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# The economy of the Kingdom of Mount Vema in 2021 – Reserve Bank

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**August 12, 2021** – The economy of the Kingdom of Mount Vema is expected to continue to grow for the next two to three decades. The economy will continue to prosper, based on a comparison of GDP measured at purchasing power parity conversion rates.

## Finances

His Mount Vema Majesty's Treasury is responsible for developing and executing the government's finance policy and economic strategy. The Bank of Mount Vema (an agency of the Royal Mount Vema Reserve Bank) is the central bank of the Kingdom of Mount Vema, and is responsible for issuing notes and coins in the nation's currency, the Mount Vema golle which is becoming an important reserve currency.

## The Purchasing Power of the Currency

The Mount Vema real estate although off-plan, is already highly valuable. The 1.6 trillion golles total value of the Kingdom of Mount Vema entire projected property stock and the Vema Seamount territory itself is more than the combined gross domestic products (GDP) of some well-developed countries.

The entities of the Kingdom of Mount Vema are becoming among the largest creators of employment across the world as direct foreign investment from Mount Vema is expected to reach 1 trillion golles (about 1.7 trillion US dollars) within the next two decades. The money will come from the sale of about 80% of the City of Mount Vema development units to private investors.

Because the City of Mount Vema will have capacity to accommodate just about 1 million people and only about 700,000 of the residents will be part of the active workforce, most Mount Vema companies will have their factories based overseas, just like many citizens of the Kingdom of Mount Vema are likely to settle overseas.

For this reason, Mount Vema is extending many of the services it would otherwise provide only in Mount Vema to other countries where Mount Vema citizens are likely to have a base or establish ties. The services available

overseas includes basic income, social housing, and free access to healthcare. Most of these services are paid first in golles before been converted into local currencies. This has and is already generating a certain level of global supply and demand for golles.

## **The Economy**

This is an economy where the Government buys needed goods and services predominantly in the private marketplace, and private individuals and business firms make most of the decisions. Firms also enjoy great flexibility in decisions to expand, to develop new products, and lay off surplus workers.

The economy of Mount Vema is starting with an initial concentration on the construction industry, which will be followed by other heavy industries such as shipbuilding, which will pave the way for Mount Vema merchants, shippers, and bankers to expand. However, manufacturing is likely to remain a significant part of the economy in years to come.

Mount Vema is already attracting a large amount of foreign investment because of its corruption free environment, and long-term growth strategy, aiming to be among the world's most competitive economy.

## **Employment and Jobs Creation**

Although the government plans to place limits on inflows of workers, foreign workers will make up 100% of the construction industry and up to 90% of the service industry. So foreign workers will be crucial to the country's economy which may be affected if the COVID 19 pandemic continues beyond 2022. However, the entities of the Kingdom of Mount Vema are becoming among the largest creators of employment across the world. This is because the City of Mount Vema will have capacity to accommodate just about 1 million people and only just about 700,000 of the residents will be part of the active workforce, so most Mount Vema companies will have their factories based overseas.

## **Government Finance**

Mount Vema tax is progressive, and is currently levied at the state (citizenship) level, and when construction of the city is completed, it will also be levied at district government (residents) levels. The other current and general tax obligations include taxes on income, payroll, property, sales, imports, estates, and gifts, as well as various fees.

Mount Vema taxation is based on citizenship. Citizens are taxed 10% on their income irrespective of where they live or where their income is earned. However, residents living and working in Mount Vema will also be taxed on their income to cover the cost of basic services to be provided by the state.

Fisheries is another source of government revenues. Although currently the government makes very little use of this option as it forms part of His Mount Vema Majesty's Reserves and requires the approval of the Sovereign, the Vema Seamount territory with its marine life alone is an asset that represents the value of ownership of the Vema Seamount Authority that can be converted into cash as collateral at any time to enable His Mount Vema Majesty's Government to raise finance to pay for the country's obligations.

The annual spending budget is determined by the country's debt ceiling, signed by the Sovereign every August and announced on the first week of September. Although the total estimated value of the City of Mount Vema entire projected real estate is more than 1.6 trillion golles, the estimated annual operational and development expenditure by 2030 is 120 billion golles from the projected income of 200 billion golles from tourism, exports of fisheries, services, and returns from long term strategic investments.

### **Economic Development and Industries**

The current direction of the economy indicates that in the next decade the Kingdom of Mount Vema will become one of the largest foreign exchange center, financial center, hub for regional ship repair services, and among the largest logistics hub.

The economy is already becoming significantly diverse, with its top contributors being financial services, manufacturing, to be followed by fisheries, and other significant sectors include media, entertainment and sports, electronics, mechanical engineering, Scientific research and development, and biomedical sciences.

Currently Mount Vema's fast growing companies are in the telecommunications, banking, transportation, and manufacturing sectors, many of which have started as state-run statutory corporations and have since been publicly listed on the Mount Vema Exchange.

### **Tourism**

No other floating city or floating city-state in the world will be like Mount Vema, not at least for the next 100 years, everything Mount Vema does now is pioneering. So, tourism is expected to be a major industry and contributor to the Mount Vema economy, however projections in terms of total number of visitors are not yet available.

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