

The Jamaican Response to COVID-19

The small island nation of Jamaica, like the rest of the world, has been rocked by the Coronavirus (COVID-19). Even before COVID-19 invaded its shores the Jamaican government implemented travel restrictions on countries with the highest reported cases of the virus. However, these travel restrictions proved to be insignificant as on March 10, 2020 Jamaica would join the long list of countries to report a positive case of the virus within its territory.

The response of the government was swift and decisive. Public health measures were immediately implemented, contact tracing conducted, further travel restrictions announced, four (4) quarantine facilities designated and identified and public gathering and non-essential travel were discouraged. The National Disaster Risk Management Council, as well as the COVID-19 Response Advisory team, were tasked with keeping the Jamaican people informed of the virus and its impacts, along with supporting the Ministry of Health and Wellness response to this public health challenge.

Starkly aware of the potential negative economy and public health detriments of the virus, the Jamaican Government, under the leadership of the Most Hon. Prime Minister Andrew Holness, Minister of Health and Wellness, Dr. the Hon. Christopher Tufton and Minister of Finance, Dr. the Hon. Nigel Clarke, have taken strong and decisive action to protect the people and the economy. Recognizing that COVID-19 would have adverse economic implications for the island, the government has done the following:

Reaction Timeline:

- Following initial news reports of the Coronavirus and its spreading, the government announced a travel ban between Jamaica and China. As other major countries got bombarded with the virus, they were added to the list of restricted countries.
- On March 12th, the Prime Minister ordered all primary and secondary schools to be closed for a period of at least 14 days.
- On March 13th first community quarantined.
- On March 17th, the Government issued work-from-home directives for non-essential workers.
- March 19th second community quarantine ordered.
- On March 20th, the Government closed all air and sea ports to incoming traffic for a period of at least 14 days.
- On March 20th – 22nd, the Government declared two days of national prayer and fasting
- On March 23rd, the Government imposed a stay-at-home order for all Jamaican citizens and residents 75 years and older for a period of 14 days, school closures shall extend to the end of the Easter term and all persons who entered the country on 18 March will be placed on an additional 14 days quarantine.

Fiscal Stimulus:

- Providing a \$25 billion stimulus to help support economic activity in Jamaica.
- Reducing the GCT from 16.5% to 15%, which the government argues will put \$14 billion back in the hands of consumers and support consumption.
- Providing a \$1 billion Micro, Small and Medium Enterprise (MSME) tax credit to provide cash-flow support to MSME businesses.
- Encouraging residents to buy local and support the domestic market.
- The Banking sector volunteered to forgo the reduction of the asset tax for one year, which will provide \$3 billion towards the COVID Contingency plan.
- Creating a \$10 billion COVID Fiscal Contingency plan which includes:
 - The waiver of Special Consumption Tax on certain products such as sanitizers.
 - Waiver of Customs Duty on importation of masks, gloves, hand sanitizers and liquid soap for a 90-day period.
 - Waiving the requirement for Business Process Outsourcing (BPO) firms to keep their operating equipment at their place of business, in order to facilitate working from home.
 - Negotiating with commercial banks in order to provide temporary cash-flow support to businesses and consumers through deferral of principal payments, new lines of credit etc.
 - Introducing the COVID Allocation of Resources for Employees (CARE) programme, which has 4 elements:
 - Business Employee Support and Transfer of Cash (BEST Cash) which will provide temporary cash transfer to businesses in specific sectors
 - Supporting Employees with Transfer of Cash (SET Cash) which will provide temporary cash transfer to individuals who have lost their jobs after March 10, 2020 (the date of the first COVID case on the island)
 - Soft loans fund for individuals and businesses that have been affected by COVID
 - Grant to support the poor and vulnerable
- Reallocating the budget in order to help Jamaica prepare and weather the economic effect of COVID-19 in 2020/2021.

Special Provisions for Businesses and Student Loan Borrowers:

- The Tax Administration Jamaica (TAJ) will facilitate the issuing of a single-use Tax Compliance Certificates to companies that may fall into non-compliance due to the coronavirus until June 30,2020.
- The Students' Loan Bureau (SLB) has extended the moratorium period for the repayment of loans. Graduates now have 14 months to begin payment after graduation, instead of the previous six months.
- For current loans, the SLB will waive late fees for the period April to June and the SLB will defer all loans in repayment – principal and interest – for three months.

Grant for Tourism and Small Business Operators

- The Ministry of Finance announced a grant assistance for tourism and small businesses impacted by COVID-19 of approximately \$2 billion.
- The funds are being made available under the Government's COVID Allocation of Resources for Employees (CARE) Programme.

The Pre-Emptive Measures of the Bank of Jamaica

- The central bank has pumped \$57 billion into the financial market in anticipation of Jamaica's 2 top foreign exchange earners – remittance and tourism- to face disruptions. The Bank of Jamaica (BOJ) has taken other measures and is prepared to take additional measures, to maintain liquidity in the Jamaican market, and keep the financial system going amid the COVID-19 pandemic.

Measures for the Most Vulnerable

The government has also proposed plans to aid the local population especially the most vulnerable in the society: the indigent, elderly and the sick. The Ministry of Local Government and Community Development will be spearheading the implementation of measures designed to safeguard indigent persons living at infirmaries and other locations island wide against the coronavirus (COVID-19) outbreak. Such measures will include:

- Ensuring all parishes have access to an adequate supply of water
- Aiding the individuals who are currently assisted by the Poor Relief Department.
- Distributing care packages to the homeless for a 3-month period, beginning March 30, 2020.
- The Poor Relief Department will continue to provide meals to eligible students on a daily basis.
- Arranging drop-in centres for the homeless to conduct tests on the homeless population, provide care packages and at least 2 meals a day.
- Implementation of a special sanitation programme for all infirmaries and retirement/golden age homes.
- Placing restrictions on visitation to infirmaries and golden age homes for a 30-day period, and placing a 60-day restriction on new admissions.

As so many countries in the world battle the Coronavirus pandemic, this small island nation's government should be recognised for their preparedness and measures taken to contain the spread of COVID-19 to their citizens and their economy. No one knows when this pandemic will relent, and we all look forward to the day the last COVID-19 patient can be released. However, only time will truly tell the damage this global pandemic has done to our ever-increasing global economy and to the domestic economy of not just Jamaica but the rest of the world.

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