

Opening Remark by the Prime Minister of St. Kitts and Nevis, Dr. the Hon. Timothy Harris at his Monthly Press Conference Thursday, October 1st, 2020

As Prepared for Delivery

Over the last six months (March to September), our Country like the rest of the world has been dealing with the twin crises of the coronavirus pandemic and the deep economic contraction that it precipitated around the world. Our very positive growth trajectory in the first quarter of 2020 was interrupted with the announcement of COVID-19 on March 25th, 2020.

Fortunately for us, our early strong actions in closing our borders, denying entry to our ports, and the practising of health protocols allowed us to contain the spread of the virus. As we speak today, St. Kitts and Nevis with 19 cases of COVID-19 infections, of which 17 have fully recovered, has one of the lowest numbers of COVID-19 cases in the world. We are considered a very low-risk travel destination.

Our careful management of the COVID-19 pandemic allowed us to gradually reopen all sectors of our economy from agriculture to manufacturing with very satisfactory results.

All our manufacturing plants are opened and over 84 percent of all employees willing to work are back on the job. I am advised that a few employees are turning down invitations to work at nights. This is unfortunate given the global challenges in finding work. Our people have to adjust to the new dynamics of shift work and accept work when it becomes available. The traditional 8:00 a.m. to 4:00 p.m. work routine is giving way to flexible hours as dictated by consumer demand and inescapable production schedules.

Across 8 manufacturing plants, 879 persons are back at work. Jaro Ltd has 205 of its employees back on the job. It is the largest employer in the export manufacturing enclave, followed by API Harowe (St. Kitts) Ltd with 198 employees back on the job. Of a total of 1,112 employees in the sector, 71 were made redundant, leaving a pool of 1,041 available for work. 879 employees representing 84 percent of the pool have returned to work. We expect another 100 employees to resume work when Jaro Ltd completes retrofitting of its other plants to ensure compliance with COVID-19 protocols. I assure Jaro Ltd and other plants that any support solicited that we can offer will be readily considered.

Beyond the economy, our society has been adapting well to COVID-19 in spite of the irresponsible behaviour of some at recent fêtes. Our churches, thank God, are fulfilling their mandate to spread the gospel, providing necessary avenues for our people to worship, pray and praise our Almighty God. The imposition of restrictions on church gatherings in earlier Emergency Powers (COVID-19) Regulations was a challenge for my spiritual faith, and I am happy our Churches are operating so responsibly in the

context of a dangerous and contagious COVID-19 pandemic. I thank the Church leaders for their understanding and support. Hitherto, we can say the Lord has helped us.

OPENING OF THE BORDERS

St. Kitts and Nevis has come a long way in its successful management of the COVID-19 cases. We are designated by the U.S. based Centers for Disease Control and Prevention as a very low-risk destination. We are one of the countries approved to be a part of the CARICOM bubble. These gains should never be frittered away with selfish and irresponsible behaviours by citizens, residents and visitors.

Accordingly, in preparation for the imminent opening of our borders, we have insisted that our citizens and residents comply with all health protocols, especially the wearing of masks in public, frequent hand-washing, physical and social distancing (avoiding large crowds and congestion).

These practices have to become second nature to us as we work to protect ourselves, our families, our friends and loved ones. Given that all our cases of COVID-19 were travel-related or imported cases, strict compliance with the health protocols is the only way to contain the spread of the virus, minimizing any strain on our small health system and loss of employment and productivity due to quarantine, isolation or hospitalization.

TOURISM SECTOR

To date, our hotel sector remains substantially closed. My Government committed that we shall open our borders in October. We did so on the assumption that the critical stakeholders, such as the St. Christopher Air and Sea Ports Authority (SCASPA), our hotel operators and Ministry of Tourism, would ready themselves for the reopening.

I am advised by the Tourism Authority that, so far, 3,458 workers in hotel, hospitality and transport sectors have been exposed to training as to the new norms for living and working safely in a COVID-19 environment. The Chairman of SCASPA, Mr. Damion Hobson has advised that works at our main airport the RLB International commenced on Monday, September 28th, 2020. The contractor, Baley Project Management has advised SCASPA that work will be completed not later than October 26th, 2020. The first phase of the work addresses the Welcome Centre on the ramp in front of the Arrivals area, converting the VIP Lounge into the Medical Screening area and constructing sneeze guards on the counters.

I have consulted our health experts. They have been working with SCASPA on plans to retrofit our airport for passenger movement in a manner that minimizes risk of COVID-19 infection by our Frontline Workers at the airport, including our Immigration Officers, Customs Officers and Taxi Operators. Having consulted with our critical stakeholders regarding their readiness, and taking into account the level of national preparedness and awareness of the risks of COVID-19, we will open our borders to the rest of the world but we will never drop our guard. Lives must be protected at all costs.

I can report that our borders will be fully opened on October 31st, 2020. We open our borders not just for tourists or hoteliers.

We do this to allow our nationals and residents abroad the opportunity to return home to their families, their jobs and their

communities in a more regular and predictable way.

Additionally, we allow for hotels to open up again to visitors and other guests, and for the resumption of work for our people.

This is a most significant development; we have learnt from the experience of others, faithfully taking the advice of the World Health Organization (WHO), the Pan-American Health Organization (PAHO), the Caribbean Public Health Agency (CARPHA) and our own health experts and National Task Force. We can – with the support of all – take this major step to open our economy, and we can now do so while minimizing risks to our Country.

IMPACT OF COVID-19

I want to look at the impact of COVID-19 on our economy so far and on our people in particular.

EMPLOYMENT

Data on employment as at June 2020 reveal that over the first six months of 2020, a monthly average of 23,745 jobs were available. This compares to 23,909 jobs available during the same period in 2019. This reflects a net decline of 164 jobs for the first half of 2020 compared to 2019. The relatively strong employment figure is due to the fact that Four Seasons, up to June, retained the majority of its workers on its payroll. In terms of gender participation in the workplace, data at the end of June indicated that 12,810 jobs were held by women and 10,934 jobs were held by men. More women were active at work and occupied 54 percent of all jobs versus 46 percent of jobs held by men.

By June, employment was up by 8 percent in the manufacturing sector and public administration and Defence. Declines were recorded in wholesale and retail, hotels and restaurants and transport, storage and communication ranging from 3 to 5 percent respectively.

During this period, the non-government sector recorded a loss of 831 jobs while the public sector recorded an increase of 666 jobs for a net job loss of 164. The employment situation during the third quarter is likely to change, with layoffs of employees by Four Seasons probably having the most dramatic impact. This decline is likely to be mitigated by increased employment in the manufacturing sector largely driven by Jaro's uptake in employment and the removal of restrictions on business operating hours.

The reduction in the number of active jobs resulted in a consequential fall in the average monthly payroll from \$76.34 million in 2019 to \$74 million in 2020. An average of \$38.20 million was paid monthly to females versus an average of \$35.81 million paid monthly to males.

SEVERANCE

Our Team Unity Government inherited a Severance Fund, which had been in the red and had hundreds of former employees dissatisfied with the lengthy delays in receiving payments. We have been addressing these issues in a careful manner so as not to further hemorrhage the Severance Fund. Additionally, to correct errors and the neglect by the former administration, my

Government has procured the services of an actuary to make determinations on how the financial viability of the Fund can be sustained to protect employees in the future. We await that study and subsequent discussion by the tripartite committee.

The unsustainability of the present legislative mechanisms for management of the Fund has been further magnified by the COVID-19 layoffs.

As at September 22nd, 2020, the Department of Labour has received 1,800 claims. It has been working assiduously during the work week and overtime on weekends and on public holidays to process these claims in preparation for payment. I am advised that 425 claims have been processed to date. The value of these claims is \$7.3 million. The Federal Government has financed the burden of severance payment, as the Fund is insolvent. Accordingly, the Federal Government has injected EC \$11.1 million to cover the cost of COVID-19-related redundancies and long service payments.

In keeping with our commitment to the stronger and safer future, the Protection of Employment Act will be revisited to address several matters including the sustainability of the Fund, eliminating abuses, rationalization of payouts and recalibration of the Fund in the context of emergencies and pandemics. We are anxiously awaiting the input from the other participants on the National Tripartite Committee – specifically the Chamber of Industry and Commerce and the workers representatives.

PARLIAMENT

At our Cabinet meeting last Monday, we determined the legislative agenda for October. We shall bring a number of bills to the Parliament, addressing a range of issues relating to qualifications for voting, revisiting the residency period for citizenship, international cooperation on matters of taxation, etc. Following our general practice after the first reading, some of these Bills will be available for public discussion and input before their final reading in Parliament.

The Parliament will meet in the next two weeks.

PERSONNEL MATTERS

I confirm that two Permanent Secretaries have been assigned to facilitate the Government's execution of its policies.

Mrs. Cheryleanne Pemberton has been transferred from the Ministry of Post and Urban Development to the new Ministry of Entertainment, Entrepreneurship and Talent Development.

Ms. Valencia Syder has been transferred to act as Permanent Secretary in the Ministry of Sports and Culture.

EXTENDED SUPPORT OF ECCB-APPROVED MORATORIUM TO FINANCIAL INSTITUTIONS

We commend the decision of the Eastern Caribbean Central Bank (ECCB) and the Eastern Caribbean Currency Union (ECCU) Bankers Association to extend the six (6) month moratorium on the repayment of loans (principal and interest), which ended on September 30th, for a further twelve (12) month period, i.e. from today, October 1st, 2020, to customers based on an assessment of their financial condition by their respective commercial banks.

In addition to the deferral of payments, a waiver of late fees and charges will be applicable to qualified customers during this period. Going forward, the loan repayment deferral programme (moratorium) will be based on an assessment of the financial condition of customers. Each member bank will advise its customers of the details and processes for the support programme.

So far, some 2,137 persons in St. Kitts and Nevis have applied and been approved for the moratorium on mortgages totaling \$455.6 million.

Independence

Our 37th Independence Anniversary Celebrations went very well. I offer my sincerest commendations to the Hon. Akilah Byron-Nisbett, Chairperson of the Independence Anniversary Committee and all committee and sub-committee members for their hard work. Commendations are due to every participant, our citizens, and residents for the patriotism and pride exhibited during the celebrations.

COMMENDATIONS TO OUR YOUNG PEOPLE

Young Destinee Morris will long be remembered for her contribution to our 37th Anniversary of Independence by her winning submission of the theme “Resilience, Innovation and Security for Independence 2020.”

Destinee is only 12 years old.

Speaking of students, let me on behalf of the Cabinet congratulate the 1,762 candidates who participated and succeeded in the 2020 CXC-CSEC and CAPE examinations.

I commend the teachers, parents and guardians, invigilators and the Ministry of Education for their support to our students as they sat exams under difficult and novel conditions of a global health pandemic.

Their resilience, perseverance and adaptability shone brightly.

Last evening, I attended the launch of the St. Kitts and Nevis Robotics Association and Symposium at Government House, Springfield. We have an amazing cadre of young people committed to Science, Technology, Arts, Engineering and Mathematics. I commend them and their future contribution to the growth and development of our Country. Our significant contribution in Education and ICT is paying dividend.

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