

1. MR. SPEAKER, we begin today by giving praise and glory to the almighty God for his continuous protection and grace over our beloved nation. Through cyclones, earthquakes, and hardship, he has never failed us and continues to protect this nation. Today, as we gather here in this honorable house to go through the 2026 National Budget, we do so with renewed faith and unity, determined to build a stronger, fairer, and more resilient Vanuatu.

Towards Our Golden Jubilee: Building a Stronger, Smarter, and More United Vanuatu

2. MR SPEAKER, as we gather here today to discuss this budget, we also stand at the dawn of a defining chapter in our nation's story. In less than five years, Vanuatu will mark its Golden Jubilee - fifty years of independence, fifty years of resilience, and fifty years of faith in the promise of our people.
3. This is more than a celebration of our past; it is a call to prepare for our future. The road to our Golden Jubilee must be one of bold ideas, responsible governance, and shared prosperity. We must build a stronger Vanuatu. One that creates jobs, rewards innovation, and ensures that every family, farmer, and entrepreneur can thrive. We must build a smarter Vanuatu. One that embraces technology, modern systems, and education as the engines of progress. And above all, we must build a more united Vanuatu. A nation where government and people work hand in hand, across every island and every village, to shape our shared destiny.
4. MR SPEAKER, this Budget is therefore more than a financial plan. It is the next chapter of our national vision. It is a Budget that invests in our people, strengthens our economy, modernizes our government, and builds the resilience we need for the next fifty years.
5. When we gather to celebrate our Golden Jubilee in five years, let it be said that this generation, our generation, laid the foundation for a nation that is stronger, smarter, and more united than ever before. That we turned our challenges into opportunities, and our aspirations into achievements, guided always by the spirit of *wan nation, wan people, wan future*.

Economic Conditions in Vanuatu and Global

6. MR SPEAKER, to put our budget and successful growth this year in context, I want to touch on the latest worldwide economic developments. The global economy remains under stress. The International Monetary Fund, in its July report, now expects world economic growth to be 3.2% for 2025 and 3.1 % for 2026, a modest slowdown forecast. There has though been a slight improvement in prospects this year, but this is mainly driven by companies rushing to purchase goods earlier than expected to avoid potentially higher prices from US tariffs, global financial markets performing better than expected, and the average tariff rate being lower than initially feared.
7. MR SPEAKER, in our own region, Pacific Island nations are recovering steadily, driven by increased tourism, remittances from overseas workers, and stronger mining and gas production. The Asian Development Bank predicts the subregional economy is projected to grow by 4.1% in 2025, a modest improvement over earlier estimates, before easing to 3.4% in 2026. This outlook is supported by demand for our region's commodities and effective domestic policies. Regional inflation is expected to decline to 3.0% on average this year, although we remain exposed to risks from international geopolitical tensions, trade disputes, and fluctuations in global food and fuel prices.
8. MR SPEAKER, Vanuatu's medium-term economic outlook is good, with real GDP growth projected to accelerate to 3.9% in 2026 and by about 4.0% from 2027 to 2030. We still import more goods than we export, but the overall external position is improving because of strong donor support and remittances from Ni-Vanuatu working overseas. The services sector is

recovering, helped by the Government's stimulus. On the money supply side, banks have plenty of liquidity: money supply is rising on the back of foreign inflows and healthy lending to businesses and households has resumed.

9. MR SPEAKER, Preliminary national accounts and current-year data show a stronger rebound than many external observers expected. Even the most cautious assessments now acknowledge a strengthening path into 2026, citing inflation within the Reserve Bank's 0–4% band and adequate reserves as anchors for the recovery.
10. MR SPEAKER, on the ground, this recovery is visible in demolition and reconstruction activity, services normalization after the airline shock, and infrastructure projects now moving. On the fiscal side, the Half-Year Economic & Fiscal Report (HYFER) records a core net operating surplus of VT 7.48 billion (5.1% of GDP) at end-June, and VT 9.93 billion (6.8% of GDP) including donor funds, while meeting debt-service obligations evidence that we have stabilized the budget even as we rebuild. The HYFER also confirms disciplined execution, rollover of unspent 2024 capital to live projects, and continued repayments and carefully managed domestic issuance.
11. VAT and revenues. MR SPEAKER, HYFER shows taxes and the citizenship program on target at mid-year, with non-tax items soft hence our compliance push via VSMS. Internally, year-to-date VAT and "other revenue" performance strengthened faster than some partner projections assumed. We can see as the mid-year the "Other Revenue" line related to citizenship sales (VT 10,362 million) was almost at the IMF's full-year forecast, and VAT was tracking to exceed VT 14 billion, underscoring the importance of integrating reconciled HYFER cash outturns into external assessments.
12. MR SPEAKER, some external assessments understated Vanuatu's rebound because they were finalised before our half-year fiscal results were published and therefore did not reflect the latest, reconciled cash outturns. The IMF's 2025 Article IV projected 1.7% growth in 2025 and 2.8% in 2026, flagged downside risks, and emphasised caution based on old information. The latest numbers compiled with IMF and ADB assistance show a radically different picture. We have rebased GDP and moved to chain-linked measures so policy sees the real economy by sector and can target support where it shifts growth and revenue. That technical work matters: it makes our debates evidence-based and our budgets more credible.
13. MR SPEAKER, our message is simple: we welcome scrutiny, but it must rest on the latest numbers. IMF under-estimation has been a recurring issue, and we've proposed practical fixes: quarterly data huddles, shared assumptions, broader in-country engagement, and "quick assessments" post-shock to capture reconstruction and donor flows.
14. The 2026 Budget will lock in this momentum. It will: finish critical road packages and municipal works; continue airline recovery and fleet normalisation; scale digital government so provinces get services on time; deepen passport integrity and citizenship reform; and back farmers, fishers and MSMEs to supply the domestic market and export more. It will also continue decentralisation, so people do not have to leave their islands to access opportunity.
15. MR SPEAKER, while our nation grows, we must ensure that growth reaches every family and every island. Our goal is not only a bigger economy, but a better one, where prosperity is shared and opportunities are equal.

Keeping promises from the 2025 Budget

16. MR SPEAKER, before I talk about what we plan to do, I want to talk a little about what we have already achieved. When I stood before Parliament earlier this year, we made a set of promises. **We delivered** these promises.

- a. **Air connectivity and national carriers.** We confronted the crisis at Air Vanuatu head-on. After liquidation disrupted travel and trade, we backed a turnaround: repairs to the ATR and Twin Otter fleet; restarting repayments linked to legacy VNPF exposures; stabilising AVOL via AV3; signing to procure two new Twin Otters; and preparing discussions for two more plus a second ATR-42. The goal is simple: never again should our economy or our people be hostage to grounded aircraft.
- b. **Roads and rebuilding.** We said the towns and also provinces would not be left behind. Work is visible: major asphaltting in Luganville is essentially complete; tar-sealing is underway across Port Vila and Efate with further resealing and rehabilitation scheduled from the first quarter next year; and large road packages are rolling on Tanna, Pentecost, and Malekula. These are the arteries of commerce, tourism, and access to services.
- c. **Decentralisation, services, and digital transformation.** To make government work where people live, we are pairing decentralisation through MOIA with real digital infrastructure. The Vanuatu Sales Monitoring System (VSMS) will lift VAT compliance and level the playing field for honest businesses; data-centre capacity and submarine-cable redundancy are being advanced; and we have kicked off the design for a modern, integrated IFMIS to automate payments, link provincial service delivery in real time, and cut paperwork across government. Civil registry and identity systems are being digitised so citizens can access services faster and more securely.
- d. **Border integrity and passports.** We have cleaned up the citizenship and passport systems. The new biometric passport regime is being rolled out at home and across our missions, eliminating backlogs and restoring trust in our national travel document. This is integrity, mobility, and national reputation in action.
- e. **Culture and nationhood.** After the shocks, we chose not just to rebuild assets but to renew spirit. The 5th National Arts & Culture Festival in Tanna brought communities together to celebrate custom, language, and identity -proof that recovery is economic and cultural at the same time.
- f. **Blue borders and partnerships.** We advanced high-level talks with Fiji on maritime boundary delimitation and re-engaged France on outstanding sovereignty and boundary issues. Protecting our maritime domain is about fisheries, security, and national dignity.
- g. **Trade and agriculture.** With MTCI and the Vanuatu Cooperative Business Network we are translating farm effort into export income. Formal taro shipments to New Zealand have shown what coordinated extension, quarantine compliance and buyer linkages can deliver. This season's stronger global prices for kava, copra and cacao are supporting higher production and farmgate earnings, and we are helping producers lock those gains in through better grading, aggregation and logistics so smallholders capture more of the export dollar. We are also moving up the value chain. Processors are investing in kava oil and higher-purity extracts, virgin coconut oil and refined copra products, and roasted cacao nibs and paste for regional buyers - turning raw commodities into branded goods with longer shelf-life and better margins. Our role is to back this shift with standards and certification, cold-chain and storage, concessional working capital, and trade facilitation so MSMEs can ship reliably. This is how we make agriculture both climate-resilient and commercially viable: more output when prices are strong, smarter processing when prices soften, and steady jobs and incomes across every province.
- h. **Land for the public good.** We have progressed compensation on land needed for public use so projects can move without years of dispute. That is basic fairness to landholders and basic efficiency for taxpayers.

- i. **Climate leadership and systems:** We strengthened Vanuatu's global and national climate stance by submitting Enhanced NDC 3.0 to the UNFCCC, launching the world's first National Loss and Damage Policy, and advancing the National Adaptation Plan for COP30 alongside the first-ever Provincial Adaptation Plans. We also carried forward the ICJ climate opinion work, while upgrading environmental governance at home: 170 infrastructure applications processed through the EIA regime; a completed Port Vila Wastewater Assessment under the 100-day plan; and a comprehensive legislative review that separates meteorology, climate and geological hazards functions, including Cabinet approval to establish a new Department of Geological Hazards and local Disaster & Climate Committees to strengthen provincial coordination.
- j. **Energy, resilience and finance on the ground:** Delivery is visible across islands: pico-hydro ground-breakings on Pentecost; Sarakata Hydro Phase III design finalised and works underway; commissioning of mini-grids at Melsisi, Waterfall and Laringmat with more solar sites in Malekula progressing to Q1 2026; municipal waste upgrades (new loader for Luganville; PVCC bulldozer and composting tractor in procurement) and the first provincial dumpsite in Malampa. We broke ground on Vanuatu's first weather radar (due December 2025), nearly completed the Santo backup warning centre, installed 16 AWS nationwide, stood up Community Climate Centres in three provinces, and equipped councils and EOCs with Starlink, boats and quadbikes. Financing and revenues are scaling: two GCF projects approved in 2025 (US\$202.6 m), 19 NAB-endorsed projects (VT 6.53 b) and ministry revenues exceeding target year-to-date alongside support to schools, health facilities and women's groups through solar, electrification and micro-finance roll-outs.

17. MR SPEAKER, in addition to all these promises, when this Government came into office, we set ourselves a major task and a major promise: 100 days to pass 61 reforms across 5 pillars. These ranged from Reviewing the Price Control Act to repairing bridges. On this ambitious plan: **we delivered.**

- In the 2026 Budget we announced we would be “undertaking emergency repairs” on our roads and progressing the “Efate ring road and Santo East Coast Road”. **We delivered**, we have awarded a tender and signed a contract for the ring road, and restored access to critical roadways.
- We promised we would complete the acquisition for Norsup and Tanna Whitegrass airports. **We delivered**, completing land acquisition for both.
- We said we would bring back the cruise ships. **We delivered.**
- We said we would approve a budget for Norsup Maternity Hospital. **We delivered** – a total of VT 24.4m
- Repair the teacher licensing system. **We delivered.**
- The town is open, and demolitions are complete; more than half of insurance claims have been paid; teacher salary arrears are resolved; and we are resolving Air Vanuatu's complex legacy while strengthening the institutions around it. **We delivered.**

18. MR SPEAKER, we are not claiming victory; we are demonstrating direction.

19. MR SPEAKER, we will be honest with our people. Cyclones and earthquakes will come. Our people are resilient; but resilience is not abandonment. We will invest now so returning RSE

workers have reasons to stay, young Ni-Vanuatu can earn a living wage at home, and families are safer, better fed and more secure in their culture. That is why we are lifting minimum standards, reforming VNPF to protect workers, and crowding investment into every province.

The stimulus, safeguarding our economy

20. MR SPEAKER, in order to address the impact of the earthquake of December 17, 2027 the Government move swiftly to launch a number of stimulus packages to helped safeguard jobs, supported small businesses, and revived economic confidence.
21. MR SPEAKER, this Stimulus Package continues to deliver targeted support across key areas to sustain recovery and economic resilience. Through this stimulus, we supported demolitions of damaged buildings, with Vt 312 million already allocated, including Vt 250 million ready for disbursement to the Vanuatu National Provident Fund. This measure will enable new reconstruction and redevelopment. The demolition of damaged buildings in the central business district and elsewhere has enable the reopening of the central business district and has allowed businesses to reopen. This has also allowed cruise ships to resume calls to Port Vila.
22. MR SPEAKER, the wage subsidy program, designed to protect jobs and ease pressure on employers, has disbursed Vt 187 million of its Vt 561 million allocation, benefiting 78 businesses so far. Our Small Business Grants have reached near full implementation with Vt 62 million paid to Vanuatu Post to distribute to over 300 vendors.
23. MR SPEAKER, the loan guarantee scheme has also made strong progress. Of the Vt 1 billion budgeted, Vt 400 million has been set aside with the banking sector. This includes Vt 100 million with the Vanuatu Rural Development Bank and Vt 300 million with BRED Bank, and we thank them for supporting our initiatives. We now have over Vt 50 million in active guarantees already in place with borrowers.
24. MR SPEAKER, finally, the tourism recovery grant, managed by the Vanuatu Tourism Office, has spent Vt 61 million of its Vt 100 million allocation to fund marketing campaigns and support the resumption of cruise tourism. This led to the quick re-opening of our country to tourism.
25. MR SPEAKER, we are proud of the success of our stimulus package and can see this in our maintained growth rate this year of 3.7%.
26. MR SPEAKER, as we look to our 50th Independence Anniversary in 5 years' time, we are reminded that the foundations we lay today will determine the strength of our next fifty years. The 2026 Budget is about building those foundations: strong institutions, inclusive growth, modern infrastructure, and resilient communities.
27. MR SPEAKER, to help set this foundation, over the next year we will undertake a major program of financial system reform to strengthen confidence, modernise institutions and open clearer pathways for growth. We will also move ahead with two forward-looking laws: the Virtual Assets Act and the Stable Coin Act. These will ensure that new forms of finance operate under strong safeguards and with integrity. Together, these reforms will bring order, predictability and transparency to our financial system, and give our people and investors greater trust in the future of our economy.

The future and this budget

28. MR SPEAKER, while we have achieved a lot in the 2025 Budget, I also want to set out what this new 2026 budget will achieve.

29. MR SPEAKER, this Budget invests in the foundation of good governance. We are putting additional funds into the National Audit Office, the Attorney General, the Public Prosecutor and the Public Solicitor. We have funded improving the capacity of these organisations. We have corrected salary anomalies, and we are making sure no servant of the law is left behind. That's how we build trust in our institutions and systems for the next 50 years.
30. MR SPEAKER, we are modernizing the core of government. The Public Service Commission will procure a new Human Resource Management Information System worth 80 million vatu. This will ensure every public servant is accounted for, every position tracked, every hour of service valued. Our Citizenship Office will move forward with a 5 million vatu data system upgrade to ensure transparency and accountability in all citizenship by investment programs. These systems and automations will strengthen government, transparency and policy making and as the hub of this, the Ministry of Finance and Economic Management will invest in a new Integrated Financial Management Information system. This new system will replace the legacy system that we are currently operation for over 20 years for budgeting and payments. We will invest in a new Revenue Management System, to help identify, collection and transparently record revenues to the state.
31. MR SPEAKER, in the education space, this Budget honours our teachers. For too long, our education system has been underfunded. As part of its commitment to the teachers the Government will top-up an additional 1 billion vatu to address the ongoing issues for teachers which includes their housing, family and remote allowances. This builds on what we have already achieved this year paying claims. The National University of Vanuatu will also receive over 230 million vatu to expand its programs so those wishing to pursue further studies can attain their qualifications locally. Trained here in our land by our own people.
32. MR SPEAKER, the 2026 Budget strengthens our economic resilience by investing in agriculture, value addition, and rural enterprise. We are improving livestock and animal health, protecting key crops from pests, and supporting processing of kava and root crops. Working with the Vanuatu Rural Development Bank, the Ministry of Finance will expand productive sector loans to help farmers and small businesses access affordable finance. These measures will create rural jobs, reduce food imports, boost exports, and protect our communities from pests and climate shocks, building a stronger, more self-reliant, blue-green economy for our people.
33. MR SPEAKER, the health sector, will see transformation. We are creating and upgrading health centres in Liro, Imaki, Port Olry and Yorien, and expanding Lenakel Hospital and modernizing VCH with new dialysis, ICU and CT scan facilities. We will also create a Vanuatu Health Promotion Fund to strengthen prevention and awareness, because our people's health is the foundation of national prosperity.
34. MR SPEAKER, in security, fifty new police recruits will join the ranks to serve the communities, and backed by funding for community policing. So, every Ni-Vanuatu, even in the most remote village, can access state services with identity, with protection and with pride.
35. MR SPEAKER, in Infrastructure, we are clearing long outstanding debts and accelerating road, port and airport maintenance. The Government will allocate over three billion vatu to restore, complete and maintain the roads that connect our islands. This is not just construction, it's reconnection from Tanna to Malekula, from Pentecost to Santo. One country, interconnected.
36. MR SPEAKER, finally we are investing in our global and regional role. The Government will establish a new Embassy in Japan to strengthen and deepen economic, cultural and diplomatic

ties. We will host the Pacific Regional Hub for Regenerative Agritourism and Gastronomy, bringing our farmers and chefs into a global conversation about sustainability, innovation and the Pacific's identity on the world stage. We will invest over 200 million vatu in new passports, providing enough for our people, to ensure we keep open doors and open travel for our citizens.

37. MR SPEAKER, I want to touch on what some of our key institutions will be doing with their budget:

- a) The Ministry of Infrastructure and Public Utilities will receive an additional budget of VT 3,576.3 million, emphasizing the Government's commitment to enhancing infrastructure to increase production, manufacturing, trade, and the marketing of goods and services, and to strengthen connectivity between urban areas and the outer islands where most people live and engage in subsistence and commercial farming. Among other NPPs, this includes VT 1,680.8 million for the south Pentecost, Tanna and Malekula outstanding claims for roads, VT 887.9 million for the Norsup Airport outstanding claims, VT 540.4 million for recurrent maintenance activities, and VT 400.0 million for the capital projects road maintenance budget.
- b) The Ministry of Finance and Economic Management will receive an additional budget of VT 2,523.5 million for outstanding claims, response and recovery efforts, and acquisition of a new integrated Financial Management Information System to strengthen reporting, accountability, and transparency. The Government has allocated an additional 500 million vatu for severance, 300 million vatu for the replacement of the Revenue Management System (RMS) with a new Tax Administration System (TAS), and VT 265.8 million for the strengthening and repair works of the Ministry of Finance and Economic Management (MFEM) Port Vila Office Building.
- c) Mr. SPEAKER, the Government aims to increase production, manufacturing, trade, and marketing. Accordingly, 200 million vatu has been allocated for agriculture, 200 million vatu for value addition, and 200 million vatu for the productive sector banking facility. These banking facilities will encourage investment at lower interest rates to enhance economic growth and the wellbeing of the people of Vanuatu. The Productive Sector Banking Facility is established to provide assistance to our entrepreneurs to invest in businesses to grow our economy.
- d) The Ministry of Education will receive an additional budget allocation of VT 1,236.4 million, as the Government recognizes the importance of education in enhancing human capital in the labour force, increasing productivity, creating opportunities, promoting technology, and driving economic growth. As I said, among other NPPs, this includes VT 1 billion for teachers' legal entitlements and 230 million vatu for the National University of Vanuatu. This additional budget will assist the National University of Vanuatu to recruit professional to support the development of academic and professional training programs.
- e) The Ministry of Health will receive VT 515.2 million to improve health infrastructure and services, as well as operational budgets and the recruitment of doctors and specialists. This includes 150.2 million vatu for VCH specialized care covering dialysis, CT scan, prosthetic dental lab, and related systems; 79.2 million vatu for the locum budget for technical specialists; 50.0 million vatu for the Yorien Dispensary; 50.0 million vatu for the Port Olry Health Centre upgrade; 50.0 million vatu for the Liro Health Centre; 49.2 million vatu for the establishment of the Vanuatu Health Promotion Fund; and 47.7 million vatu for the VCH Kidney Care Unit.

- f) The Ministry of Internal Affairs will receive 398.0 million vatu, including the 215.0 million vatu for the purchase of passport booklets, alongside VT 77.0 million vatu for Ministry GRT variances, 50.0 million vatu for police recruits, and 42.0 million vatu for the institutional strengthening of Area Councils.
- g) The Prime Minister's Ministry will receive 221.9 million vatu for security purposes. This includes 130.6 million vatu for Microsoft M365 software licences and 85.0 million vatu for TrendMicro software licences. This is to strengthen and modernize the security of government communications and systems.
- h) To improve production and enhance economic growth, the Ministry of Agriculture, Livestock, Forestry and Biosecurity will receive an additional budget of 198.7 million vatu, which includes 50.0 million vatu for sustainable management of the coconut rhinoceros beetle (CRB) using biological control, 46.0 million vatu for establishment of Vanuatu as the Pacific Regional Hub for Regenerative Agritourism and Gastronomy, and 35.0 million vatu for the modernization of beef farming through silvopasture.
- i) The Ministry of Climate Change Adaptation, Geohazard, Meteorology and Energy will receive 138.1 million vatu. This includes 59.6 million vatu for East Santo and Northeast Malekula high- and low-voltage network extensions and service connections, and 16.3 million vatu for the replacement of the Efate Near Real-Time Seismic Monitoring Stations, to help us prepare for future earthquakes.
- j) The Ministry of Lands, Mines and Water Resources will receive 69.3 million vatu, recognizing the importance of land management and water resources, which includes 66.2 million vatu for groundwater geophysical survey equipment
- k) The Government is committed to strengthen and provide more resources to the new Ministry of Fisheries, Oceans and Maritime Affairs. In 2026 the Government has allocated 46.1 million vatu for recruitment and institutional strengthening to the new ministry.

38. MR SPEAKER, this Budget is dedicated to steering our nation towards the golden jubilee, marking 50 years of independence and progress. This budget reflects our commitment to celebrating this milestone through strategic investments that foster sustainable economic growth, enhance public services, and improve the well-being of all citizens. By aligning our fiscal priorities with the vision of a prosperous and inclusive future, we ensure that the golden jubilee is not just a celebration of the past, but a foundation for the decades ahead

The basis of the budget.

39. MR SPEAKER, our key focus remains on implementing and adhering to a clear fiscal plan that aims to grow the economy and increase revenue, ensuring sustainable development and long-term financial stability.

40. MR SPEAKER, we are in a very good starting position. Revenue has recovered back to its pre-COVID trend and will reach VT 39.5 billion from domestic sources this year.

41. MR. SPEAKER, I wish to now draw your attention towards national recurrent revenue and later during this session, I will be presenting the final revenue estimates for financial year 2026, but before I begin, I would like to take this opportunity to sincerely thank all our revenue collecting agencies for their exceptional work done throughout this financial year 2025 (current year). Mr. Speaker, as previously mentioned, with the impacts of the 17th December 2024 earthquake, this financial year was not a smooth year for the economy, but despite these challenges, our revenue

collections have been tracking above expectations and the Ministry of Finance is confident about the government capability in reaching its budgeted recurrent revenue target for this financial year 2025 (current year).

42. MR SPEAKER, the final recurrent revenue budget estimates for the 2026 financial year are set at VT 46.8 billion. This will be the highest ever for Vanuatu. It is a testament to the economic growth, efforts of our collection agencies, and diligence of our taxpayers, and I call on everyone to support achieving this target this coming year.
43. MR SPEAKER For financial year 2026, Value Added Tax (VAT) will continue to remain as the government's number one source of tax revenue. To strengthen compliance in VAT revenue collection, the government as I have outlined, is investing in the Vanuatu Sales and Monitoring System (VSMS) which was launched in August 2025. Additionally, funding has been allocated to procure a new Tax Administration system to replace the existing Revenue Management System. Both systems have the potential to raise revenue for the government in the medium to long term. MR SPEAKER, in our Citizenship program we have seen better than expected collection. This has been aided in part by a revised invoicing that integrates directly with the Ministry of Finance, ensuring that all application fees are deposited into the government treasury. Despite the good performance of the citizenship program I want to caution the government that this revenue sources is not sustainable as we have seen lately the withdrawal of correspondent banking relationship by an overseas bank with that National Bank of Vanuatu. The continuous withdrawal of correspondent Banks will severely impact the collection of revenues collect from the citizenship program.
44. MR SPEAKER, a few ministries have indicated that they will also collect additional revenue over what they usually collected in the past and this is also reflected in the 2026 budget forecast. This includes the Department of Fisheries, the Department of Ports and Harbour, Department of Agriculture, the Department of Lands and the Ministry of Internal Affairs through its passport-related programs, which we are supporting in the national budget through the purchase of the new passport books.
45. MR SPEAKER, in the international arena, the worldwide approach to taxation of businesses with international dealings has radically changed over recent years. We are working with the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes and the European Union to meet the required international standards. We will ensure that Vanuatu Law addresses the issues on tax avoidance and evasion, to enable Government agencies to collect what is rightfully owed to the nation.
46. MR SPEAKER, finally on revenue the government will continue together with the private sector partners and the public on revenue collection. We held a National Revenue forum in August of this year, and we wish to see such collaborations to continue into the near future. May I remind everyone on our fundamental rights as enshrined in the constitutions article 7 (g) that we have “to contribute, as required by law, according to his means, to the revenue required for the advancement of the Republic of Vanuatu and the attainment of national objectives”. As we approach our golden jubilee it is our collective responsibility to support the government to finance its priorities to ensure that when the country turns 50, our country is ready to face the next 50 years.
47. MR SPEAKER, turning to debt, the Government, has launched the Fourth National Debt Management Strategy (2025–2028). This strategy provides a clear framework to manage public debt sustainably, especially considering recent economic shocks and natural disasters. It aims

to strengthen economic resilience and safeguard financial stability for the wellbeing of all Ni-Vanuatu. This fourth strategy builds on past successes and equips the Government with better tools to make informed borrowing and financing decisions.

48. MR SPEAKER, with this in mind, our total resourcing need for this budget is estimated at 64.1 billion vatu. We will meet this through government revenue collection receipts and a mix of domestic borrowing and support from our development partners. Of this, 3.3 billion vatu will be raised through Treasury Bonds and Bills.
49. MR SPEAKER, Preliminary debt records for 2026 show our current debt stock at 59.755 billion vatu. With the 2026 financing needs, this is projected to rise to 63.186 billion vatu, or 41% of the 2026 projected GDP, and remain well within sustainable levels appropriate for our country.
50. MR SPEAKER, this will be supported by our debt reforms. We will continue to seek concessional external financing through active engagement with multilateral and bilateral partners. The government is also exploring opportunities to work with private partners to develop some of our main infrastructure by capitalizing on the new legislation of the public private partnership.
51. MR SPEAKER, finally, the Government needs to ensure that money is not wasted. Achieving the aims of this budget will be done through sensible borrowing, collecting record revenue and investing wisely. But to do this we must also tighten our belt. This year we put in place a number of expenditure controls that we will maintain, including: immediate recovery of outstanding imprests, the introduction of stricter limits on domestic and international travel advances, improved scrutiny of procurement through mandatory annual plans, and a requirement for funding confirmation before low-value contracts are signed. The Ministry of Finance will also enforce timely financial reporting, conduct expenditure reviews for major spending ministries, and prevent virements from payroll to operations or advances of salary and allowances.
52. MR SPEAKER, this budget allows us to fund over 9.2 billion vatu in new projects. 3.6 billion vatu in infrastructure, half a billion vatu in health, half a billion vatu for the new systems (IFMIS, RMS and VSMS), 0.6 billion vatu to support value-addition and productivity investments, and 1.2 billion for education. It is a budget that is intended to make sure growth accelerates to at least 4% in the medium term. A budget that keeps debt sustainable. A budget that continues to deliver.
53. MR SPEAKER, the 2026 National Budget is more than figures and forecasts. It is a declaration of our collective will to build a better future. It invests in our people, protects our sovereignty, and celebrates our unity. As we approach our Golden Jubilee, we are not just planning for one year but preparing for the next fifty. Let us move forward together with courage, wisdom, and faith in God.
54. I now commend the 2026 National Budget to this Honourable House.