



Government of St. Kitts & Nevis
Cabinet Secretariat, Government Headquarters
Church Street, Basseterre
St. Kitts & Nevis

POST-CABINET STATEMENT FEBRUARY 11, 2008

Citizens and residents of St. Kitts and Nevis, good evening. This is the post-Cabinet briefing for Cabinet meeting held today Monday February 11, 2008. The meeting was held under the chairmanship of Deputy Prime Minister, Hon. Sam Terrence Condor in the absence of the Prime Minister who is presently in New York after official visits to Taiwan and Colorado. The Prime Minister is scheduled to be in the Federation by Wednesday February 13th.

Price of Flour

Recognising the prospect of an imminent substantial increase in the price of flour within the OECS region, Cabinet made it first order of business to discuss this subject. OECS flour producers in St. Vincent and the Grenadines and Grenada have been pushing for a huge increase in the price of flour citing the increase in cost of raw materials and the high cost of electricity in their producing jurisdictions as factors influencing the need to drastically increase their selling price.

In the meantime, under article 164 of the CARICOM treaty, flour imported by OECS countries from wider the CARICOM region or from countries external to CARICOM is subjected to a tariff so as to give protection to the flour industry in OECS countries. The Government of St. Kitts and Nevis recognizes the importance of article 164 of the Treaty of Chaguaramas in protecting sensitive industries in the region but strongly believes that an increase in the price of this basic commodity, flour, at this time would do great harm to bakers and consumers alike. The government believes that flour importers should be allowed, with the appropriate approvals, to import flour from any country they choose, without restriction.

As a consequence, Cabinet has decided to seek derogation from article 164 of the CARICOM treaty in respect of flour imports. This matter will be discussed at the CARICOM Heads of Government Meeting slated for March in The Bahamas. If the



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application is successful, flour will be imported from cheaper jurisdictions for at least a period of time.

Presently, the government's Supply Office imports all bulk flour as a measure to reduce import costs. Additionally, government purchases a 100lb bag of flour for \$94.60 and sells to bakers at a price \$86.00 per bag. This measure is to assist in curtailing the cost of flour products passed on to the consumer.

Price of Evaporated Carnation Milk

At today's Cabinet meeting, the possibility of the increase in the price of evaporated carnation milk was discussed. Milk suppliers have indicated that the diversion of feeding stocks for cows into the production of renewable energy has resulted in an increase in the price of feed and have been rationalizing the need for increase in the price of milk products. The increase in the price of metals used in the packaging of milk is also having its impact on costs.

Recent calculations have suggested that the price of evaporated carnation milk could increase by as much as 18%.

Concessions

Consistent with government's policy of empowering small local entrepreneurs to create wealth and provide employment for those who wish to be employed, Cabinet approved duty concessions for a number of small local businesses. These businesses are categorized as manufacturing and data processing businesses. Cabinet was heartened by the fact that there was projected growth and increased employment opportunity in these local businesses and wishes to encourage young people in particular to make the best use of all Information Technology and other training opportunities.

Crime and National Security



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Cabinet discussed the status of the implementation of the strategic plan of the security forces and was extremely pleased with the progress to date. Cabinet expressed very high confidence in the leaders of the security forces and pledged to give its continuing strong support for their continued success in the fight against crime. Cabinet was exceptionally pleased with the public relations efforts undertaken by the Police and the resounding reception by the public.

Reflecting on the symbolic baton passing exercise from the retiring commissioner Robert Jeffers to the new commissioner Austin Williams which took place at Warner Park on Wednesday February 7, Cabinet described the event as “a moment of pride and hope.”

END

This brings to an end the post-cabinet briefing for Monday February 11, 2008. I thank you.