

**MEDIA RELEASE**

**March 19, 2020**

### **COLLABORATION AGAINST COVID-19 (amended)**

The T&T Chamber commends the Prime Minister and his Cabinet team for their strong response to the public health threat facing Trinidad and Tobago.

The Post-Cabinet Media Briefing on Wednesday 18<sup>th</sup> March shows that the Government has taken a collaborative approach in leveraging the expertise of various stakeholders in developing a comprehensive plan to address the potential social and economic fallout of COVID-19. This truly shows the benefit that collaboration among government, labour and business can bring to the country.

We believe that the expansionary monetary policies that have been announced are needed at this time to allow for liquidity in the system. The reduction of the reserve requirement from 17% to 14% along with the reduced repo rate will increase the money supply. We look forward to seeing the impact that this will have on lending rates.

The reduction of interest rates on credit cards is indeed a step in the right direction. While the actual reduction will vary from bank to bank, this will invariably reduce costs and help the business community and consumers, as we all navigate through this crisis.

Our members have asked if the Government can defer tax payments due at the end of April by at least one month. We recognise that this could be challenging with reduced income from energy taxes. One option would be to make the deferral applicable only to SMEs, based either on turnover or tax at an agreed level. We feel that the financial impact to the Government on the total tax earned should not be significant and would be a critical component in helping smaller businesses at this time. We hope that this will still be up for consideration.

The Government has asked that the business sector maintain employment levels, at least for the first month initially. We support this request and recommend that employers make every effort to retain their employees wherever possible. It is in the best interest of all to retain the staff we have invested in developing over the years. We are comforted by the discussions with many of our members who have said they will do their best towards making this possible.

We are happy that the Minister of Finance has made a commitment to pay outstanding amounts owed to suppliers and we are hopeful that this will also include the long overdue VAT refunds.

We believe it is a positive step to provide improved foreign exchange access to the manufacturing sector and critical imports such as basic food items and pharmaceuticals.

In times of crisis, support measures are always necessary for members of society. Initiatives such as 'skip-a-payment' for mortgages and loans at the commercial banks and deferred HDC mortgage payments will certainly aid in alleviating some concerns about persons meeting financial commitments at this time. We are also in support of the measures that the Ministry of Social Development is considering towards providing a safety net for the most vulnerable in our society.

The increased allocation for Tobago as well as the programme to facilitate the upgrade and renovation of hotels will have a positive impact, particularly in the tourism and hospitality industry, which is crucial to the Tobago economy.

The T&T Chamber reiterates that we all have to take responsibility for combatting the spread of this virus so that we do not experience heightened transmission rates. We urge businesses and all citizens to adhere to the recommendations by public health officials to ensure the safety of everyone.

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**FROM THE MARKETING AND COMMUNICATIONS DEPARTMENT**