 2026. Government expenditure, as a percentage of GDP is however expected to decline at a rate 1.5% per annum until the end of the period, outlining a positive potential GDP growth rate in that time. The conflict may lead to a greater upswing overall in government expenditure in the short and medium term than previously forecasted.

The BERT programme projects a rise in tax revenue, with a growth rate of 5% per annum, but this may stagnate or fall depending on the severity of a number of factors, some being uncontrollable. Government debt to GDP was also initially forecasted to fall by 4.1% per annum until 2026 (to approximately 100% of GDP). However, this figure is likely to not follow this trend in the short and medium term considering potential commitments to finance growth that the Government of Barbados will undertake as a result of the Budget.

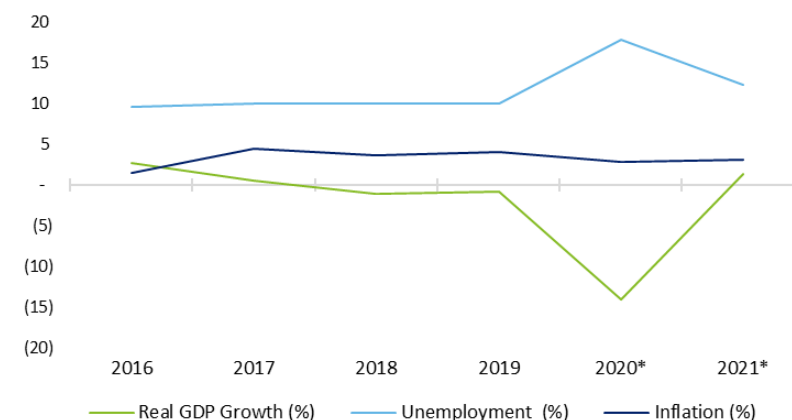
Consumer impact

According to the IMF, real GDP was forecasted to grow at an average annual rate of approximately 4% for the period. This is supported by previously anticipated reduction of the impact from shocks in 2021 due to global COVID restrictions and the logistics in the shipping industry. Moreover, GDP in Barbados was predicted to grow by 8.5% in 2022, pointing to a strong recovery in the tourism industry.

Price inflation in Barbados was expected to register approximately 4.4%% in 2022 but then tapered off to an average rate of 2.4% per annum until 2026. The expectation was that the distortion in the global logistics industry would abate during the forecast period. The Government is well aware of the impact of global supply chains on Barbados economic landscape, illustrated by its measure to cap freight costs at 2019 (pre-COVID levels) aimed at partially shielding businesses and consumers from spiraling costs now exacerbated by the conflict between Russia and Ukraine.

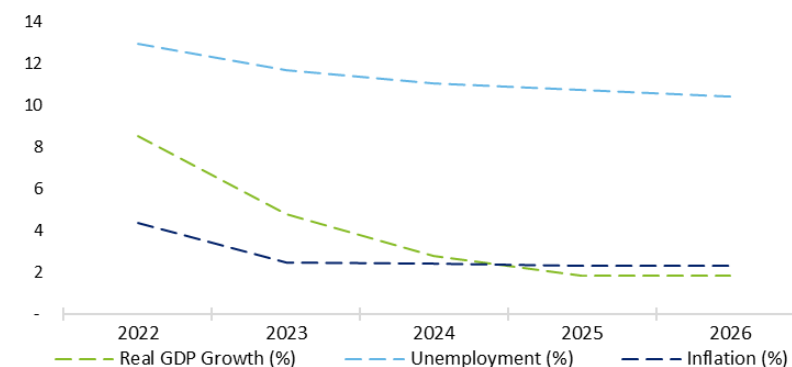
However, in response to the war, the US Energy Information Administration in its March Short-Term Energy Outlook revised its 2022 forecast in February for the global crude oil prices upwards by 27%. Movements in oil and natural gas prices tend to drive similar responses in the cost of living in Barbados. Recent trends with the imported cost of oil and natural gas products indicate responsive changes to the cost of transportation; and housing, water, electricity, gas, and other fuels (HEFWG) in Barbados. Therefore, we estimate that prices in the transportation and HEFWG sectors are projected grow by a maximum 14% and 11.1%, respectively in 2022 once conditions for war remain.

Economic Growth, Unemployment & Inflation (%)



Source: Central Bank of Barbados and Barbados Statistical Service. *2020 provisional and *2021 estimates

**Economic Growth, Unemployment & Inflation (%)
(2022-2026)**



Source: International Monetary Fund, WEO Data, October 2021.

Governance

The IMF anticipates that unemployment in Barbados will remain above historical levels from 2022 until 2026. At an average rate of approximately 11.4%, this remains higher than the perennial rate of unemployment of 8%. This is despite a trend of decline from 12.9% in 2022 to 10.4% in 2026, representing an expected improvement in labour force utilisation. However, external factors will continue to challenge this forecast in the short term.

Environmental, social, and governance (ESG) risks continue to demand the attention of the corporate world and global governments; Barbados is no different. Governments not addressing these issues with their corporate stakeholders may well find themselves underprepared for an ever-changing environment.

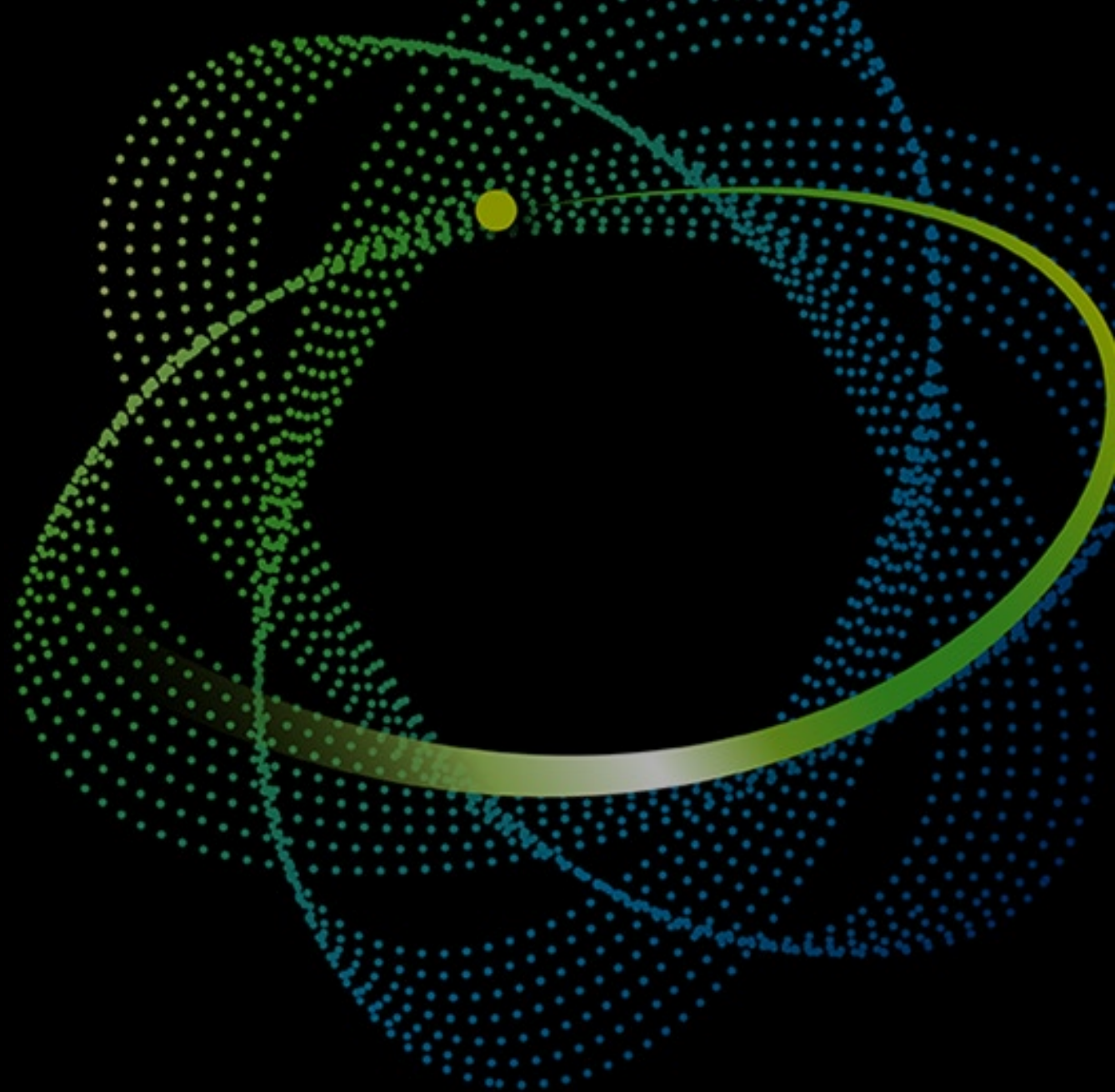
The Prime Minister detailed several environmental and social measures within this year's budgetary proposals, including but not limited to:

- Pension reform
- VAT zero-rated personal and critical care items
- Excise tax on sweetened beverages
- Excise and VAT holiday on electric vehicles
- Investment in water
- Empowering Barbados to own and install PV systems

However, the budgetary proposals were noticeably light on initiatives to improve governance. The only measure that stood out related to the Government's plan to convert the NIS to a statutory corporation to make its operation more independent of government. From a balance scorecard perspective, ratings for governance issues would likely score below expectations. Barbados' social partnership has a role to play in strengthening the island's governance framework and Government alone should not be expected to create all the measures for governance.



Analysis of budgetary proposals



Analysis of budgetary proposals

1

VAT Cap on Petrol

Effective 16 March 2022, there will be a six-month cap on the VAT payable per litre on:

- petrol to 47 cents
- diesel to 37 cents

Deloitte's comments

- This proposal changes the ad valorem nature of VAT to fixed per unit cost. Consumers are expected to see an immediate reduction in the price of fuel at the pump. The Government will incur a revenue loss from this measure to the tune of BBD25.2 million over the six months period.
- Within a Barbadian context, the demand for fuel is generally inelastic - we typically have not seen, and would not expect, any significant changes in the demand for fuel following price changes.
- While this measure is initially for six months, the Government will continually monitor the conflict between Russia and Ukraine and review the measures, as required, depending on the global prices of oil.

2

Expansion of zero-rated VAT items

Effective 1 April 2022, the expansion of zero-rated VAT items to include certain personal and critical care items

Deloitte's comments

- The Government announced the removal of VAT on personal and critical care items such as sanitary towels, tampons, baby and adult diapers, anti-perspirants, vitamins and multi-minerals. These will be zero-rated for VAT purposes.
- The critical care items include products to assist persons with Non-Communicable Diseases (NCDs), including Glucerna, Ensure, Enterex, Slim Fast, Pediasure and Splenda.
- The personal care items are considered basic necessities, with the zero-rating saving consumers 17.5 cents on every dollar spent on these items. With these products becoming more affordable, sales are expected to increase.
- This initiative is aimed at improving the island's health and wellness which in turn would reduce Government's spending in the health sector.

Analysis of budgetary proposals

3



Cap on Freight Costs

Effective 16 March 2022, the Government will cap freight costs used in the calculation of customs' duties at their pre-covid levels

Deloitte's comments

- The implementation of this measure will act as a partial tax shield, where Government will cap freight costs used in the calculation of customs' duties at their pre-covid levels of BBD 14,700 (US\$ 7,350) per 20ft container and BBD 16,000 (US\$ 8,000) per 40ft container for a period of 12-months.
- Placing a cap on container freight costs to their pre-covid figures would reduce the prices on imported consumer goods to a level that is less burdensome on the pockets of Barbadian consumers.
- This may also encourage greater consumer spending through increase purchasing power from lower prices or at least temper price increases.

4



NIS Ceiling Increase

Effective 1 January 2023, the NIS ceiling will be increased to BBD 1,182 per week or BBD 5,120 per month. Additionally, increments are proposed for adjustments to the earnings ceiling annually from 2024 until 2035

Deloitte's comments

- The measure contributes to Government's plan to "recapitalise" the NIS by increasing contributions from the existing base, following the impacts on the NIS assets from:
 - Impairment of bonds following the 2018/19 debt restructure
 - Payments made during COVID from the unemployment and severance funds; and,
 - Potentially from the lack of attractive alternative investments.
- Additional contributions to the NIS will invariably reduce disposable income; however, the increase of BBD 144.30 per month between 2002 and 2035 based on the 11.1% contribution rate may be considered minimal when compared to Pandemic Contribution Levy on personal income.

Analysis of budgetary proposals



Pandemic Contribution Levy – Corporate Income

Companies with net income in excess of BBD 5M in 2020 and 2021 will pay a Pandemic Contribution Levy of 15% of net income for their fiscal years ended March 2021 and March 2022.

Deloitte's comments

This measure is aimed at the following sectors which remained largely profitable during the COVID -19 period and is estimated to raise in excess of BBD 100M over a 24-month period with the levy being in place up to March 31, 2023. The sectors include:

- Telecommunications
- Retail sale of petroleum products by dealers
- Commercial banks (Deposit taking and finance houses) excluding credit unions
- General and Life Insurance

The Government will need to provide clarity on how this measure should be interpreted. We are of the view that all companies notwithstanding their fiscal year end would be captured under this net as follows

Government's Fiscal year ended	Company's Fiscal years ended between	Levy due date
1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	July to October 2022
1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	November to February 2023

This levy is similar to other 'windfall' measures seen in Antigua legislated for a two-year period to finance the set up of a university campus on island. It remains to be seen whether the revenue raise from this Pandemic Contribution Levy in Barbados will be used for specific projects or to buttress the Government's continued COVID-19 response.

Analysis of budgetary proposals



Pandemic Contribution Levy – Personal Income

With effect from April 1, 2022, individuals with personal incomes greater than BBD 6,250 per month or BBD 75,000 per year will be subject to a 1% pandemic contribution levy on monthly earnings for the next 12 months.

Deloitte's comments

This levy is expected to be applicable for a one-off period of 12 months and is payable in addition to income tax and is not deductible for income tax purposes.

This levy pales in comparison to the reductions in personal income tax rates since 2018; however, its implementation will lead to an increase in taxes borne by the middle class and may reduce consumer spend.

We have included an illustration of the impact of the 1% levy and NIS ceiling applied on an individual.

Analysis of budgetary proposals

	Current	Effective 1 April 2022	Effective 1 January 2023	Current	Effective 1 April 2022	Effective 1 January 2023
Assessable Income (Annual)	120,000	120,000	120,000	75,000	75,000	75,000
Personal Allowance	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Travel allowance	(4,200)	(4,200)	(4,200)			
Taxable Income	90,800	90,800	90,800	50,000	50,000	50,000
Tax Payable						
Up to BBD50,000 @ 12.5%	6,250	6,250	6,250	6,250	6,250	6,250
Over \$50,000 @ 28.5%	11,628	11,628	11,628	0	-	-
Tax payable	17,878	17,878	17,878	6,250	6,250	6,250
Pandemic Contribution Levy - 1% (Annual)		1,200	1,200		750	750
Total Tax & Levy payable	17,878	19,078	19,078	6,250	7,000	7,000
NIS Contribution (Annual)						
Employee 11.10%	6,500.16	6,500.16	6,819.84	6,500.16	6,500.16	6,819.84
NET SALARY	95,621.84	94,421.84	94,102.16	62,249.84	61,499.84	61,180.16
MONTHLY after PAYE & NIS	7,968.49	7,868.49	7,841.85	5,187.49	5,124.99	5,098.35
Change in current income per month as a result of Levy		100.00	100.00		62.50	62.50
Change in current income per month as a result of increase in NIS						
Maximum Insurable Earnings		-	26.64		-	26.64
Total Change in current income per month		100.00	126.64		62.50	89.14

Analysis of budgetary proposals



Introduction of an alternative fuel levy

Effective 1 July 2022, all electric and other qualifying vehicles would need to be re-registered first under the new electronic vehicle registration system in order for the Levy to be introduced. The levy will contain a fixed and variable component for vehicles not powered by diesel or gasoline.

Deloitte's comments

- This measure should allow owners of EVs to pay their share of road taxes through mileage while simultaneously supporting the transition to a green economy.
- The variable portion of the Levy relates to an annual mileage charged at BBD0.02 cents per KM above the 15,000 Km threshold. If we assume that the average car travels 20,000 kilometers per annum, and with a fixed AFL of BBD 300 and its variable portion of BBD 100 $(20,000\text{km} - 15,000\text{Km}) * 0.02 \text{ cents}$ assumes a total of BBD 400 per month.
- This is a means to compensate for fuel tax.



Waiver of VAT on generators

Effective 1 April 2022, there will be waiver on the purchase and installation of generators at residential homes irrespective of the fuel type.

Deloitte's comments

- This waiver should build resilience across the island by allowing home-owners and building-owners to save on the cost to purchase and install a generator. The importance of access to electricity post disaster was highlighted after Hurricane Elsa. However, this measure can be counterproductive to the Government's goal of a greener economy since generators will require fuel to power residential properties.

Analysis of budgetary proposals

9



Reduction in tariffs and import duties on Electric Vehicles (EVs)

Effective 1 April 2022, the import duty for vehicles powered by Liquefied Petroleum Gas and Compressed Natural Gas will be reduced to 25% from 45%. In addition, the import duty for Used Battery Electric Vehicles is to be reduced to 10%.

Deloitte's comments

- The reduction in tariffs for Fuel Cell Electric and Solar Powered Vehicles, new and used, will make these vehicles more accessible and provide an incentive to purchase these vehicles which is desirable as we move towards a greener economy.
- Current records show that approximately 700 EVs are approximately on the island while 20 to 30 new EVs are imported monthly. With the reduction in duties, the Government is expected to forego revenue from the related import duties.
- However, given the fact that reduced duties will make the EVs more attractive, Government is likely to make up for the loss of revenue over the next few years.

10



Land tax threshold

Effective 1 April 2023, there will be an increase in the threshold for residential properties from BBD 150,000 to BBD 300,000. A further increase to BBD 400,000 effective 1 April 2026.

Deloitte's comments

- This would effectively allow persons with homes valued at less than BBD 300,000 to be exempt from land tax and should be a welcome relief for such property owners.
- While the initiative would reduce Government's revenue, Government has recently announced its intention to carry out a revaluation exercise on properties around Barbados which is likely to increase property value and lessen the impact of increase in the land tax bands.

Analysis of budgetary proposals



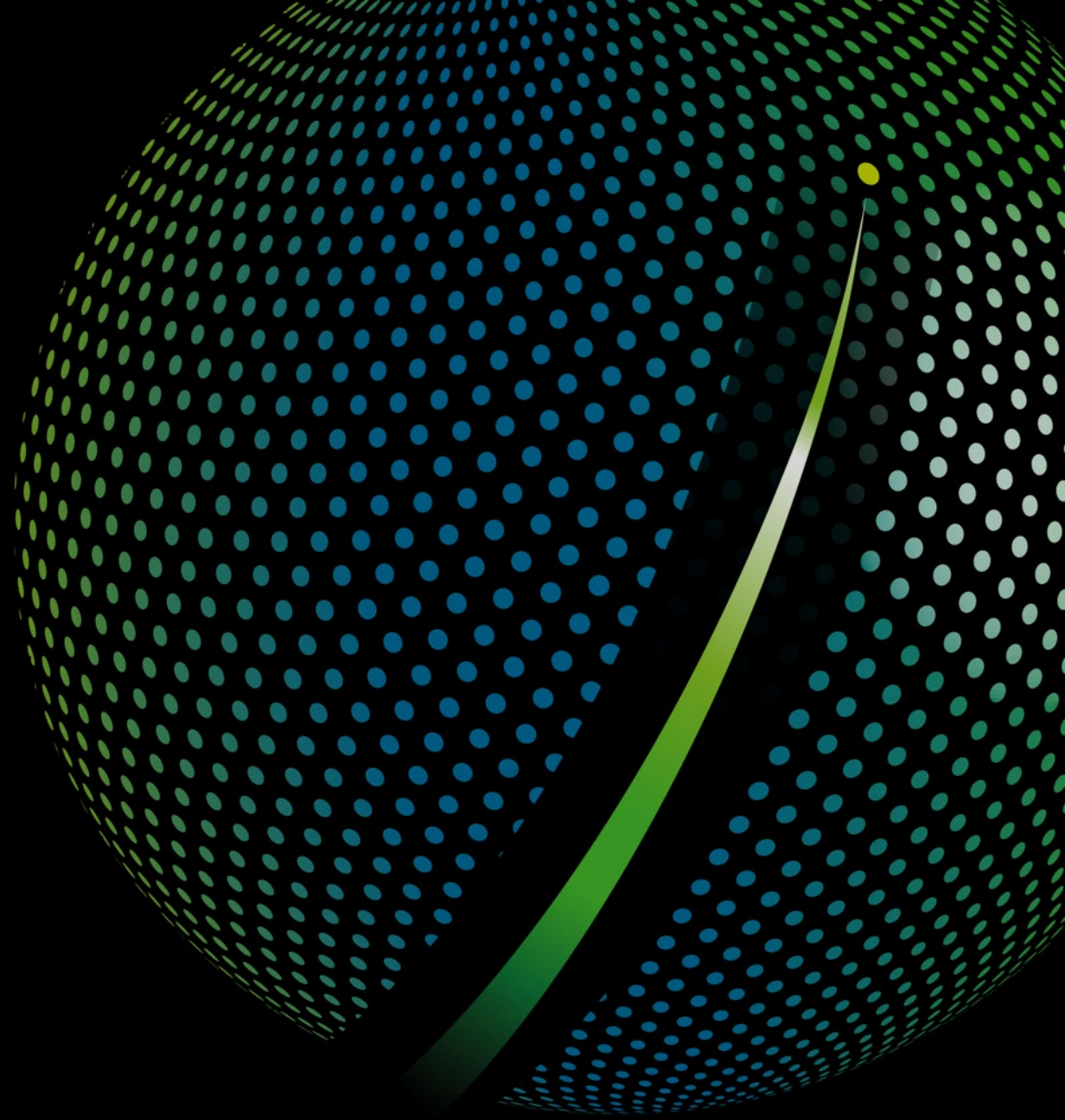
Re-Fleet of car rentals

Effective 1 April 2022, for 18 months, authorized car rental companies will be permitted to pay 50% of the license and permit fees upfront and the remaining 50% will be paid within 12 months of registration of the vehicles.

Deloitte's comments

- This would provide welcome cash flow assistance to rental companies to the tune of BBD 750 per vehicle. This is likely to hasten their recovery from the downturn in business resulting from the COVID 19 pandemic.

Social impact



Overview

In addition to the budgetary measures, the Prime Minister proposed various social initiatives. These initiatives can be measured by looking at a scorecard made of three criteria: Environmental, Social, and Governance (otherwise known as “ESG”).

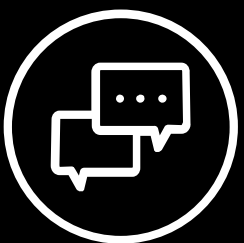
From an environmental perspective, we see that the Prime Minister is continuing her passion of being a Climate Change champion. Deloitte welcomes the efforts in Barbados, specifically related to the objective of being net carbon neutral by 2030. The introduction of incentives for EVs, renewable energy resources from solar and wind, and cleaning up of water wells throughout Barbados will all go towards achieving these goals. We must continue to remember the battle against climate change is not a choice, it is several choices, and no action is insignificant. The expectation of the government is to introduce further Social and Governance measures by encouraging health and wellness. It is anticipated that the private sector will follow suit with initiatives to promote sustainability.

Social impact



Pension Reform - Moratorium

- Granting of a moratorium on interest to all businesses and self-employed persons on any outstanding contributions effective 1 April 2022 to 30 June 2022 once the principal is settled within two (2) years.
- All affected parties should contact the NIS to settle any arrears in order to enjoy the benefit of this waiver. Failure to settle the payment plan within the agreed time frame, the agreement will be deemed forfeited hence persons will be required to pay the outstanding interest.



Deloitte's Comments

- The two-year moratorium could be very attractive to many persons given the significant downturn in business for many companies during COVID-19. The lack of revenue and cashflows would have prevented companies from making their mandatory employer contributions as required by law as well as even submitting employee contributions withheld from their salaries.
- This proposal should see businesses coming forward to make arrangements with the NIS to settle their arrears especially given that the Government is allowing a two-year window to settle their debts. With the ease in COVID restrictions and reopening of all businesses and activities as well as the significant uptake in tourism arrivals Barbados should hopefully be back to business as usual within a year's time hence the two-year window offered by the Government is very generous.
- It is however unlikely that the self-employed person will be as eager to take up on this opportunity given that it is common practice in Barbados for self-employed persons not to contribute to the scheme.

Social impact



Pension Reform – Public Sector Officers

- Officers below the NIS earnings ceiling of BBD 4,880 per month, who are promoted to or acting in posts above the insurable earnings for greater than one month **or** an officer who enters service above the NIS ceiling will be required to make contributions to his or her own pension;
- Officers earning below the NIS earnings ceiling as well as officers existing officers earning above the NIS earnings ceiling will not be impacted.
- Pension regulations will be amended to permit the application of automatic abatement on early retirement.
- Pension calculations to be based on the best five (5) years of an individual's salary for all officers making contributions to their pension irrespective of whether the individual is below or above the NIS insurable earnings.



Deloitte's Comments

- This measure may likely be met with a lack of enthusiasm by existing public servant employees who are either due for promotion or acting in a higher capacity as they will now be required to contribute to their own pensions.
- New public servant officers should not be impacted as they would have been accustomed to contributing to their own pensions. The contribution rates for public servants will still be significantly lower than the NIS private sector rates which range from 5% to 8%.
- The increase of the required number of years of service to attain the maximum pension from 33 ½ to 40 years may cause persons to opt to retire at

the maximum retirement age rather than early as they will wish to retire with the maximum pension benefits that they are entitled to. Those employees that would have been looking forward to their 33 ½ years will now be forced to reconsider their retirement plans. This option, however, going forward will greatly benefit the NIS as it will guarantee even more contributions being contributed to fund before the NIS would be required to pay out any benefits.

Social impact



Regionalism – Partnerships with Guyana and Suriname

In an effort to emphasize this importance of regionalism, the Governments of Barbados and Guyana are developing a strategy to decrease the region's import bill by 25% by 2025.

On the horizon are also potential investments in Guyana and Suriname on the road that links the Caribbean coast to northern Brazil and new investments in ports and ferries can open up new markets for the Caribbean and fresh prospects for Barbados to become a regional hub for professional and financial services



Deloitte’s Comments

The Government also noted that recent world events have underscored the need for energy, food, and financial security. In light of the foregoing, the ease of obtaining certain commodities remains at the root of Government’s decision to partner with Guyana and Suriname for these countries to allocate hundreds of acres of land to Barbadian farmers who are willing to grow crops and rear Black Belly sheep. The target in five years’ time is to have reared 1 million animals.

Barbados has also agreed to provide training in the tourism sector to Guyana and that country has agreed to provide training to Barbados in the agriculture sector. Government also disclosed that it has agreed to acquire 50 new shade houses from Guyana.

The ongoing deliberations between Barbados and Guyana to jointly contribute capital to a regional Green Investment Bank and expand the bank's mandate to include sustainable agriculture is a welcome initiative.

Social impact



Increase of Natural Gas Rates

- The Government also proposes to raise commercial rates to eliminate one third of the deficit. As a result, from April 1, 2022 commercial customers of natural gas will pay:
 - \$2.28 for consumption up to 500 cubic meters.
 - \$2.24 for consumption from 501 to 2500.
 - \$2.22 for 2,501 to 10,000 cubic meters and
 - \$2.20 for consumption over 10,000 cubic meters.
- For domestic customers, the rental fee for the rental of meters will increase from \$5 to \$10 per month.
- For commercial customers the fee will increase from \$15 to \$25 per month.
- The Government expects that these measures will ensure that the NPC is sustainable and that there is continued investment and production in cheap, local natural gas.

Social impact



Green Energy

- The Prime Minister is committed to a Greener Energy focused environment with Sun, Wind and Bio-energy as the main sources of energy.
- Interest-free loans to public officers of up to 100k for the purchase of electric vehicles only.
- An energy bridge will go into the works in April 2022.
- 24-month VAT holiday for new or used electric vehicles.
- A reduction of duties on electric, fuel cell, solar, LPG and CNG powered, vehicles with only duties of 10% charged.
- Installation of PV systems or wind turbines on roofs no longer require applications.
- Wind Energy investment with Barbados Light & Power, this can be partially funded using financial instruments issued to the public.

Social impact



Export of Black Belly Sheep

- There will be the export of black belly sheep in a partnership with Guyana, to facilitate the increase of the breeding of Black Belly Sheep,
- An arrangement with the Government of Guyana for a hybrid of the Barbadian Black Belly Sheep and the Guyanese Sheep the expected number of sheep will be around 1million.
- Increased lamb products for export to foreign markets and for local consumption.
- The increase of the Black Belly Sheep should result in an increase of Food Security in Barbados.
- The farmers of the livestock should see an increase in profits and income



Export Barbados

- To stimulate economic growth, Barbadians are being encouraged to become experts in exporting. This is encouraged by providing Export Barbados with 25 million dollars as a seed for improvements of industrial capital. This is therefore expected to allow an expansion of industrial estate. Thus, it is expected to allow for a transformation of the Barbadian economy.
- The seed capital would enable Export Barbados to execute its dynamic agenda for the business community. Entrepreneurs and their innovative businesses would benefit tremendously from access to the facilities of ExportBarbados



Barbados Water Authority (BWA)

- Measures will be implemented to increase the volume and distribution of water. These measures include the reduction of water leakage, water reclamation, the building of catchments and expanded desalination usage.
- Furthermore, a focus is placed on the agricultural sector through the implementation of a fixed rate of \$1.80 per cubic metre for all registered farmers.
- Additionally, an effort will be made to reduce BWA's reliance on Government financing through new financing methods such as loans and grants. These finances are expected to fast track BWA's capital works projects such as concrete tanks and the connection of mains

Social impact



Roaming Fees

- Regional telecommunication providers have capped the roaming charges of CARICOM citizens with an overall objective of the elimination of these charges. This should result in an immediate reduction in the cost of accessing data while travelling among CARICOM territories. Additionally, the ultimate objective is to remove this cost completely.
- This will result in a reduced telecommunication costs for consumers and businesses. The reduction should increase intra-regional communication whether for families and friends or firms and potential customers. In addition, people and third sector organisations now have greater opportunity for intra-regional start-ups and social & developmental projects.



Reform of State Owned Enterprises (SOEs)

- Various state-owned enterprises will be addressed this year, including:
 - Three entities in the Agriculture space;
 - The National Housing Corporation;
 - The Caribbean Broadcasting Corporation;
 - Urban Development Commission;
 - Rural Development Commission;
 - The Queen Elizabeth Hospital; and
 - The Barbados Transit Authority.



Sweetened Beverages

- Increasing the fight against comorbidities in Barbados, there is a proposal to raise the excise tax on sweetened beverages from 10% to 20%, effective 1 April 2022. Furthermore, the Ministry of Health and Wellness will develop nutritional guidelines with sugar and salt content that are acceptable.



About us

About Us: Deloitte Global

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Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services.

Our more than 334,000 professionals located in over 150 countries and territories, serve four out of five Fortune Global 500® companies through a globally connected network of member firms. We are committed to providing global, comprehensive and industry-focused perspectives to resolve our clients' most complex problems.

We have a world-class business model that generates the change to have an impact on our clients and the communities where we work. Our operating model allows our lines of service to work together, contributing improvements and innovation over the course of our services worldwide, as well as the development of our people.



Deloitte launched **WorldClimate**—our strategy to drive responsible climate choices within our organization and beyond—in FY2020 to address the world's urgent climate crisis with achievable, measurable and science-based actions.

Deloitte leaders, including the Deloitte Global Executive, committed to align with the 1.5°C decarbonization pathway because anything less ambitious will not have the necessary impact.

Deloitte's **WorldClimate** carbon reduction goals are validated by the Science Based Targets initiative. **WorldClimate** recognizes it will take collective action to combat climate change. That's why we have adopted a three-pronged approach—actions we take, actions we inspire our people to take, and actions we take with others in our ecosystem.

Deloitte has committed to achieving net-zero greenhouse gas emissions by 2030 for its operations. To get there, we are embedding sustainability into policies and practices throughout the organization. And we are empowering our people to make climate-friendly decisions and influence others to do the same.



WorldClass
Making an impact that matters, one future at a time.

WorldClass is Deloitte's global ambition to impact 100 million people by helping them prepare for the opportunities of the Fourth Industrial Revolution. Through our commitment to support our communities, we are channeling our expertise into addressing education for the youth, financial and entrepreneurial skills for women and technology education for all age groups (youth and seniors).

We are developing direct programs and collaborations with NGOs, schools and charities, that will help these people to develop the skills necessary to succeed, improve access to and quality of education, and ultimately create new opportunities for them. **Our local Trinidad Future Build program supports and mentors secondary & tertiary students with life skills, workplace readiness and career guidance.**

Through Impact Every Day, Deloitte continues to provide volunteering and pro bono opportunities for our people on an ongoing basis, which enables long-term, strategic impact in our communities



About Us: Deloitte Barbados

Deloitte Barbados

Deloitte Barbados is part of the Caribbean and Bermuda Countries (CBC) member firm and consist of 75 professionals and 5 partners. The firm serves clients in the banking, insurance, offshore finance, mining, service and manufacturing sectors. We also service various clients in the Eastern Caribbean. The firm provides a full range of professional services including audit and assurance, tax, risk advisory, financial advisory and an extensive menu of consulting services.

At Deloitte Barbados, our people make the difference. We strive to provide a culture in which our people can thrive and grow professionally and personally. In return, our people are committed to providing outstanding service to clients. We aim to make Deloitte in Barbados the outstanding Firm, renowned in the marketplace for quality in everything we do and for making as impact that matters everyday. This aspiration recognizes the power combination of values, integrity and client service along with our unique capabilities and strong standing in the marketplace.

Deloitte Caribbean and Bermuda Countries (CBC)

Deloitte has a strong presence in the countries of the Caribbean and Bermuda, with more than 600 professionals dedicated to bringing their talents to bear on our clients' unique issues. We deliver the strength of Deloitte through audit, consulting, enterprise risk, financial advisory and tax services.

The Deloitte Caribbean and Bermuda Countries serve the English-speaking Caribbean countries from offices in the Bahamas, Barbados, Bermuda, British and United States Virgin Islands, Cayman Islands, and Trinidad & Tobago.

Our Caribbean offices also serve the Eastern Caribbean performing Audit and Advisory services to a number of Government and Public services clients and entities across various industries. These include Financial Services, Consumer and our regional experience positions Deloitte to ideally serve the needs of Williams industries in Barbados and the wider Caribbean.

Though we operate in multiple countries, our professionals have a single focus: help clients navigate their unique business challenges and achieve success. The CBC team offers wide-ranging technical and commercial expertise, along with the market insights to help clients meet their business goals.



The Deloitte Barbados

Leadership team



Ikins D Clarke

Managing Partner | Tax Leader | Consulting Leader

Ikins Clarke is the Managing Partner for Deloitte in Barbados with over 25 years of experience working with a wide range of local and international clients. He is the Lead Partner for Talent, Tax, Corporate Services and Consulting. Ikins specializes in international tax planning corporate restructuring, mergers & acquisitions, corporate governance, statutory compliance, tax compliance and due diligence and works closely with Deloitte's international network to facilitate a seamless cross border experience for the firm's multinational clients on tax, financial advisory and consulting matters.



Steve Clarke

Partner | Audit & Assurance Leader | Risk Advisory Leader

Steve is a Partner for Audit & Assurance with the Barbados office. He is the Lead Partner of financial service audits, specializing in both US GAAP and IFRS. He joined Deloitte in 1995 and has lived and worked in several countries on behalf of Deloitte, including Bermuda, New York and United Kingdom. He specializes in audit of financial services companies including banks and insurance Companies. Steve serves as the audit partner in charge of several entities in Barbados and Eastern Caribbean region. He has also led engagements covering internal audit, controls assurance and AML for Caribbean indigenous domestic and offshore banks.



Carol Johnson-Haynes

Partner | Audit & Assurance

Carol has over 18 years experience with Deloitte working within the Audit and Assurance department and over the years in addition to providing audit services to the portfolio of clients, assisted the Tax Department and Risk Advisory. Carol specializes in audit and advisory of financial services companies – Banking and insurance including captive insurance companies. Additionally, she has proven expertise in IFRS, US GAAP, Canadian GAAP and UK GAAP. Carol is responsible for the development and implementation of audit professionals training plans and a facilitator at local and regional training programs with Deloitte.



Paul Leggett

Partner | Financial Advisory Leader

Paul is a financial advisory leader who spent the last 20 years successfully advising corporate entities and their various stakeholders in a range of industries including, financial services. Paul specializes in turnaround and value creation plans. During his time in Deloitte he has spent nine months working for one of the UK's leading banks in their special situations team dealing with borrowers requiring turnaround advice. As well as providing advice to stakeholders, Paul has also been involved in the trading and sale of businesses in several scenarios, including advice to the relevant stakeholders.

The Deloitte Barbados

Leadership team



Daryl Walcott-Grappie
Partner | Audit & Assurance

Daryl is a Partner in the Audit & Assurance at Deloitte in Barbados. He provides a high level of expertise to clients across several industries. He has experience in public accounting in Trinidad and Tobago and Barbados as well as within industry. Daryl has served a diverse client industry portfolio which includes managing multi-location client groups. His clients include direct insurers, reinsurers, retail and offshore banks and Oil & Gas entities in Trinidad and Tobago, Barbados and the Eastern Caribbean.



Richelle Blackman
Director | Audit & Assurance

Richelle has more than 15 years in public accounting with Deloitte for which 10 years of such experience was with one of the Deloitte offices in the United States. Richelle's experience includes compilation, reviews and attestation engagements under International Standards on Auditing, generally accepted auditing standards in Canada and generally accepted auditing standards of the United States of America. Richelle has led engagements covering a portfolio of clients which included manufacturing clients, banks, insurance companies, investment management companies and broker dealer companies.



Tara Collymore-Kirton
Director | Tax & Legal

Tara is a Director in the Barbados office with over 10 years of experience in providing tax compliance advice to clients in the domestic, regional and international markets. Her experience includes the preparation of the corporation tax returns and financial statements tax notes for a number of clients across various industries including, hotels, banks, insurance companies, manufacturing companies etc. Tara has managed several multinational clients with presence in Barbados and the Eastern Caribbean. She has played a critical role and managed several tax advisory and restructuring engagements and is the Deloitte Global Coordinator for Barbados and the Caribbean.



Raymond Haynes
Director | Financial Advisory

Raymond is a Director with a focus on clients in Barbados and the Eastern Caribbean. He brings over 15 years of international experience serving Government, corporate and private equity clients on complex financial advisory engagements. With a wealth of corporate finance and financial advisory experience, Raymond has advised key stakeholders on assignments involving M&A advisory, valuation analyses, corporate restructuring, due diligence, financial analyses and modelling, and capital raising spanning several clients and industries including banking and insurance.

The Deloitte Barbados

Tax Managers



Chris Sulaiman
Senior Manager | Tax & Legal

Chris is a Senior Tax Manager in the Barbados office, serving clients with a presence in Barbados, Jamaica and the Eastern Caribbean. He offers his clients a broad range of fully integrated tax services in the tax life cycle and providing tax solution to clients in an array of industries. Chris has experience assisting clients with inbound and outbound international tax planning, tax treaty issues and tax compliance.



Deirdre Craigwell-Gittens
Manager | Tax & Legal

Deirdre is an Attorney-at-Law and chartered secretary with over 15 years of professional experience. Her areas of practice include corporate and company law, taxation and regulatory matters including anti-money laundering reviews.

Deirdre is attuned to the needs of her clients and has performed and managed corporate restructuring engagements in various sectors. She has also worked with other Deloitte offices to manage AML reviews.



Shelley Stuart
Manager | Tax & Legal

Shelley Stuart is a Tax & Legal Manager in our tax department. She has been an attorney for over 25 and has several years' experience in the fields of contract law, property law and corporate governance matters. She holds a Bachelor of Laws degree from the University of Wolverhampton, England and a post graduate diploma in Business Administration from the University of Stirling, Scotland. Shelley also holds a Masters degree in Corporate and Commercial law from the University of the West Indies, Cave Hill campus, Barbados and a Masters degree in Corporate Governance with distinction from London South Bank University, London, England. Shelley is also a Chartered Secretary and a member of the Chartered Governance Institute of England.



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