



**OFFICE OF THE FINANCIAL SECRETARY
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**

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Media Release

Update 1- COVID-19 Economic Response Plan (ERP)

Earlier this week Deputy Prime Minister Mark Brown outlined the Government's COVID-19 Economic Response Plan to support Cook Islanders and their livelihoods.

This ERP package is the most significant package ever put together by any Cook Islands government.

The impact of COVID-19 on our economy is already being felt. The initiatives we are putting in place have been designed to soften that impact. The economic impact the Minister described just 2 days ago has already changed in-line with external announcements and travel restrictions. Our modelling has also had to change, and we are working towards confirming the next stage of the ERP response.

Details on each of the assistance measures provided through the ERP will be published next week including how to access the following support:

- a one-off payment of \$400 to those most vulnerable including pensioners, caregivers and those unable to work to support preparations for further social distancing measures to come
- an unemployment benefit of up to one month where needed
- an income tax credit of \$2,000 for accommodation providers with up to 10 beds
- a wage subsidy at the minimum rate to all employers who are affected by COVID-19 for a period of up to three months, with a three-month extension provided to those businesses that upskill their staff
- cash grants to businesses that have been negatively impacted by the COVID-19 crisis of up to \$15,000
- an increase in the provisional tax threshold from \$2,000 to \$5,000

The Supplementary Budget Bill appropriating the funding for the above support will be tabled in Parliament on Wednesday 25th March 2020.

We expect to be accepting requests from Monday 30th March 2020.

Next week further details will be published as to how this assistance will be provided taking into account the need for 'safe distancing practices'.

We appreciate that there will be many anxious people in our community and that the road ahead will be tough on many, but please rest assured that no shortage of effort is being used to soften the blow. Government's reaction needs to be measured and fiscally responsible and we are working hard to deliver on that.

We thank you for your patience, but, it's important we get this right.

Documents relating to Wednesday's announcements can be found <http://www.mfem.gov.ck/economic-planning>.