



MEDIA RELEASE

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More balance needed for phased re-opening

While the Trinidad and Tobago Chamber of Industry and Commerce fully supports a risk-based re-start of the economy, today's announcement by the Prime Minister on a phased re-opening took a very risk-averse approach. We recognise that a delicate balance is needed, but we are extremely disappointed and concerned about the potential impact to the ongoing viability of the majority of businesses. The approach outlined will result in increased unemployment, social tension, increased crime and further stress upon our already fragile economy.

COVID-19 has had far reaching effects on people's lives, as well as the global economy. Cognisant of the significant impact this can have on our economy, we needed a response that drives a dual agenda, protecting both lives and livelihood.

Based on the number of businesses which have been closed - some over 8 weeks - the unemployment figure is currently over 100,000 and could now escalate. Without any fiscal support, many smaller businesses will probably not survive while other companies are struggling to understand the long-term impact on their businesses and how best to respond.

While we have seen governments around the world respond quickly to provide fiscal support to the business community, the Government has, up to now, abdicated its responsibility to address this directly. We now call on the Government to act urgently.

We believe that the most vulnerable businesses would be the micro and small enterprises with annual sales of under \$10M which have seen sales decline by 25% or more over the corresponding period ending April this year. We have made several recommendations to the Government to support tax-compliant businesses, including,

1. Government secured loans to cover at least 3 months of operating costs at 0% over a three-year period with a 12-month moratorium on payments.
2. Deferral on payment of all tax and VAT payments for at least the next two cycles.
3. BIR to approve any request to allow tax payments to reflect the current year's performance rather than prior year.

Fiscal support packages should also be developed for other affected tax-compliant businesses.

If there was ever a time when our economy needed stabilising this is clearly one. We should therefore access the required money from the Heritage and Stabilisation Fund (HSF) to support restarting and transforming the economy. The Roadmap Committee should participate in the ongoing oversight of use of the funds.

It is also time for the Government to act responsibly and spend wisely, and we again ask for full proclamation of the Public Procurement and Disposal of Public Property Act.

The Opposition and Government must come together to implement the Revenue Authority, ensuring that the requisite taxpayer protections are in place. For too long the country has placed the burden of supporting the economy on a few tax-compliant citizens and businesses, it must be spread fairly.

The T&T Chamber again emphasises the need for Government to move expeditiously to provide meaningful support to those impacted.

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