

RISING STRONGER FROM THE ASHES OF COVID-19

BY

**DR. THE HON. RALPH GONSALVES
PRIME MINISTER OF ST. VINCENT AND THE GRENADINES**

- **Address delivered to the Nation on Wednesday, March 25, 2020**



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[Formal Greetings]

A. **CONTEXT AND BACKDROP**

Over the past two or so weeks, the global pandemic of coronavirus, or Covid-19 as the World Health Organisation (WHO) had dubbed it, has been galloping in its spread in our major diaspora centres and tourism source-markets of the USA, the United Kingdom, and Europe, having hitherto raged among populations in influential economic hubs such as China, Japan, South Korea, and Iran. Given the inter-connectedness of the world's peoples through transportation, migration, global communications, and trade, the contagion of Covid-19 has

either engulfed or touched physically almost every country on earth.

In the Caribbean, all but one of the CARICOM member-countries have reported at least one person who has tested positive for Covid-19; in some regional states the spread of the coronavirus has been wider and more challenging than in others; in a smaller number of Caribbean countries there have been one or two connected deaths. In St. Vincent and the Grenadines, there has been, only one case of a positive test for Covid-19, on March 11th, an imported case from the United Kingdom. Thankfully, there has been no other positive case since then, even though we have tested 28 persons thus far — either persons with the symptoms of the virus or relevant persons of interest; we are awaiting results from five more tests which were sent earlier today. And, praises be to God, we have had no death or serious illness arising from Covid-19 in St. Vincent and the Grenadines. There has been no local transmission, no community transmission of the corona virus.

But our country cannot be, must not be, and has not been, complacent in our response.

Our government's approach has been to follow the science; act prudently on the medical advice of the professionals in the Ministry of Health and Wellness; be guided by the sage advice of the World Health Organisation (WHO), the Pan-American Health Organisation (PAHO), and the Caribbean Public Health Agency (CARPHA); distil the practical observations from the experiences of other countries world-wide and shape responses appropriate to our circumstances; and ramp-up in either an incremental or accelerated manner our policies and practical measures to fit the fluidity or altering nature of the global, regional, and national condition in all their inter-connectedness. The central fact is that Covid-19 is a serious disease to be addressed seriously and scientifically, not complacently but also not hysterically. Proportionate responses are demanded always with urgency; and the changing level of risks is required to be managed sensibly and cautiously, avoiding both over-reaction and under-reaction. It is a balance not always easily achieved.

The received scientific learning and wisdom of the nature of Covid-19 is that it is not a death sentence like HIV/AIDS in an earlier period or more recently, Ebola. Some 80 percent of those who are infected by Covid-19 will have a mild infection and will recover well and in good time. Only a very small percentage of those who are actually infected will suffer significantly; and an even smaller percentage of persons, particularly with severe pre-existing conditions (respiratory and heart ailments, diabetes and hypertension) will succumb fatally to the coronavirus. The responsive health initiatives have thus been taken with all these factual matrices in mind. We recognise that some may die **from** it; others may die **with** it; it is a serious threat to life, living, and production.

We acknowledge, too, that the human fear of Covid-19 may be far greater than the actual effect of the disease itself. This fear has taken the scourge of coronavirus into some uncharted waters and has scarred the consciousness of much of the public in our country. The real threat of the coronavirus and the fear,

in some cases hysterical fear of it, has wrought a composite, monumental challenge to us all.

B. **A MONUMENTAL MULTI-DIMENSIONAL CHALLENGE**

This monumental challenge of coronavirus and its consequences has four inter-related, intersecting dimensions: Health, economic, social, and security. These four dimensions crisscross each other in the global, regional, and national arenas; and they inter-connect across countries.

This inter-relatedness and crisscrossing of all these dimensions affect St. Vincent and the Grenadines directly, without recourse to any particular action on our part. For example, the closing of borders of some countries with which St. Vincent and the Grenadines meaningfully interfaces, the curtailment of travel from some countries, and the decisions of cruise lines and airlines to suspend operations, have resulted in massive

declines our returning migrants, in tourist arrivals, the closure of hotels, and the laying-off of workers.

(i) Health Dimension

So, in keeping with the fluidity, unevenness, and evolving circumstances of the inter-connectedness and many-sided impacts of Covid-19, the up-to-date containment and management framework for Covid-19 in St. Vincent and the Grenadines involves the following:

1. All persons who arrive from China, Italy, Iran, South Korea, USA, United Kingdom and member-countries of the European Union, including the Overseas Departments of France, and Canada will be quarantined, automatically, at their own expense, for 14 days.

2. Any person, arriving from the same named-countries or any other country, with symptoms of COVID-19 will be isolated privately or in a public facility, and tested. Relevant medical protocols will further apply depending on the outcome of the test but in any event the isolation will be for at least 14 days.

3. All educational institutions (pre-schools, early childhood centres, primary, secondary, post-secondary and tertiary) have been closed one week prior to the Easter vacation, and continuing, until the start of the third school term.

4. An advisory was issued for the cancellation of the Easterval in Union Island and the Easter Regatta in Bequia. The organisers of Gospel Fest have postponed the holding of this Festival from April to an unspecified date in the future.

5. Although all airports and seaports of entry remain open (except in Chateaubelair, which is closed temporarily), there is much enhanced border control and surveillance of persons with symptoms of Covid-19 and other persons of health interest. The Immigration Officers and the health personnel at airports and ports of entry work closely with each other on this matter.

6. An advisory by the Ministry of Health and Wellness has been issued for places of entertainment, social gathering, worship, or locales for funerals, weddings, birthdays, or social parties, to restrict the number of persons attending to a reasonable size, and to follow protocols of personal or social distancing as are reasonably practicable in all the circumstances. I urge all of us to follow the Ministry's protocols; it is in all our interest.

7. An altered regime for the granting of sick leave for employees with flu-like symptoms or respiratory problems or Covid-19 infections has been established for central government employees. This regime is advisory for state-owned enterprises and the private sector. Employers are being asked, as far as is reasonably practicable, to organise their work-places, shift systems or home-work regimes to better face the threat of Covid-19.
8. The array of oft-repeated personal hygiene protocols are advised to be scrupulously followed by individuals, families, at homes and workplaces.
9. An Isolation Unit is currently being set up and is scheduled for opening by mid-April 2020.
10. A flu clinic on St. Vincent and temporary isolation facilities (retrofitted containers) in the Grenadine islands of Bequia, Canouan, Union Island, Mayreau,

and at Kingstown have been put in place. Quarantine/isolation rooms have been identified for these Grenadine islands plus Mustique, and on St. Vincent.

11. The equipment, materials, and supplies for testing Covid-19 have been ordered and are due to arrive in St. Vincent and the Grenadines shortly. Other materials and supplies to combat Covid-19 have also been ordered and are also due to arrive soonest. Until in-country testing becomes available, testing is being done at the CARPHA labs in Trinidad or in Barbados, courtesy of that country's government.
12. A hotline for Covid-19 has been set up.
13. Some forty (40) Vincentian nurses and intern doctors have been, or are being, hired to strengthen the containment and surveillance at the hospitals and

clinics, the ports of entry, hotels, and the hotline in respect of Covid-19.

14. Twelve nurses and four doctors from Cuba, a gift from the government and people of Cuba, are due to arrive in St. Vincent and the Grenadines tomorrow for an initial 3-month period, but which time period may be extended, to assist us in containing and managing Covid-19.

15. The government has purchased the anti-viral drug, Interferon, from Cuba in sufficient doses to satisfy the treatment cycles for 50 patients. The OECS Pharmaceutical Procurement Service has also ordered additional supplies of this drug for St. Vincent and the Grenadines. The dosages of Interferon will arrive in a few days' time. The OECS has ordered more for us, at our request.

16. Overall, the Ministry of Health and Wellness, has taken several other practical measures, in its normal and enhanced operations, to fortify our battle against Covid-19, especially as regards elderly persons, pregnant women, and other at-risk groups.

(ii) Economic Stimulus at the Time of Covid-19

The global economy has been put into a debilitating tailspin because of Covid-19. The regional economy is ravaged. Our national economy has been undermined by Covid-19, an exogenous shock of unprecedented proportions. Assessments of the global, regional, and national economies are at various levels of severe downturns. The travel and tourism sector has been dealt a devastating blow; airplanes are not flying; cruise ships are not sailing; yachting arrivals are at a trickle; airports are bereft of travellers; employees are being laid off and their incomes are falling. Trade in goods and services are

in a slump everywhere; remittances are dwindling; investments are slowing or shut down; revenues of governments are falling sharply; external supports for developing countries, inclusive of small island developing states are limited. A difficult and extremely challenging period lies ahead for the island economies of the Caribbean, including St. Vincent and the Grenadines. In our country an appropriate recovery plan is being put in place and is being acted upon urgently. This plan contains strategic and targeted measures for economic support and recovery; this plan provides help for the helpless, support for the disadvantaged, and for those who face urgent, though temporary, difficulties. Overall, this economic recovery plan is designed to lift up our people, our nation; it will enable us to rise stronger from the feverish ashes of Covid-19. Every single one of us in our small country has an uplifting role to play; each of us has to put his or her mind, heart and hands to it. Together we are at war against the Covid-19 disease and are enjoined

as one to meet unflinchingly the challenges connected thereto.

The Cabinet and senior public servants have been engaged in consultations with stakeholders in tourism, banking, credit unions, industry, trade, commerce, and the trade unions, on the core elements of an economic recovery and stimulus package. Our government will shortly be taking this package to Parliament in the form of Supplementary Estimates and a Supplementary Appropriation Bill. The total package of fiscal stimulus and tax relief will amount to more than EC \$70 million or in excess of three percent (3%) of Gross Domestic Product (GDP) — a significant stimulus in all the circumstances.

Tomorrow morning, I shall brief the members of the Opposition on the details of this economic recovery and stimulus package.

The bulk of the revenue for the package is targeted to come from six sources: The World Bank, the International Monetary Fund (IMF), the Contingency Fund of the Government of St. Vincent and the Grenadines, the United Arab Emirates (UAE), the Bank of St. Vincent and the Grenadines, other financial institutions, and bondholders. The monies from these sources are either in hand or at hand. Support will come, too, from the Eastern Caribbean Central Bank (ECCB), the National Insurance Services (NIS), the SVG Port Authority, the Agricultural Input Warehouse, and the Eastern Caribbean Group of Companies. Additionally, the locally-based financial institutions (commercial banks, credit unions and the other leading institutions), the Arrowroot Industry Association, the Central Water and Sewerage Authority (CWSA), St. Vincent Electricity Services (VINLEC), the telecom companies, the private sector, the workers and their trade unions, the farmers and fisherfolk, all state employees, and all Vincentians are expected to play significant roles in our economic recovery.

We are hopeful, too, that our many international friends and allies will assist us in one way or another as we expand and consolidate our socio-economic recovery in the post-Covid-19 period.

The expenditure of the revenue garnered for the economic recovery and stimulus plan will focus on the following main items (and with approximate estimated spending for each):

1. Covid-19 health initiatives (construction of Isolation Unit and associated facilities; equipment, supplies, materials, drugs; hiring of additional nurses and medical interns; accommodation, food transportation and associated expenses for 12 Cuban nurses and four doctors, specialists in handling infectious diseases):
\$10 million
2. Immediate generation of jobs in public works (specifically-funded roads and buildings programmes; other physical facilities; second phase of PAVE; painting of some government buildings):
\$30 million
3. Direct supports in the areas of farming, animal husbandry, fishing (additional monies for Farmers'

Support Company; free seeds at AIW; subsidised inputs; provision of fishing boats and farm animals on generous terms):

\$9 million

4. Support for the arrowroot industry: \$3 million
5. Social Supports for vulnerable and affected persons (widening the social safety net with Interim Assistance Benefits for persons not on public assistance nor in receipt of a pension, until December 31, 2020; providing supports for displaced workers in the hotel and tourism sector, including cruise buses and taxis, through a Displacement Supplementary Income for three months in the first instance; hiring an additional 20 Home-Helpers for the elderly; additional transport support for students, including from the Grenadines): \$5 million
6. Additional resources for grants under the Promotion of Youth Micro-Enterprises (PRYME): \$1.0 million
7. Additional supports for small businesses including in the field of culture and arts \$2 million
8. Medi Vac Vessel: \$0.7 million
9. Additional Supports for SVG Tourism Authority \$1 million
10. Additional support for Argyle International Airport for five months: \$2 million
11. Communications Expenses: \$0.350 million

The aggregate of this expenditure amounts to \$64.05 million. Additional are the tax relief and other measures which are estimated to cost the revenue approximately \$10 million. In total, therefore the fiscal stimulus amounts to \$74.05 million or 3.4 percent of GDP.

The details of these additional items of tax relief and supportive measures at a cost to the revenue are as follows:

1. Distribution of 500,000 pounds of arrowroot starch to the school feeding programmes, hospitals, prisons, and others, valued at \$1.5 million.

I expect the Nutritionists in the Ministries of Health and Education to provide creative recipes and advice on the use of this healthy product.

2. A regime for duty-free barrels will be instituted from May 1st to August 31st in the first instance. Our

diaspora is likely to be helpful to their families at home in St. Vincent and the Grenadines in this traditional manner especially in respect of items required at the time of Covid-19 and the start of the academic year which begins in September 2020.

3. There will be a waiver of duty and VAT on the following items, including electricity for domestic, hotels and guest houses' consumers, for the period from March 20, 2020 up to June 30, 2020, in the first instance:

- a. Bleach
- b. Disinfectants
- c. Liquid hand soap
- d. Hand sanitizers
- e. Rubbing alcohol
- f. Oral rehydrating salts
- g. Acetaminophen
- h. Hydrogen peroxide

- i. Glycerin
- j. Soap dispensers
- k. Bath soap
- l. Toilet paper
- m. Paper towels

This will result in an estimated revenue loss to the government of \$3.8 million.

There will be, too, a removal of the \$2 license fee per box of bananas exported. The annual cost of this is \$0.14 million.

- 4. Relief to be granted to airlines, including LIAT and our local carriers, which operate in or out of St. Vincent and the Grenadines, in respect of certain taxes, fees and airport charges.
- 5. The socio-economic recovery and stimulus package is being lodged within the framework of the public

policies of the ECCB, OECS, and CARICOM. In this regard, from May 1, 2020, the departure tax for all holders of CARICOM passports will be reduced from US \$40 to US \$20 to facilitate intra-regional travel.

Further, the following policy initiatives touching and concerning the socio-economic recovery are being advanced:

1. The banks, credit unions, and other financial institutions have agreed to provide a six-month moratorium on the payment of principal and interest on home mortgages, business loans, personal and consumer loans, and credit cards.

All these financial institutions will further arrange specific customised packages of financing/refinancing for their clients.

2. VINLEC and CWSA have agreed NOT to disconnect any customer, who is currently not in arrears for more than two months, for a period of three months. Any indebtedness on those bills after this three-month moratorium period will be paid on an agreed incremental basis over a period up to two years. Any customer who has been in arrears, and who is currently disconnected, will not be required to pay the reconnection fee either to VINLEC or CWSA if the reconnection is effected within the next three months from today.
3. The telecommunications companies are being asked to provide appropriate relief for hotels and business consumers on the delivery of the range of telecoms services.
4. Special subsidies on animal feeds are asked to be provided by the Eastern Caribbean Group of

Companies for a targeted number of farmers producing poultry, sheep, goats, and cattle.

5. The NIS will provide a pre-payment of two months pension benefits for all categories of pensioners (contributory and non-contributory) so as to facilitate upfront costs of pensioners at this time. There are 7,406 contributory pensioners and 783 non-contributory pensioners.

The NIS will also provide \$1.25 million in the form of temporary unemployment relief across economic sectors for active employee registrants.

6. The St. Vincent and the Grenadines Port Authority will engage the business community in respect of granting a measure of relief in respect of certain port charges with effect from April 2020 for a three-month period in the first instance. It is expected that any

such relief would be passed on to the ultimate consumer.

7. Price controls will be established on all items on which relief on duties and VAT are granted. Price gouging is being discouraged.

8. The Department of Inland Revenue has decided to provide certain extensions of deadlines for citizens to file their Personal Income Tax Returns, for payment of motor vehicle licenses in respect of vehicles ending with the last digit 3, and for payment by persons paying second half-year licenses for motor vehicles with last digit 9, and for the payment of second quarter 2020 liquor license fees. These deadlines range between 3 – 4 weeks; the Department will inform the public of these details accordingly.

9. Workers and their unions have agreed to refrain from making demands for increases in wages, salaries, or related benefits for a one-year period in the first instance, save and except a few cases of current negotiations by unions and private sector entities. The unions have also agreed to an extension of the lay-off period in Section 27(1) of the Protection of Employment Act up to December 31, 2020 — an amendment with a sunset provision. I want to thank the workers and their unions for their support and cooperation.

This proposed socio-economic recovery and stimulus package is additional to existing initiatives and is specific to this time of Covid-19. Clearly, the existing Estimates of Revenue and Expenditure for 2020 and the corresponding Appropriation Bill which were approved in January this year will require careful re-calibration in the implementation of both the revenue and expenditure estimates, recurrent and capital; the capital estimates for 2020 were set at \$310 million.

It is self-evident that projected revenues will decline substantially — the full extent of that decline, and over which time period, are not yet calculable, given the range of uncertainties. So, there has to be a reprioritisation of expenditure to meet the unfolding realities globally, regionally, and nationally; this exercise is ongoing. Over the medium-term our fiscal condition will be consolidated as the anticipated economic recovery takes root. I am encouraged that both the World Bank and the IMF have jointly issued a call today for debt relief for IDA countries like St. Vincent and the Grenadines.

The overall stimulus and socio-economic recovery package is significant. As the global economy recovers, the economy of St. Vincent and the Grenadines, and the rest of the region, must be in position to lift off and expand. Still, we are mindful that even before the expiration of the threat of Covid-19 and its hubris, the 2020 hurricane season would be upon us. This makes the overall situation even more challenging, awash with downside

risks. Our region's premier financial institution, the Caribbean Development Bank (CDB), is currently preparing a package of financial support for its member-countries. I await expectantly the CDB's offered package. In this regard, regional provision has to be made for LIAT, so vital for our region's progress. On these matters, I have already been in conversation with the President of the Caribbean Development Bank (CDB).

(iii) The Health, Learning, and Happiness of our Children at the time of Covid-19

With our primary and secondary school students on their Easter holidays at this challenging time the Ministries of Education, Health, Sports, and Social Development are paying especial attention to these students' health, learning and happiness.

The Ministry of Education in concert with teachers and in partnership with Digicel are delivering on-line revision classes to students who are preparing for their CXC examinations this year. Further in light of the disruptions

caused by Covid-19, our Ministry of Education is advocating an option for the CXC Examinations to be postponed to July.

Similarly, the Ministry of Education is actively pursuing plans to deliver revision classes, too, on an on-line platform for the CPEA which is a regional examination conducted also by CXC. Consideration for a postponement of the CPEA exams is also being pursued.

The St. Vincent and the Grenadines Community College is examining various modalities to keep its students engaged in their ongoing learning process.

The Ministry of Health and Sports are promoting healthy recreational exercises for our students who are on holidays but in a manner which respects the requisite for personal or social distancing. These recreational exercises include walks and hikes in spaces which are not much populated.

The Ministry of Health is advising the children and young

persons to restrict or avoid, if practicable, contact with the elderly persons, grandparents and the like, especially those who have an ailment or not-so-healthy physical condition.

The Ministry of Social Development, through its out-reach initiatives, is paying especially close attention to the social condition of children and their families at this time of Covid-19 with a view to strengthening the social safety net. The social support elements in the socio-economic and stimulus package will undoubtedly assist in this regard.

Most importantly, the individual families, the communities, the churches, social organisations, and the media, can be creative in helping to build further a climate for our children and young persons' health, safety, learning, and happiness.

(iv) Citizen Security at the time of Covid-19

Social and economic dislocation invariably presents opportunities for certain persons with a selfish or lawless disposition — a small minority — to disrupt or undermine the peaceful enjoyment of the lives, living, and property of the vast majority of our people. The Royal St. Vincent and the Grenadines Police Force and the security apparatus of the State are alive to this matter and having been activating plans to strengthen citizen security.

Tried and tested modes of policing, including community policing are being emphasized. And shortly more police boots will be on the ground with the release from training of over 100 police recruits. Video surveillance is being increased and so, too, intelligence gathering. In this period, especial attention is being paid to crimes against property, including praedial larceny.

In respect of the Prisons, visit restrictions have been put in place for family members of prisoners and others. The Police Force, the Coast Guard, the Immigration, Customs,

and Port authorities are coordinating their work to ensure that our border security is enhanced. Our interface with the Regional Security System, the Implementation Agency for CARICOM States (IMPACS), and our external security partners are quite helpful in this regard.

I am keeping under constant review our security situation, especially at this time. Any immediate, significant threat, additionally, to our citizen security would be met with further appropriate actions. I give that solemn assurance. Indeed, our government has already been firm on those who break a voluntary quarantine. Whenever a person acts irresponsibly in this regard, he or she is taken to the Law Courts and compulsorily quarantined with a specific legal sanction and under the security of the Police. Indeed, four such quarantine orders were sought of, and obtained from, the Law Courts today. And this is not the first time that the legal powers of the State have been so exercised in such circumstances. If you are quarantined, you stay in quarantine; this is a serious matter.

I know that in several countries in our Caribbean there have been total shut-downs, partial shut-downs, a declaration of an entire country as a disaster area, and declarations of states of emergency. Some other Caribbean countries have adopted the broad approach of incremental measures for lower risks, accelerated measures for more heightened risks, as we have done in St. Vincent and the Grenadines, in accordance with all the circumstances.

However, make no mistake, if in any altered condition of this shifting maze of Covid-19, that it is deemed necessary and desirable to adopt the most extreme measures legally permissible, my government will act accordingly.

This brings me to the issue of public transportation on minibuses. I am strongly advising minibus operators to be very sensitive to the matter of over-crowding on these buses and cease it forthwith. Further, these minibuses

must be sanitized and cleaned on an ongoing basis to militate against the possibility of spreading the virus. Passengers must also act sensibly to protect themselves given the requisite of personal or social distancing and the practice of good hygiene in the fight against Covid-19.

CONCLUSION

As I conclude, I reiterate that an inter-connected, monumental challenge faces us with its health, economic, social, and security elements. I have outlined the measures which our government has taken thus far, and those which we propose to take, including the socio-economic recovery and stimulus package.

Throughout this difficult, testing and complex time of Covid-19, I have sought to remain calm, resolute, and focused in providing leadership without succumbing to panic, hysteria, and futile histrionics.

But, to mix my metaphor, we are not out of the woods as yet! There are going to be some very rocky roads to travel; we are going to have some very tough days in all the changing scenes of life driven by Covid-19 and more; some of our best-laid plans may have to be revised and altered, by choice or circumstances; but through it all, I am confident that we as a nation shall triumph over all the pain and suffering, the hardships and challenges, with God's help and over combined efforts.

I am mindful that as I speak to you, many of you are hurting from your current condition, anxious about your future and that of your children and families, fearful of the dreaded Covid-19, and worried whether or not we are managing well the composite risks touching upon health, the economic, the social, and our security. Your hurt, anxiety, fear, and worry are understandable but we must be calm, focused, and confident that in our unity and solidarity, and with God's amazing grace, we will not be defeated individually and collectively.

I acknowledge that many across our land and seas ponder on the age-old question: Why do bad things happen to good people? This is the central query of the indomitable Job who lost so much but who, after personal disaster, persevered, prospered abundantly again, and was redeemed gloriously. Covid-19 has come upon us at a time when many of us or our loved ones are experiencing already a debilitating or potentially debilitating disease. We must not lose hope or faith. That which is debilitating or potentially so, plus Covid-19, must not be allowed to induce in us a sense of agitated helplessness; these challenges must be met with a patience and a calm, knowing that sun brightens stone, that our Redeemer lives, and that we are especially resourceful at the very time of looming danger, be it individual, familial or national.

When the dust of Covid-19, its consequences, and its aftermath are settled, in our looking back it is my hope that we will honestly conclude that the best in us came out. I know that in the complexities of life and living, out of some will come the worst but out of many will come the best. I feel sure, though, our collective best will emerge and we will rise stronger from the feverish ashes of

Covid-19; stronger than ever to strive, to seek, to find but never to yield!

Morning by morning, new mercies we see; all that we need His hand provideth; great is His faithfulness.

Thank you!