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VIRGIN ISLANDS



BEFORE THE
COMMITTEE ON ECONOMIC
DEVELOPMENT AND AGRICULTURE

36TH LEGISLATURE
OF THE UNITED STATES VIRGIN ISLANDS
FRITS E. LAWAEZ
CONFERENCE ROOM
ST. CROIX, U.S. VIRGIN ISLANDS

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Good morning, to the Honorable Hubert L. Frederick, Chairperson of the United States Virgin Islands 36th Legislature Committee on Economic Development and Agriculture, other Committee members, other members of the Legislature present, legislative staff, fellow testifiers, members of the media, persons in the viewing and listening audience, ladies and gentlemen. My name is Haldane Davies, Director of the Bureau of Economic Research (BER), Government of the United States Virgin Islands. With me today is Ms. Bernesha Liburd, Senior Project Analyst, who, together with other BER staff, continues to respond to the growing demands for economic data and associated information from the Bureau. I thank her for the many roles she has played at the BER over the years and the continued commitment of all staff to the mission and vision of the Bureau.

I welcome the opportunity to provide testimony on the BER's current initiatives, ongoing impact, and strategic direction as it relates to the Territory's economic development agenda. Since my appointment to this role, I have engaged with inter-agency colleagues to understand their efforts in our collective approach to strengthen the economy of the United States Virgin Islands to strategically address our economic challenges along the path to a stronger self-sufficient Territory.

BER is the Territory's principal agency for the provision of reliable and quality assured statistics to enhance the social and economic development of the U.S. Virgin Islands. We provide information about the state of the economy to the public and private sectors to assist with decision making, grant applications, development planning, economic impacts, and other initiatives that influence our overall growth. The economic data, trends, analyses, reports, and studies produced by the Bureau are key to informed decision making and policy development at many levels.

The USVI Comprehensive Economic Development Strategy (CEDS) lays out a strategic framework that takes a holistic approach to a stronger and well-positioned USVI and is required for federal funding purposes. The CEDS is a shorter-term plan when compared to Vision 2040; however, both plans are generally in sync with each other and together they form a solid platform for the resilient and sustainable development of the Territory. We are in the process of reviewing and updating the current 2020-2025 CEDS and will liaise with the USVI Economic Development Authority (USVIEDA) and other agencies and offices to encourage implementation of those goals that may be outstanding. We are also updating our IMPLAN subscription and other economic impact and forecasting software to further enhance the quality of our reports and provide scoring on the cost to the Territory of current and proposed legislation, as appropriate.

The monitoring of the economy is done through a variety of studies and reports that are available on the Bureau's website. With Monthly publications such as air, cruise, building

permits, employment, and hotel occupancy reports. A few of the more recent documents include:

1. 2024 Consumer Price Index Report
2. 2024 Carnival Exit Survey
3. 2023 Economic Review
4. 2022-2023 Visitor Exit Survey
5. 2022 Imports Report
6. 2022 Economic Census
7. 2022 Gross Domestic Product
8. 2022 Living Wage Study
9. 2021 Ocean Economy Study

BER continues to collect all necessary and required data for the annual GDP reports, which are prepared by the U.S. Bureau of Economic Analysis (BEA) and funded by the Office of Insular Affairs (OIA). The reports have been temporarily paused to determine an improved approach to filling the gaps in data collection and reporting across the Territories. The OIA funds the calculation of the GDP for all U.S. Territories, and we are scheduled have a follow-up discussion on the matter with OIA within the coming days.

Be assured that the Bureau will continue to provide reliable and valid economic data, analytics, indicators, and forecasting in support of the Territory's planning and development agenda.

We are committed to:

- institutional strengthening through continuous training in emerging technologies and advanced methodologies in statistics and data science
- attracting, developing, and retaining professional talent
- encouraging the adoption of advanced technological solutions for data collection, processing, analysis, and dissemination
- promoting innovative dissemination strategies that improve accessibility, usability, and visualization of official statistics, and
- networking with other national, regional, and global statistical offices to review the best practices in the use of economic research outcomes to strategically impact economic development across the Territory.

In that vein, I will now share a few of the key goals and projects that we hope to accomplish over the next several months:

1. Expand data collection categories and forms for accommodations (hotels, condominiums, Airbnb, short-term rentals) to gather as much relevant information as possible

2. Facilitate internal and external professional development opportunities (Economic Development Fundamentals 101, CPM, IMPLAN and other modeling and forecasting software onboarding, workshops, seminars, etc.)
3. Review and update the Comprehensive Economic Development Strategy
4. Conduct or collaborate to carry out the Household Income and Expenditure Survey.
5. Conduct an Economic Impact Analysis of Government operations, capital projects, and disaster recovery projects
6. Use data to highlight industry-specific site-selection pitch decks in collaboration with USVIEDA to attract returning industries to the South Shore Economic Zone and elsewhere
7. Conduct an analysis of Government fees and recommend options for adjustments, as appropriate
8. Conduct a health insurance study to determine the viability of GVI territorial insurance
9. Research and propose public-private asset monetization strategies for key economic stabilization drivers – energy, healthcare, etc.
10. Use data to explore other economic stabilization revenue generation ideas
11. Collaborate with USVIEDA to obtain Accredited Economic Development Organization (AEDO) status, and Certified Economic Developer (CEcD) or Entrepreneurship Development Professional (EDP) certification
12. Collaborate with USVIEDA on a review/refresh of VISION 2040
13. Work with departments and agencies to agree on a common input/output model to ensure consistency in economic analyses across the Territory.

As stated earlier, these are but a few of the many initiatives currently being executed at the BER. The Bureau continues to be responsive to the requested needs of the many public and private sector entities that require reliable information in support of grants, studies, projects, planning, and all types of development as required by funding and other development agencies. We will also continue to collaborate with the Department of Labor, Department of Tourism, Bureau of Internal Revenue, University of the Virgin Islands, and other agencies and offices to provide the most accurate and current data, where possible. BER is dynamic in its approach to continuously improving our capacity and capability to ensure a high level of economic intelligence to help guide the future of the Territory.

It is clear to all concerned that as a Territory, we need more strategic resources consistent with our needs (skilled tradespersons, technical knowledge, technological expertise, financial acumen, data analytics) to expand our capability and capacity to continuously make pointed and strategic gains along the path to economic prosperity. The GVI Fellows program is commendable in that it affords our young and aspiring people the opportunity to help improve financial reporting, measurement and analysis,

strategy, leadership, customer service, talent management, operations, and the use of results to continuously improve our public and private sectors. We need to arrest the tax leakage that plagues our Territory and hold ourselves and each other more accountable for our collective economic stability. BER will continue to work with inter-agency partners to engage in “strategic doing” to attract more people and investments to our shores, and more local investments through consortiums and partnerships, while addressing the challenges of energy, healthcare, education, and infrastructure.

Although it may be challenging for some in the diaspora to return home and make a direct contribution to the continued growth and development of the Territory at this time, we still encourage our brothers and sisters to consider investments in the areas of identified need (affordable housing, specialized labs, light manufacturing, mixed-use facilities etc.), while continuing to abode elsewhere – as is the case in many Caribbean and other countries. Communities across the nation engage in incentive programs for people to relocate to their cities and towns, purchase or rent homes, shop and dine at local establishments, and return taxes locally. Continuous logical and well-timed steps can make a significant difference to the fabric of our society.

The Bureau of Economic Research remains fully committed to doing its part to assist in the economic research and expansion of the Territory. The task ahead is great, and we all have significant work to do to continuously improve the quality of life and living for our residents and visitors alike. The challenges along the path are many but the vision to create a better Virgin Islands is achievable.

Thank you, Senator Frederick, for your stewardship in holding this Hearing and for keeping the economic well-being of our Territory high on the agenda of the 36th Legislature. It is certainly an investment of time and resources that will pay great dividends in the years to come.

I welcome the opportunity to answer any questions regarding this important Hearing. Thank you for your attention.