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## **Statement by the Prime Minister Rt. Hon. Dean Barrow** *May 8, 2020*

Good morning, members of the media. Good morning, members of the public,

I want to give you an update on the state of play regarding our COVID-19 struggles. Before I do so, though, allow me the opportunity to express my best wishes for a speedy recovery for the Right Honourable Said Musa, the ex-Prime Minister of Belize. I understand that he was last night admitted to hospital having suffered what was described as a mild stroke. I'm sure that I join all other Belizeans in wishing him a speedy and complete recovery.

Now in terms of what I propose for this morning, I will make my initial presentation after which the good Dr. Gough will give you an overview of our supplies inventory and our testing trajectory. After that, of course, both of us will take the media's questions.

Now, as you know, there is still no new confirmed COVID-19 case and Monday will be the 28<sup>th</sup> day, we will reach that 28<sup>th</sup> day marker, providing this position of no new positive holds through this weekend. If it does so, and we do reach that 28-day milestone, we can promise you a further relaxation of some of the remaining restrictions.

The National Oversight Committee will meet as usual on Monday, followed by Cabinet on Tuesday. They will be asked now to provide for greater cross district movement, particularly so as to enable a domestic tourism push. The hotels, as you know, have already been given permission to reopen, but now we would expressly provide for the ability of local guests at our hotels to be able to enjoy the amenities, including the pool, including walking along the beach, and including swimming in the sea. Of course, the social distancing requirements will remain in place so that group swimming and group strolling, if you will, will still be prohibited.

This domestic tourism push naturally raises the issue of our opening up to foreign tourism. We are clearly not there yet and my best guess, my personal best guess, is not before July. That, I would like to note, is also the position of CARICOM as discussed in a virtual meeting of heads that took place earlier this week. I do want to make clear, though, that I have never said that the opening of our borders will have to wait on a vaccine. That is the stance of some countries, our ally Taiwan being one such. It is not my position though. While ultimately it depends on the National Oversight Committee and the Cabinet, my own view is this. We must remember that the virus, in some countries, has a mortality rate that is as high as 12%. Before we reopen, we therefore must look at the trajectory of the virus in North America as a whole and the US in particular. After all, the US is our biggest tourism market, responsible for over 75% of our tourism flows. As long as the rates of infection in the US have not plateaued, we would best beware. Also, we hope for, though not necessarily wait upon, an effective treatment for those that become critically ill after contracting the virus. What of course could allow us to hurdle both the barriers I have just referred to is the availability of an effective rapid test. That latter seems to be getting closer and closer, hence my own reason for feeling that we could be good to go possibly by as early as July. The ability to immediately test tourists on arrival should be an open sesame. It is not a failsafe, but we clearly, as always, have to juggle saving lives with safeguarding the economy. A rapid test would permit us to let in all tourists that test negative upon arrival. The fact that one or two could nevertheless thereafter still contract the virus is, in my view, an acceptable risk. So it is that reliable rapid test that would be the best trigger for the much longed for tourism reopening.

Even before the return of the tourists, we must prepare for the return of those Belizeans that have been stranded abroad. Thus, we have already activated plans for their repatriation. They will, of course, have to go into quarantine. We wish to begin the process of letting our nationals back in as early as possible. It would clearly be before the mass marketing of satisfactory rapid tests. And that is why we will therefore have to carefully manage the flow of our returnees since we can't handle the quarantining of excessively large numbers if everybody sought to come back at the same time. But I expect the details of the logistics, being worked on even now, to be publicized immediately after next week's meetings.

The Unemployment Relief Program continues and the current numbers show that over 40,000 persons have now been approved. Similarly, the food assistance is ongoing and 23,913 households, or 91,052 individuals, have now been serviced. On the other hand, still not one dollar has arrived of what has been promised by the International Financial Institutions. They do insist, though,

that the funds will ultimately come. Indeed, the IDB says it expects to disburse by month's end the 12 million BZ for the Ministry of Health. Meantime of course we have already spent 6.2 million dollars on procurement of supplies to fight COVID-19.

Now, at this point I need, unfortunately, to say something about the impasse between Government and the PSU. The other two unions have not made clear their particular positions so I need to concentrate especially on the PSU. There's this stalemate between us over our proposals that public officers should forgo increments for this fiscal year 2020/2021. Also, that senior public officers should agree to a reduction in certain of their allowances; and finally, that there is to be a withholding of a portion of gratuity and allowances for all contract officers including, of course, the chief executive officers.

These measures are absolutely necessary but in fact they are woefully insufficient. Here is why. A snapshot of the current financial picture looks like this. For the month of April 2020 collections of business tax and GST together were just 48% of what was collected in April 2019. This decrease was from 45.8 million dollars in April 2019 to only 21.8 million dollars in April 2020. Remember too that these taxes are paid in arrears, so to speak. So, the April 2020 collections relate principally to March 2020 business activity. March was, of course, before the lockdown. The point being, that this May month's 2020 collections relating to April 2020 business activity, when the lockdown was in full effect, will see an even more precipitous fall. The projection, in fact, is that April's fall to 21.8 million dollars will drop further to only 11.2 million dollars in May. Now consider further that Customs and Excise also fell in April 2020 to 20 million dollars. That was a 10 million dollar drop over April 2019. Again, the Customs revenue was principally for goods ordered before the lockdown. The same pattern therefore as with business tax and GST, will be repeated with respect to the Customs revenues. Accordingly, the reduction in goods ordered after the start of the lockdown this past month, will see a further fall in Customs collections in May 2020. Consider finally that the Government's monthly wage bill is 45 million dollars. That means that the 41.2 million collected from business tax, GST and Customs in April could not meet that 45-million-dollar monthly wage bill. The story still does not end there because there are, of course, Government's other operating expenses. These include debt service, utilities, supplies, fuel, and capital spending; and they amount to another 45 million dollars for a total Government of Belize monthly outlay of 90 million dollars. But, I repeat, we only collected 41.2 million dollars in April and expect no more than 30 million altogether in May. I am reminded of Mr. Micawber's famous words in Dickens's *David Copperfield*. It is in that context that the GOB proposal, requiring the most minimal of sacrifices from those paid from the public purse, must be seen. All we are asking is that public officers and teachers give up

increments for fiscal year 2020/2021. In the case of heads of departments and other senior public officers, they have reached the top of their scales and so they get no increments. Accordingly, they are being asked to give up half of their entertainment allowances. CEO's are to sacrifice five percent of their gratuity and a portion of their allowances. And all other contract officers are similarly to give up some gratuity and some allowances. Ministers have forgone one month's salary and 800 dollars monthly in allowances. Thus, the increment freeze group is, in dollar terms, being asked for the smallest amount of all. So, the public officers, like the teachers, are to give least of all Government of Belize employees. Now you have heard me say publicly that I will do my damndest not to ever touch the substantive salaries of the teachers and public officers. So, there is that assurance and there is in consequence only a minuscule ask of increments and, for seniors, some allowances. In the circumstances I am utterly confounded by the intransigence of particularly the PSU. Private sector jobs have been decimated by the pandemic. In excess of 80,000 persons have had to apply for unemployment relief. The plight of all those without even food is horrendous. So, GOB has been obliged, even in the face of the revenue collapse, to hear their cry and to roll out assistance to them. The IDB has just confirmed that of all tourism dependent economies in the world Belize is the third worst hit. But in the middle of this widespread social and economic devastation, in the face of the well over 80,000 persons without jobs and wherewithal, Government of Belize still insists on protecting the substantive salaries of public officers. That notwithstanding, they refuse to make even the tiny sacrifice we are asking. I say without reservation their position is unacceptable. They do have a proud tradition of sacrifice but they are demeaning it now by their unreasonableness. Everybody else must suffer, everybody else must sacrifice, but not them. It is utterly incomprehensible and Government won't have it. When we go to the Central Bank of Belize to borrow the huge amounts that are necessary to pay the public officers, we to some extent crowd out the private sector. Yet the private sector is uncomplaining. So, if the PSU persists in refusing even the measly contribution we are requiring, I don't see how responsible public opinion can allow them to get away with it. Government won't allow them to get away with it. What we put to them will save only 17 million dollars all told. That is a drop in the bucket given that we are looking at a larger than 450 million-dollar, pandemic-induced recurrent revenue shortfall for this fiscal year. That's almost half of the projected revenue collection. This situation, I repeat, cannot be countenanced and Government of Belize is going to do what we must. The PSU talks about going to Court. Well, I will remind them that no court can oblige the Government to pay what it simply does not have. But enough said on that and I apologize that it has detracted so damagingly from the fight and the unity effort required to bring us to safe harbor.

Let me, with relief then, turn now to two straightforward announcements. The Queen's Birthday Ceremonies, scheduled for this 24th of May, are being cancelled. On the upside, we expect, on Monday, to receive proposals for a phased reopening of our churches and places of worship.

One final matter. The question has been raised of how employers are to treat those employees that were laid off for the comparatively short period of the intense lockdown but are in some cases now going back to work. The Ministry of Labour announces that it stands ready to advise on a case by case basis. But as a general rule, we hope for their employment to be treated as continuous so as not to prejudice their entitlements on retirement or final severance.

Let me now thank you and turn it over to Dr. Gough before we both take your questions.