

COVID-19 ECONOMIC RESPONSE PLAN IN ACTION

LIFELINE



SUPPORTING LIVELIHOODS

RECOVERY



KICK-STARTING GROWTH

TRANSFORMATION



MOVING TO A SMARTER, GREENER ECONOMY

Phase II of the Cook Islands Government's COVID-19 Economic Response Plan (ERP) comes into effect July 1 with continued support for those most affected by the economic impacts of the COVID-19 pandemic.

The \$76 million plan is designed to provide comprehensive financial support for local businesses and to sustain livelihoods in the short-term and onwards, propelling the country towards a post-COVID-19 future.

To date, a range of initiatives have been announced that provide lifeline financial support to households and businesses, along with initiatives that will create a more robust and stronger economy.

These include an increased wage subsidy, training subsidy and 'Fees Free' education to upskill our workforce, cash grants for sole traders, an Emergency Hardship Fund to assist those most in need and an extension of the Unemployment Benefit.

Additionally, government will be increasing the tax-free threshold, giving members

of our workforce a boost in take-home pay and putting more money their pockets.

Further information on each of these measures, and the relevant media releases are available on the MFEM website.

Phase II of the ERP also looks beyond the provision of vital short-term financial support, and full details of these initiatives will be released over the coming weeks. These initiatives will play a role in the recovery of our economy as our borders and those of our neighbours gradually begin to open, bringing forward a steady recovery to the vital tourism sector.

With an eye on the mid-term, businesses will be given incentives to invest through new tax measures and have access to reduced-interest long-term loans, providing a foundation for job creation

and economic growth. Interest relief on loans will also be offered to households to keep their finances in order as the economy rebounds.

Yet the time horizon of the ERP doesn't end there. There are provisions for the transformation to a more diverse and dynamic economy of the future.

A strong economy includes a diverse range of industries. With that in mind, the Government is introducing several initiatives in Phase II that will provide incentives for the private sector to pursue opportunities in large-scale transformations set for the technology and agriculture sectors, including tax incentives and grants.

For additional information, please visit www.mfem.gov.ck/erp

