

**Opening Remarks by Prime Minister Dr the Hon Timothy Harris,
at a Press Conference to unveil the Government's Stimulus Plan to
Protect and Support the People of St Kitts and Nevis on Tuesday,
March 24, 2020 at the Ocean Terrace Inn**

*'Plan to Protect and Support the People of St Kitts and Nevis in
the face of the Corona Pandemic'*

My fellow citizens and residents:

Your Government has always believed that St Kitts and Nevis has a strong and safe future ahead of us. Notwithstanding the significant health, fiscal and economic threat posed by the corona virus pandemic we continue to believe that by God's grace we will emerge from this period of challenge-better, safer and stronger as a people.

Today I will announce some new measures your Government is taking, as part of our plan to protect and prepare our Federation, and to see us through this harsh period of pain and sacrifice should the worst effects be felt here.

These are uncertain times. God has prepared your Government to provide effective and decisive leadership in times like these.

For the past five years your Team Unity Government has kept our promises to you and we will continue to manage our Federation in a safe and reliable manner. We succeeded in growing our economy 5 years in a row and recorded surplus after surplus on recurrent, overall and primary balances. We achieved these surpluses while paying off the \$117 million in IMF debt and redeeming over 400 acres of land for our people at a cost of \$200 million. As a consequence we are in a better position to face this huge crisis and to respond using our own resources in the first instance. We do so to protect our people and cushion the distress of job losses.

Because we have put our fiscal house in excellent order we have the resources to strengthen our health system, so it is ready when needed. We must thank all our front line employees – our health care givers, particularly our Emergency Management Technicians, nurses and doctors, our immigration, customs and police officers for their dedicated service to our Country. To date, thanks to their work and the excellent leadership by our National Working Group on

COVID-19 we are yet to have one confirmed case. I must make known that testing of suspected cases are done by two independent sources (1) a local lab; and (2) the Caribbean Public Health Agency (CARPHA).

Any tests done here are being sent to CARPHA for independent verification. In sum there is a two tier system and CARPHA the regional accredited body is the designated authority on the outcome of tests.

The decisions I announce today will lock down our borders, improve our food security and support our workers, farmers, businesses and homeowners during this period of difficulty and stress.

LOCKING DOWN OUR BORDERS

Our early action is keeping the virus at bay and providing opportunities for us to be better prepared when the virus inevitably arrives.

Today I am announcing new tough measures to lock down our borders and protect our people.

Effective tomorrow night, March 25th, at 11:59 pm, the Federation of St. Kitts and Nevis will be closing its borders to all commercial airline flights until April 7th 2020.

Flights for medical emergencies will be exempted and International Air cargo and cargo by seafaring vessels will be allowed, to maintain connectivity and enable the Federation to import much needed commodities such as food, fuel, medical supplies and equipment. We are a small open economy and we rely on international trade systems for most of our needs.

Immigration, Customs, Coast Guard and the Royal St. Christopher and Nevis Police Force, will be enforcing all border controls. In this regard we are in the process of new recruitment in these areas. The move to close our borders as a precautionary measure means nationals and residents overseas who cannot return by the deadline, will need to remain in place until the border is reopened.

I know this has been a very traumatic experience for our citizens due to the uncertainty and anxiety generated by this virus but we must do all we can to protect ourselves against the virus entering our shores.

We have already announced an additional \$16.9m investment into our health system, in addition to the \$62m already budgeted, to ensure our health system is ready. We are also recruiting a large number of health professionals from overseas to assist our efforts. Some of whom are expected to arrive shortly.

However, today, I want to talk to you about the measures we are taking to support our workers, our homeowners, our businesses and farmers during this time.

The economic fallout from the pandemic is expected to be severe in the critical sectors of tourism and manufacturing, with our job creators and small to medium businesses in particular the worst affected by reduced income. In many ways that economic fallout is already here – and that is why your Government is acting. We feel for our workers, taxi operators, hotel workers and everyone whose life has been dramatically altered by this dangerous pandemic.

My Government yesterday approved the following elements of a stimulus package aimed to ease the difficulties experienced by our people. Our fiscal and economic stimulus aims to help our workers maintain their dignity and keep their heads above water while together we weather the crisis in unity and solidarity. We offer support to corporate and unincorporated businesses, the agriculture, the self employed, our farmers and fishers among others and indeed to all directly affected by the crisis. Our package is nearly \$120 million. This is the largest assistance package announced by any Government in our region.

STIMULUS PACKAGE

In addition to the current public assistance initiatives, the Government's stimulus package to cushion the impact of the health crisis on individuals and the economy would include the following:

1. Postponement of the payment of Property Tax from June to September

2020(No Cost but Cash Flow Impacted)

2. Removal of VAT and Import Duty for six months on the following

additional hygiene items:

- a. hand sanitizers*
- b. hand sanitizer dispensing machines*
- c. disinfecting wipes*
- d. rubbing alcohol*
- e. gloves*
- f. masks*
- g. protective gowns*

3. *Removal of Import Duty and Customs Service Charge for six months on the following:*

- a. Vegetables*
- b. Fruits*
- c. Fruit Juices*
- d. Cough and Cold Preparations*
- e. Vitamins*

(#2 and #3 - \$3 million)

4. *Waiver of payments for consumption of water for the period April to June 2020 for individuals who have been laid off by businesses or experience a reduction in earnings as a consequence of COVID-19(Cost Unknown)*

5. *Reduction of the Corporate Income Tax rate from 33 percent to 25*

percent for the period April to June 2020 for businesses that retain at least 75 percent of their employees (\$4.8 million)

- 6. Reduction of the Unincorporated Business Tax rate by 50 percent from 4.0 percent to 2.0 percent for the period April to June 2020 (\$1.0 million)*
- 7. Injection of \$10 million to boost production in the Agriculture Sector and ensure greater food security for the Federation*
- 8. Waiver of payments for the consumption of water by farmers for six months (April to September 2020) (Cost Unknown)*
- 9. Provision of an additional \$5 million to support the Poverty Alleviation Programme*
- 10. Employees who contract the virus and for whom contributions were made would be eligible for Social Security benefits. The Social Security Board will establish a special fund with about \$10 million - \$15 million to assist with income support of up to \$1,000 per month for workers whose income would have been impacted by COVID-19. Registered self-employed persons who can show that they have been impacted would also qualify for this support.*
- 11. Provision of additional resources in the region of \$12.0 million to capitalize the Severance Payment Fund*
- 12. The Development Bank of St. Kitts and Nevis will facilitate a loan*

repayment moratorium for six (6) months and the waiver of all applicable late fees and charges to support customers who are impacted by the loss of income due to COVID-19. (No Cost but Cash Flow Impacted)

13. *The National Housing Corporation (NHC) will implement a moratorium on mortgages for an initial period of three (3) months in the first instance for affected homeowners. (No Cost but Cash Flow Impacted)*

14. *The St. Kitts Electricity Company (SKELEC) and the Nevis Electricity Company (NEVLEC) would implement a moratorium on payments for electricity services for affected businesses and individuals for a three (3) month period, April to June 2020. (No Cost but Cash Flow Impacted)*

15. *Continuation of the Fresh Start Programme with an injection of \$5 million to assist poor and marginalized youths by providing access to capital to fund small and medium sized business projects*

16. *Provide funding through the Development Bank of St. Kitts and Nevis for mortgage loans to citizens of St. Kitts and Nevis in the amount of \$30 million*

17. The Government will reprioritize and accelerate the pace of implementation of approved Capital Projects that could have a direct positive impact on the economy

The Government appeals to and encourages employers to continue to remunerate employees who are quarantined. Such persons should have evidence of the requirement to be quarantined.

PROTECTING OUR WORKERS

Consistent with the all of society approach your Government is pleased to have had the support of several critical stakeholders, an important one being the Social Security Board.

I thank the Board of Directors on behalf of the country for agreeing to be part of this vision by creating a package of support to mitigate the negative social and economic impact of the virus. That support is initially estimated to be approximately \$15 million.

The Social Scrutiny Board was set up largely to support the workers or their beneficiaries in their times of greatest need such as sickness, maternity, employment, infirmly and death. During these events our workers are most vulnerable and lose incomes.

The impact of the COVID-19 is already felt by workers in tourism and industry. It has expedited the dull and off season in the tourism sector with significant personal consequences to many of you.

Under your Government's leadership, the Social Security Board has responded in a very responsible way

A special emergency wage fund has been created to provide relief to employees affected by the pandemic.

Displaced workers will receive \$1,000 each for a period of three months in the first instance. Those who are laid off or receiving reduced hours of work will be given an allowance to increase their incomes to \$1,000 per month.

Additionally, they will receive their contribution credits to ensure they are not disadvantaged with respect to their future benefits, entitlement.

Workers who are quarantined should not be punished for playing their role in helping to stop the virus spreading. Indeed, quarantine is part of the health best practice in response to containing and mitigating transmission.

Today I announce that quarantined employees will qualify for sickness benefits. Further, if their calculated benefit is less than \$1,000 social security will pay them \$1,000 per month.

These initiatives are worth \$15m dollars.

LOOKING AFTER OUR HOMEOWNERS

I know the uncertainty caused for home owners who have lost income due to the current crisis. Your Government has heard you and we are taking real action.

DEVELOPMENT BANK

Under our leadership, the Development Bank will offer a moratorium on principal and interest payments for persons affected for a period of six months and waive all penalty charges with respect to mortgages for those persons whose employment has been impacted by the crisis.

NATIONAL HOUSING CORPORATION

Through the National Housing Corporation, your government is empowering our people to create a property-owning society. To maintain this during the

current crisis, the NHC will undertake a support package which will be announced.

During the next three (3) months in the first instance, no interest will be accrued on any new client who has been allocated a new property.

AGRICULTURE SUPPORT PROGRAMME

To help protect our food security and strengthen our agricultural sector, I announce today an additional \$10m will be provided to boost the production of the pork, beef, poultry and eggs and additional support will be provided for the production of fruits and vegetables. Free Bayticol will be also be provided to farmers for the next 6 months.

CONCLUSION

I understand there are concerns in these uncertain times.

The size of the social and economic problem COVID-19 could cause may seem daunting, but with God's grace we will see it through.

Your Government promises we will play our role, and continue to provide stable and certain leadership in these uncertain times.

We have locked down our borders. We are investing millions of dollars in our health system and building up our medical supplies and life saving gears for our people. We are looking after our workers, farmers, homeowners and businesses to cushion them from the virus' economic impact.

We are working to a robust plan, so St Kitts and Nevis comes through this challenge stronger and more united than before. We welcome all hands on deck to build the stronger and safer future for St Kitts and Nevis. We encourage the private sector to demonstrate their best corporate social responsibility at this time in the case and consideration of their workers keeping them at work for as long as possible and giving them the best package should they need to reduce

the workforce. We appeal to them to stock up on safety products and sanitation at work.

We appeal to them to speak with one voice in support of the Government's constructive approach to stabilize and grow our economy. The pandemic should not only challenge us but help us find new areas for engagement.

Now it the time to come together and move forward as one people, one Federation.

Let's stay together.... We will see this through.