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GOVERNMENT OF ANTIGUA AND BARBUDA

PRESS RELEASE

CHRISTMAS BARREL BENEFIT REPLACES DOLLAR BARREL PROGRAMME

St John's, Antigua, November 9, 2010. The Government led by the Ministry of Finance, the Economy and Public Administration wishes to announce a new Christmas Barrel Initiative to provide temporary benefit to individuals and families receiving food, clothing and toiletries from abroad over the coming Christmas period.

“The Christmas Barrel Initiative will be more targeted than the previous Dollar Barrel Programme and is designed to benefit lower income individuals and families who require the assistance of relatives and friends overseas with foodstuff, clothes and items of toiletries,” said Minister of Finance, the Economy and Public Administration, Harold Lovell.

Because it is a more targeted benefit intended for only those persons who need the import duty and tax concession, the Christmas Barrel initiative will be implemented on a more limited scale than the previous Dollar Barrel Programme, which the Ministry has suspended for review. The Christmas Barrel will be free of import duty and will also not attract the Antigua and Barbuda Sales Tax (ABST).

The Christmas Barrel Initiative will be subject to certain conditions including being limited to one barrel per family. Barrels must be landed between December 1 and 31, 2010 and all barrels will be subject to the 10 percent Revenue Recovery Charge on the value of the contents. An administrative charge of EC\$10 will also be applied.

Barrels which contain items other than food, clothing and toiletries and those arriving before or after December 1-31, will attract the normal duties and taxes.

While putting in place the Christmas Barrel Initiative, the Finance Ministry will continue to review and assess the suspended Dollar Barrel Programme, which was previously in place.

The review of the Dollar Barrel comes amidst concerns raised by many members of the public that the programme has been subject to abuse, resulting in revenue leakage which has been negatively affecting the Antigua and Barbudan economy.

The Dollar Barrel Initiative and the abuse of Government vehicles were among several issues pointed out last year by citizens and residents during a pre-Budget series of 'Live and Direct' consultations in communities around Antigua and Barbuda, as being areas in which the Government could increase revenue and reduce spending.

Finance and Economy Minister Harold Lovell announced in the 2010 budget statement, which was delivered in November 2009, that both areas would be reviewed. The Government has already started a programme to divest its fleet of vehicles.

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