

FSM Information Services

Press Release

President Panuelo Prepares for Congress' Consideration the FSM COVID-19 Economic Stimulus Package, Which Will Directly Subsidize Lost Salaries; FSM Also Signs Onto US Department of Labor's Pandemic Unemployment Assistance Program

PALIKIR, Pohnpei—Highlighting the Nation's anticipated ten percent (10%) economic decline as juxtaposed to a broader global recession resulting from the COVID-19 global health emergency, on April 7th, 2020, His Excellency David W. Panuelo, President of the Federated States of Micronesia (FSM), announced the FSM COVID-19 Economic Stimulus Package. The Stimulus Package has an initial financing need of fifteen million dollars (\$15,000,000). Over the next several weeks, the President, his Cabinet, and Congress will work together with the Nation's friends, allies, and development partners to fund the package which intends to, among other means of assistance, directly replace lost wages for those who have been laid off as a result of the COVID-19 Pandemic's unprecedented scale and reach.

The first phase of the FSM Economic Stimulus Package, as agreed with the 21st FSM Congress, will focus on helping the tourism sector businesses who have suffered the most immediate impact from the COVID-19 Pandemic. This will be in the form of salary subsidies, to keep as many people in this sector working as possible, as well as to compensate businesses that continue to operate while experiencing a significant decline in income.

“This literally means cash in hand,” President Panuelo said in a statement. “For the FSM State of Yap for example, the tourism sector represents hundreds of jobs providing for thousands of people; the Economic Stimulus Package intends to subsidize their salaries so that citizens can worry less about where tomorrow's meal is coming from, and more about how to protect their family from COVID-19.”

Other components of the first phase—as proposed—include tax, social security, and debt relief to qualified businesses. The Executive Branch is seeking to formalize these proposals into legislation during the 5th Special Session of the 21st FSM Congress, to be held remotely from April 13th, 2020 to April 17th.

“I have every confidence that our Leadership in Congress will enthusiastically review these proposed measures, and that the outcome from Executive & Legislative partnership will ultimately benefit the Nation and its citizens,” the President said. “We are all committed to the continued peace, unity, liberty, and economic prosperity of our Federation.”

The second phase of the FSM Economic Stimulus Package will extend financial support to sectors beyond tourism that may become increasingly affected by the global downturn. It is the intention of the Executive Branch that the private sector receive not only equitable (i.e. fair) assistance from the National Government, but further that the private sector will enjoy renewed confidence in the forthcoming months as their needs are identified, voiced, and attended to.

The FSM COVID-19 Stimulus Package is intended to work in concert with the separate twenty million-dollar (\$20,000,000) Health Action Plan, which focuses on health sector infrastructural capacity among other areas. The FSM National Government continues to work closely with its friends, allies, and development partners to protect the Nation from COVID-19 and to provide relief to affected individuals and organizations.

On April 3rd, 2020, the Honorable Eugene Amor, Secretary of the Department of Finance & Administration, signed on behalf of the FSM an agreement with the U.S. Department of Labor for the FSM's entrance into the Pandemic Unemployment Assistance Program. This program will be in addition to the FSM COVID-19 Economic Stimulus Package.

Under the Pandemic Unemployment Assistance Program, anyone who has lost their job due to the COVID-19 Pandemic—including those who are self-employed via owning their own business—is eligible to receive some form of financial assistance for up to 39 weeks. Further details on this program will be provided as the FSM National Government and the U.S. Government formalize the relevant procedures.



Pictured Above: His Excellency David W. Panuelo, President of the Federated States of Micronesia, reviews the FSM COVID-19 Economic Stimulus Package