



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

POST-CABINET STATEMENT

Citizens and residents of St. Kitts and Nevis, good evening. This is the post-Cabinet briefing for Cabinet meeting held today Monday April 21, 2008.

PRICE CONTROL

Cabinet continues to discuss the increasing price of fuel and the impact that this phenomenon is having on the overall cost of living. It was noted that the price of a barrel of oil on the international market had increased to over US\$117. As a follow up to an earlier decision to remove the consumption tax from a list of food and non-food items, Cabinet mandated that effective May 1, 2008, the consumption tax be removed from the following list: Chicken, processed cheese, pasta, corned beef, sardines, tinned tuna, Vienna sausage, margarine, ketchup, diapers (for babies and adults), and baby formula. The consumption tax on these items ranges from 15% to 22.5%.

This policy will be monitored by the newly employed price control officers in the Ministry of Industry, Commerce and Consumer Affairs to ensure that the prices of these items decrease as expected for the benefit of consumers. The policy will be reviewed at the end of the year 2008.

Meanwhile, Cabinet, after follow-up discussions with the CARICOM Secretariat and subject to the Ministry of Finance completing its full analysis, is reviewing the implementation date of the CET or the Common External Tariff. The CET amounts to about a 5% tax imposed on a limited list of goods, and Cabinet believes that it is more helpful to consumers to fast-track the implementation of the removal of the higher consumption tax rather than the CET.



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ACCESSION TO THE AGENCY FOR INTERNATIONAL TRADE INFORMATION AND COOPERATION (AITIC)

Cabinet gave approval for the Federation of St. Kitts and Nevis to accede to the Agency for International Trade Information and Cooperation, AITIC. The AITIC is an independent, inter-governmental body based in Geneva, Switzerland, and whose main objective is to assist lesser-developed countries, characterised by having economies in transition in enhancing their negotiating positions in dealing with complex WTO matters.

The AITIC is an initiative financed by the governments of Switzerland, Sweden, the U.K, Ireland, the Netherlands and Denmark to increase the capacity of country missions in Geneva so as to bring about more effective trade diplomacy. St. Kitts and Nevis will be one of 54 countries, including many CARICOM countries that have signed on to the Agency for International Trade Information and Cooperation, AITIC. This decision is consonant with the Foreign Policy of the Federation as outlined in our foreign policy document to explore existing multilateral international structures in a way that augments our social, economic and political standing as a people.

ST. KITTS AND NEVIS CO-ED JUVENILE REHABILITATION CENTRE

Cabinet received an update from the Minister responsible for Social and Community Development, the Hon Sam Condor, on the progress of the implementation of the St. Kitts and Nevis Co-Ed Juvenile Rehabilitation Centre to be constructed as a replacement for and improvement to the Harris' Home for Boys. The Co-Ed Juvenile Rehabilitation Centre will be a key institution assisting in the reformation of socially abnormal young men and women, many of whom would otherwise turn out to be a menace to society. The project represents a key strategy of the government in dealing with criminal



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activity among the youth. The construction of the centre which is scheduled to begin in a month or two will cost about \$5.5 Million.

TAX CONCESSIONS

Consistent with government's policy to support local businesses to make the economy more robust and to provide greater opportunities for employment, Cabinet extended concessions to three local manufacturing businesses. The concessions will apply to raw materials, manufacturing equipment, and in one case a tax holiday.

Cabinet feels that its decisions on these matters will help to boost business investment by locals, and particularly will encourage the development of the manufacturing sector, which is important to the stability of the economy.

THE END

This brings to an end the post-cabinet meeting for Cabinet meeting held today Monday April 21, 2008.