



Government of the Commonwealth of Dominica

Address to the Nation

by

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PRIME MINISTER OF

THE COMMONWEALTH OF DOMINICA

on

Government's COVID 19 Response

Sunday, May 17, 2020

7:00 p.m.

Fellow Dominicans, residents, friends....

Our country, like the rest of the world, is facing a defining challenge.

But I am proud to report tonight that we are not daunted; and that through your sacrifice, the heroic efforts of our essential workers and the help of friendly governments, we are manfully meeting the moment.

This pandemic is not something we expected. But when the history of this time is written, let it show that this generation came together - organized and sacrificed - and defeated a quintessential threat to our country.

This battle is far from over and additional threats lie on the horizon, but we are determined to push on with the awareness, the understanding, and the discipline we have all shown thus far.

As we have done in almost every stage of our development, this government is cognizant that the interest of our people must be at the center of every measure we take.

For the many who have lost their incomes, or are facing a period of deep uncertainty, do not despair, for even more help is underway.

The business sector is an essential partner in our quest for development and empowerment; and we shall work with you to ensure that you remain viable; and that you will be able to thrive again.

Our fellow Dominicans who are stuck overseas can rest assured that we continue to work on various protocols that will soon allow you to return home.

We thank God that in Dominica, as of today, Sunday 17th May we have no active COVID-19 cases. All of our 16 confirmed cases have successfully recovered. none of whom have died

But now is not the time to let our guard down.

I know that the measures that we have had to take, to secure the health and well-being of all persons in Dominica, have restricted your freedoms, but this has been done for the protection of all of us. We must not become complacent and forget that this disease is extremely contagious and has claimed the lives of more than 300,000 people worldwide in the space of a few months.

While we have no active case at the moment in Dominica, it is important that community testing be done, to determine whether there is community transmission that has so far gone undetected. This is important as we move to ease restrictions even further.

As we move forward, there are also additional measures we must take to help cushion the effects of the pandemic on our citizens; as well as the plan to transition to the further re-opening of the economy.

We have spent almost 22 million dollars in direct costs in our response to the pandemic so far.

And there will be increasing demands to spend more, even at a time when, for obvious reasons, our revenues are plummeting.

For the month of April 2020, collections from Personal Income Tax declined by 12 percent, Corporate Income Tax declined by 91 percent, Value Added Tax declined by 34 percent, Excise Tax

30 percent and Import duties by 19 percent. Similarly, as expected, we have seen a decline in CBI revenue.

Taxes collected by the Customs Division are estimated to decline by an average of 30% for the months of April to June 2020. Taxes collected by the Inland Revenue Division are projected to fall by an average of 20% for that same period.

This must be viewed in the context of a country that is still recovering from the utter devastation caused by Hurricane Maria less than three years ago.

Notwithstanding the negative impact of the pandemic on Government's fiscal situation, the need to address the economic challenges currently being encountered by many of our residents and businesses, has not been ignored.

Very early on, with the assistance of the Central Bank, we engaged with financial institutions to provide relief to customers from payment of loans, mortgages and credit card debts. In most instances customers have the option to defer payments for a period of up to 6 months and I am advised that many people are taking advantage of that option.

We also extended the deadline for the filing of personal and corporate income tax returns, and the payment of income tax was extended by three months for companies with financial year ending in January 2020 to June 2020.

We will also give consideration to waiving penalties for businesses that enter into payment plans within 6 months of the new payment deadline, for amounts due in respect of the same tax periods.

We have dramatically increased budgetary funding to the Ministries of Health and Agriculture.

The Ministry of Health, because it is the lead ministry in our response to the pandemic; and Agriculture because what has been made clearer than ever before is the importance of enhancing our food security; and in improving export earnings from this sector.

We are also committing to spend an additional 10 million EC dollars under the Contingency Emergency Response Component (CERC), of the Emergency Agriculture Livelihoods Project. Support will be provided to crop and livestock farmers. This will include the provision of planting materials, essential inputs such as fertilizer, small farming implements and animal feed.

To assist with meeting the cost of farm labour and other direct costs, cash grants have been approved to approximately 2,500 individual crop farmers. The amount of these grants is based on the size of the farmers holding. Farmers with small holdings will receive grants of EC\$700, medium holdings EC\$1,400 and large holdings EC\$2,800. This intervention is valued at EC\$3.5 million.

We also have an ambitious seedlings program, as well as direct assistance to pork and poultry farmers.

The full details of the depth of our assistance plans for the entire agriculture sector will be unveiled this week by the Ministry.

We are confident that the interventions by the Government will help lower the food import bill, reduce household expenditure, improve dietary quality and increase sustainable employment.

We should also see higher export volumes and increased income for families.

Residents are encouraged to produce as much as possible while Government is doing its part to ensure that there are markets available for the sale of your produce.

We have also agreed to purchase fresh produce and fish from farmers and fishers who are prepared to sell directly to Government.

Some of these produce will also be distributed to the most vulnerable in our communities. An amount of \$3.0 million has been set aside to facilitate this programme.

We are putting plans and policies in place to stimulate other sectors of the economy, especially in the construction sector, which will positively impact employment.

Through construction, several related businesses like hardware stores, transportation services and professional services for supervision will grow, thus providing companies an incentive to keep their current workforce and creating new opportunities.

We have also launched a registration drive for contractors and artisans and a form can be completed on the government website at www.dominica.gov.dm, for that purpose.

For many, their disposable incomes will rise and lead to higher expenditures. Indeed, this strategy is tried and tested. Following the devastation of Hurricane Maria, the Government was able to

successfully jumpstart the economy through the commencement of numerous large infrastructure projects.

Government is expecting to sign a number of high-value contracts over the next few days, while many other projects will begin soon.

We will also be implementing multiple infrastructure projects with expenditure of up to 100 million dollars.

Total additional investments in construction are expected to amount to at least \$296.8 million.

The Ministry of Public Works will provide the extensive details in the coming days. We are excited that these projects will be felt in every corner of this country. For example, there will be at least one road project in each constituency.

Local contractors will be engaged which will ensure job creation and the circulation of money in the community, while contributing to the improvement of the aesthetics of our communities.

Government will also pay small contractors and merchants with amounts owed of \$100,000 and less in the coming days, utilising the resources approved by the IMF under the Rapid Credit Facility (RCF).

The intention is that small contractors will be in a position to resume work on small projects and complete these works in the coming weeks and months.

Being mindful of the approaching hurricane season, Government will also continue its aggressive housing programme and accelerate it where possible.

Government had taken the extraordinary step after Maria to make loan financing available at the AID Bank, to our farmers, hoteliers and the manufacturing sector at attractive rates of 2%, with a moratorium on payments of 6-12 months.

Mindful of the extraordinary circumstances caused by the COVID-19 pandemic Government is providing further relief to beneficiaries of that special loan facility.

This will include no payment on principal for a year and on interest payment for six months.

This deferment of payment will allow borrowers in the tourism sector, the manufacturers and farmers to use whatever cash they receive during the next six months, to meet salary payments and continue their operations—without the added burden of loan repayments.

At the national level a major concern during this pandemic is the loss of livelihoods and income among workers. For individual households, it is the payment of mortgages and basic living expenses.

The DAIC has advised that its members have retained their pre-COVID 19 Pandemic staff.

Government has also spoken directly with the top largest private-sector employers. I am advised that 88 percent of these employers have held on to their full complement of staff while

the other 12 percent have released fifteen percent (or approximately 90 persons).

These employers should be commended highly for their stellar contribution to the wellbeing of their employees and families. They have agreed to hold on and partner with the government to ensure the social stability of the country in these very difficult and uncertain times.

We have been advised by the Dominica Hotel and Tourism Association that 2,082 employees have been released from the Tourism Sector.

That figure does not include persons engaged with travel agents and rental companies and some of the other tourism ancillary services.

Elsewhere in the less formal private sector a number of persons are currently no longer engaged including domestic workers, persons employed at bars, barbershops, day care centres, and salons.

Although some of their employers may not have been affected or have resumed operation, the future uncertainties and the need for social distancing have resulted in many remaining unemployed or underemployed.

Heads of families and single persons who are currently no longer employed will receive income support in the amount of \$600 and \$400 respectively for the period April 2020 to June 2020 in the first instance.

Funding in the amount of (EC\$15.7 million) to the affected employees and self-employed will be provided by the Government of Dominica, but will be made available through the

Dominica Social Security, given the administrative capacity that is already in place.

The details of how to apply for these grants will be provided by the Dominica Social Security.

Additionally, to assist micro and small businesses (including self-employed persons) such as manufacturers, bus drivers, barbers, hairdressers and persons in the tourism sector, to bridge the funding gap created as a result of the pandemic, Government will provide loans of up to \$15,000 to micro and small enterprises at an interest rate of **one percent**.

Access to these funds will be available from May 22, 2020. Payment of the first installment will be due six months after the receipt of the loan. This Loan Facility of **\$5.0 million**, in the first instance, will be administered by the Aid Bank.

The negative impact of the COVID 19 pandemic has been felt by all, but a greater blow has been felt by the Tourism Sector.

Several of the measures already mentioned will benefit persons in that sector including the Special Facility loans at the AID Bank, the moratorium on loan repayments, the grants to persons in the sector who are no longer employed and the self-employed whose business has been closed, and also access to the agricultural programme.

Hotels will be allowed to import several items on special concessions for six months starting June 1.

As an expression of gratitude for the social responsibility displayed by a great majority of employers in this country, the Government will grant a rebate to companies equivalent to an 8 percent reduction in the corporate income tax rate applied to

their chargeable income, for income years ending December 31, 2019 and between January 1, 2020 and June 30, 2020.

This income tax rate reduction from 25 percent to 17 percent of chargeable income will apply to companies which have signed agreements with the Government committing to continue to employ at least 80 percent of their staffing compliment as at January 1, 2020, for a period of 12 months, from the date of the granting of the rebate. Revenue forgone by this measure is estimated at \$7.68 million

The Government of Dominica will reduce to zero percent, the import duty, and the value-added tax which are now charged on such things as disinfectants, cleaning supplies, protective gears and face masks.

This will be implemented immediately for six months in the first instance. It is estimated that these measures will cost the government \$1.7 million in lost revenues, but we felt it urgent and necessary to help residents and businesses cushion the cost of the increased measures they have to take to ensure that proper hygiene is maintained.

As a responsible Government, we must take action to ensure a balanced approach and the sustainability of the health care system, Government's finances and the economy.

This unprecedented, uncertain and precarious period requires much prudence as we seek to ensure the health, safety and overall wellbeing of the residents of this country.

We must also ensure that we continue to support the needs of the most vulnerable amongst us and so the social safety net programmes such as the care for our senior citizens including monthly pensioners must continue.

Government would have liked to give much more, but with an approaching hurricane season and no end in sight for the COVID 19 pandemic, we must be measured in our approach.

We intend to finance the mentioned measures through a combination of loans, government revenue, including the CBI funds and reduction in recurrent expenditure.

As part of the shared responsibility concept to face the challenges of COVID19, the Government of Dominica will establish a fund to allow Dominican citizens resident overseas, including our new citizens and CBI agents, to make a tangible contribution to the current socio-economic challenges caused by COVID-19.

The objective is to support vulnerable households for a period of 6 months to help alleviate the social and economic impacts caused by the COVID-19 pandemic.

Details of the receipt and distribution of funds are being finalized. However, it is Government's intention that this Fund be administered by a Committee consisting mainly of members of civil society.

I want to encourage all of us to embrace the concept of shared responsibility. We need to look out for each other and especially for the most vulnerable amongst us.

We are in a situation that is not of our own making and practically overnight our lives have been altered.

Fellow Dominicans, we must be realistic and pragmatic. If this situation continues for an extended period, the Government will have no choice but to make significant expenditure cuts.

While the Government has taken no decision to terminate anyone's employment or salary, we should not take this for granted as no one knows how long the challenges will persist.

People should not take advantage of the work from home protocols, to be unproductive, because, in the end, all of us will lose out. I want to encourage all citizens to curtail unnecessary expenditures and be creative and innovative in seeking out job opportunities in other areas.

In addressing the reopening of the different sectors of the country, the guiding factor has to be, protecting lives and livelihoods. To prevent community transmission, government continues to strengthen our surveillance, contact tracing, and isolation systems.

As we gradually reopen, it is imperative that we take all the necessary measures to slow the potential spread of the virus throughout our society.

Our approach must be measured. We have seen that some countries took quick measures to reopen and they have had to review that decision, in light of a new wave of the virus. We are learning and need to learn more from the experience of other countries, and importantly, listen to the science. Saving lives is our utmost priority.

Re-entry into Dominica will be phased to ensure that facilities and health staff are not overwhelmed. We appreciate that there are many Dominicans out there who wish to return home, including our students.

We are working on ensuring that you can return home to be with your families, without placing them, yourself, and others at risk.

In addition to the economic sectors which have already been allowed to open, effective Monday 18th May, the following sectors shall be allowed to reopen by appointments only, in the first instance:

- Hair salons and barbershops
- Sulphur spas
- Manicure and pedicure and massage parlours.

Also, guidelines are being developed in coordination with other countries in the region for the gradual resumption of travel. Should we continue on the current trajectory of the management of the pandemic situation, we hope to be able to facilitate at least regional travel by July.

By that time, we will hopefully also be able to lift most of the curfew restrictions here.

Our projection also is that by that time we will be able to consolidate the various protocols for the re-opening of restaurants, bars, cinemas, and hotels.

Discussions are ongoing with our church and faith-based leaders on how to facilitate the congregating of worshipers at their various places.

I have deliberately refused to refer to that process as the re-opening of churches, because the many religious leaders continue to remind me that church is not closed; for church in a general sense continues, as people continue to worship in various ways; and that indeed the prayer warriors of this nation have been on their knees, even while this country continues to move forward in faith on its feet.

For the time being, schools, in terms of the traditional gathering for classes, will remain closed. Alternative methods of teaching, especially through online training, are continuing and being fine-tuned further.

It may be necessary to continue with the current arrangements for the rest of the school term.

In respect of all of these stages, proper planning is required. The appropriate protocols and guidelines are being developed for each sector and will be shared with you by the Ministry of Health at the appropriate time.

I cannot overemphasize the need to adhere strictly to all health protocols. I have instructed that Environmental Health Officers conduct random checks on businesses to ensure that all protocols are being followed.

We have noted that as restrictions are being lifted, there is a sense of returning to business as usual. The threat of COVID 19 is not over and until a vaccine is found, we must function as if everybody is infected.

In that regard if you do not need to be out to access services or to go to work, we urge you to stay at home and maintain your distance from others outside of your home circle. If you go out walking or to access the beaches or rivers, limit your time there.

Fellow Dominicans, we ask for your continued cooperation and support so that Dominica can successfully navigate this pandemic. I thank once again all of our frontline workers and essential service providers for their yeoman service to their fellowmen and country.

Throughout history, our country has faced many challenges – and on each occasion, our people have risen to the task. This is another moment in history.

While this current pandemic is unprecedented in many ways, we are confident that through the grace of God, through our working together, and through your determination and spirit, we will once again rise.

It is written best in Corinthians 4.

It says: We are experiencing trouble on every side, but are not crushed; we are perplexed, but not driven to despair; we are persecuted, but not abandoned; we are knocked down, but not destroyed.

And so, may the Good Lord continue to guide and bless our collective efforts.

Thank you.