

Dialogue of Ministers of Foreign Affairs and high-level authorities of Latin America and the Caribbean on the post-pandemic economic recovery

26th October, 2020

Statement by the Honourable Mark Brantley

The coronavirus pandemic has impacted countries all across the globe and has caused a dramatic decline in economic growth. Of course, Saint Kitts and Nevis is no exception. We are gathered here today to share our views and ideas relating to the path to recovery, but we cannot speak to that without first highlighting the significant economic impact that this pandemic has caused.

In March of 2020, two of our citizens tested positive for the coronavirus. In an effort to contain and minimize the spread of it, the government of Saint Kitts and Nevis implemented stay at home regulations, mandatory curfews, and closed its borders. This affected the tourism industry tremendously, but the safety of its people was and still is a priority of the government. Additionally, with the closure of manufacturing plants during this same period, the harsh economic impact quickly became a shocking reality for the government and people of Saint Kitts and Nevis.

As such, the government thought it best to implement several relief and social safety net measures in order to assist those citizens and residents affected by the pandemic.

The first of which was a stimulus package offered through Social Security. This was the largest stimulus package throughout the Caribbean region and allowed for a payout of EC \$1,000 per month to each individual whose income was directly impacted as a result of COVID-19. This plan ran from April-June in the first instance.

In addition to that, there was a waiver of water bill payments for a 6-month period, beginning in April, 2020. Further to this, the government instituted a moratorium on electricity payments for 6 months to ease the burden on its people. For those individuals who have mortgages with commercial banks, a moratorium was also established and over 2,000 individuals were able to benefit from this.

The pandemic created an increase in applicants to the Poverty Alleviation Programme, which peaked at almost 6,000, a figure that the government did not anticipate. Despite this, the government has endeavored to assist all those affected during these very difficult times.

Saint Kitts and Nevis stands proud today in announcing that we have had less than 20 cases of the virus, all of whom have fully recovered. However, the damage to the economy was imminent and, in spite of the efforts put forward by the government to curb this issue, there is still more to be done if we are to revert to a state of 'normalcy'.

Fortunately for us, the manufacturing plants are now at 90% of the pre-COVID employment level, which means that there is once again a steady income for some of our people.

October 31st will see the reopening of our borders; a decision that we hope will boost the economy immensely. The larger populace was gravely affected with the halt in the tourism sector but as I stated before the safety of our people is a top priority. We had to ensure that the necessary measures were put in place for safe re-opening of the borders.

Since this announcement, we have already seen some progress in the hotel industry as employers have already begun to re-instate their employees to prepare for the anticipated influx of tourists. There will be a targeted approach to the marketing of Saint Kitts and Nevis in traditional tourism source markets as well as new markets, in order to attain maximum exposure.

Owing to the fact that not one single civil servant was laid off or terminated during the pandemic – a massive accomplishment on the government's part – the government has decided to increase its expenditure on personnel and employment costs for the 2021 budget. Out of this, a policy decision has been implemented to regularize Government Auxiliary Employees (GAE) and make those individuals on the STEP Programme part of the GAE pool. By doing this, the government will be providing a safety net and steady income to some of its citizens, should we have to face another pandemic.

COVID-19 is unprecedented and has opened our eyes to some harsh realities within our country. Our strategic priorities over the next few years include but are not limited to revamping the education system, implementing innovations to our Citizenship By Investment Programme, reverting to alternative energy and expanding the fisheries and agricultural programmes.

With the stay at home regulations and curfews instrumented by our National Emergency Operation Center (NEOC), the closure of schools was impending. The education system needed adjustment in order to facilitate this new idea of virtual learning. It is still a step by step learning process for Saint Kitts and Nevis but the government plans to intensify the build out of technical and vocational programmes and have ICT infused in all schools as well as the wider society.

We have to remain practical. Now is the time to reduce expenses as much as possible and we believe that investing in alternative energy such as solar energy will minimize costs significantly, not just for households across our twin-island Federation but for the government as well.

For the past few months we have been urging our people to buy local and support small businesses. The government invested an additional \$10 million in the agricultural sector during the pandemic as we saw the need to assist our local farmers and fishermen. We witnessed firsthand the critical impact the pandemic had on their lifestyle and as such, the government will be expanding the agricultural and fisheries sectors which would not

only assist current workers in that field, but create an avenue for young aspiring entrepreneurs as well.

We will also be re-prioritizing the build out of capital projects in 2021 with much focus directed at those with the highest economic impact. If we are to revert to any sort of “normalcy”, then we need to maximize output as much as possible in order to boost the economy.

It is certain that we have been knocked down, but we have dusted ourselves off and are now focused on re-building a much stronger foundation for the safety and security of our people.