

# Emergency Wage Support Loan - Raw Material Shortage

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St Helena Government (SHG) has received feedback from businesses, primarily in the construction sector, that the current shortage of raw materials such as cement, timber and steel has prevented them from undertaking work. As a result, these businesses cannot earn revenue, are struggling to cover expenses and are worried that they may have to shut down or significantly reduce staff. Recognising the importance of maintaining a strong private sector and supporting employment in the private sector, SHG is offering emergency wage support to businesses that can demonstrate financial hardship as a result of material shortages. This support will be provided in the form of an interest-free loan so as not to disadvantage businesses that are currently able to continue work or to create incentives for businesses to implement unnecessary work stoppages.

**Eligible Businesses:** Any privately owned business or sole proprietorship in any sector that can demonstrate that shortage of a key production input will prevent them from undertaking work and that this will result in financial hardship. For example, a construction company with a contract to build a home may be eligible if the business owner can demonstrate that there would be a detrimental loss of revenue or other financial impact as a result of shortages in timber needed for the project. A retailer that has a shortage in a specific product line would not be eligible.

A key production input would be a raw material used by the business. It must be an input into production and therefore would not be stock or assets.

Businesses who are receiving financial aid through the COVID-19 'Hardship Support for Highly Impacted Sectors' programme will not be eligible for this emergency wage support.

Each request will be assessed on its merit and businesses will be expected to produce documentation to support their case. Businesses should be able to demonstrate that:

1. They are a company registered with the tax office and Companies Registrar. A written statement stating this should be sufficient, which SHG can verify with the tax office.
2. The materials that they require to undertake the work they would usually do are not presently available on Island. A written statement indicating what materials are required should be sufficient, which SHG can verify using import statistics and other information.
3. They will suffer a severe financial hardship as the result of the lack of materials. Bank and other relevant financial statements should be sufficient.

4. The employees they are claiming for are in full time work. Evidence through employee contracts, PAYE or other tax payments should be sufficient, which SHG can verify through the tax office.
5. They will continue to employ any full-time employee for whom support is received for the duration of the support. A written statement indicating agreement with this provision should be sufficient.

**Support Provided:** An interest-free loan worth up to £650 for each full-time owner/director and employee to be repaid before the end of the 2020/21 financial year. Companies with active contracts with SHG will have repayments deducted from payment for services. Other applicants will need to provide collateral or other form of guarantee. It is assumed that each individual can be the full-time owner/director or employee of only one business.

**Period of Support:** Initially, support will be provided on a one-time basis. The need for further support will be reviewed when more information is available on the freight carried on the next MV Helena or no later than mid-May.

**How to Apply:** Applications should be made in the attached form and should be sent to Alan Bennett via email: [alan.bennett@sainthelena.gov.sh](mailto:alan.bennett@sainthelena.gov.sh). Applications must be received by 14 May 2020. Because approval will be based on the specific circumstances of the applicant and information received, the time required for approval and disbursement of the loan will vary by business. SHG reserves the right to verify the accuracy of any information provided.

**SHG**  
**23 April 2020**