

**STATEMENT TO BE MADE BY THE
MINISTER FOR ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE
ON THURSDAY 2nd APRIL 2020**

Support for Self-employed People

The 2020 Coronavirus pandemic has caused a global public health crisis.

Critically important measures introduced to manage the spread of Coronavirus in Jersey, which include social distancing and a 'Stay at Home' Order; have caused unprecedented disruption to our society, local businesses and the wider economy.

I know you all want to get back to work, and back to business.

The Coronavirus pandemic will cause a global recession, and it will cause a recession in Jersey.

This recession will be severe, as many of you already know. We must be prepared to be in this for the long haul, and that requires careful management of the crisis and the recovery.

However, without our local businesses, and their experienced workforce, this recession will be even more severe and long-lasting.

This is why we need to support our employers, employees and self-employed workers; to stand ready to get our economy back onto its feet - as the crisis abates.

The Coronavirus pandemic is the most significant challenge our economy, and our society, has faced in modern times.

We will meet this challenge with the boldest set of measures to support business that this Island has ever seen.

The emergency business support package I announced throughout March includes measures to support employers, employees, and our self-employed workforce.

In addition to deferrals of business GST and Social Security payments we launched on 12th March, we have yesterday launched Phase 1 of our wage subsidy scheme: the Government Payroll Co-funding Scheme.

Phase 1 was designed and launched, in short order, to provide fast access to subsidies for businesses severely affected by Coronavirus containment measures.

This includes our -

- hotels;
- restaurants;
- bars;
- fishermen;
- hairdressers, beauticians; and
- many of our shops.

Phase 1 will run from 20th to 31st March inclusive and will provide a subsidy to employers, and self-employed workers, of up to £200 per employee, per week. I am informed that in the first 30 minutes of the website going live yesterday, we had already had 25 applications – and this is before we had

actively communicated this to anyone. This demonstrates the real need business have for these schemes at this unprecedented time in our lives.

An even more generous subsidy will be available to even more of the most severely affected businesses in Phase 2.

In Phase 2, we will offer employers and self-employed workers a subsidy of 80% of their wages - up to a cap of £2,000 per worker. This means that employers and self-employed workers will receive a subsidy of up to £1,600 per worker, per month, for pay periods in April, May and June 2020.

We will monitor this scheme, and we will extend its term if the disruption continues – I want to be absolutely clear that we are committed to providing the appropriate support to business and employees for the duration of this crisis.

We have now committed to providing the final detail on Phase 2 by 10th April 2020. We appreciate this is needed to allow businesses to plan appropriately for the coming challenging months. Many businesses have already written to me, to other Ministers and to Members in general and outlining how their business has been impacted – and the fact that they are not currently within the scheme.

In order to carefully protect our public finances, in what will be a long road to economic recovery, the Government is taking an approach of ‘economic triage’ with our support schemes. This means that we can’t include all sectors of the economy immediately – we must do this based on careful review and consideration of impact of Coronavirus on the economy. To do otherwise would place our public finances at significant risk.

However, I can assure you – we are listening to you – and this is why I have committed to providing final details on the operation and scope of Phase 2 by 10th April 2020 – to give us an opportunity to properly consider these requests.

I can absolutely assure you that Government officials will work hard in the meantime to ensure Phase 2 provides the boldest and fairest scheme available; within our budgetary constraints.

We have also announced a bank loan guarantee scheme - to help our banks provide cashflow support to local businesses - through the economic shock we are experiencing. That has been launched – and banks are now lending as of yesterday.

We will also rescue any strategically important, but vulnerable business through our new Special Situations Fund.

I said that these measures are the boldest Jersey has ever seen.

These measures are expensive, and we will need to work hard in the coming years to restock our reserves.

But without these measures, many of our businesses, which make up much of the fabric of our society, would not survive.

Many people in Jersey would lose their jobs, and many people in Jersey’s lives would drastically change.

While expensive, these carefully designed measures will truncate our recession and enable our businesses to return to profitability as quickly as possible.

They are value for money, and they will provide us with the tools we all need to get back to business, together; as this crisis abates.