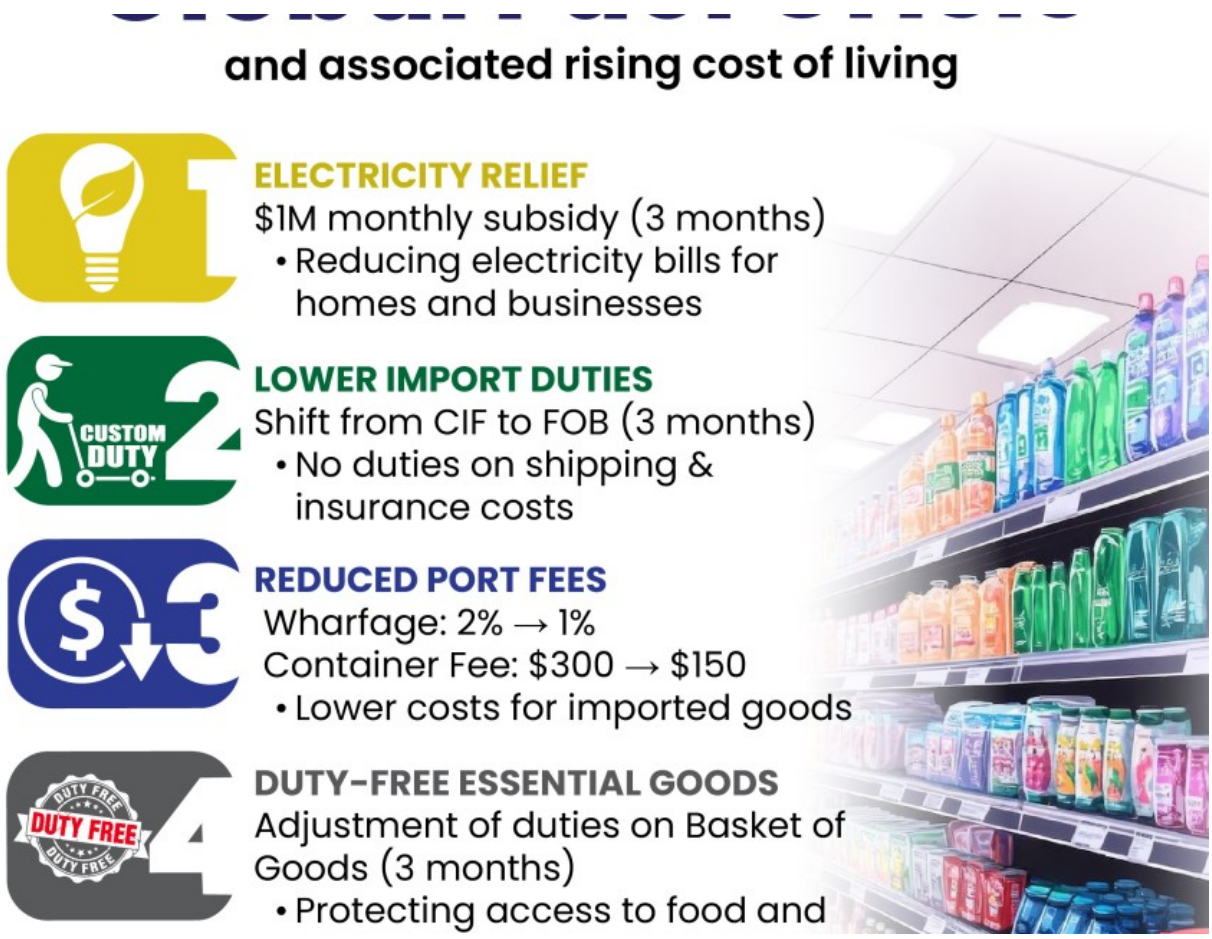
GOVERNMENT OF THE VIRGIN ISLANDS

STATEMENT

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Government's Response to the Global Fuel Crisis and Its Impact on The Virgin Islands

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Good morning, fellow Virgin Islanders and residents.

Recent global events, especially the ongoing conflict in the Middle East and its effects on vital shipping routes like the Strait of Hormuz—have caused major disruptions to worldwide energy markets and trade. As a result, the Virgin Islands are now facing higher fuel prices, increased freight costs, and rising expenses for essential goods.

My government understands the impact of rising prices on our hard working families and the most vulnerable in our society. The hardship that these circumstances create cannot be underestimated or overlooked. These challenges affect multiple sectors across the globe, confounding economists and governments alike, who find it difficult to respond because of rapid geopolitical changes and unpredictable swings in oil and gas prices. Although we cannot control these external shocks, their repercussions are felt by every household and business in our Territory.

Despite the volatility that we are confronted with, we must act decisively. When the conflict began in late February 2026, my Government immediately recognized its seriousness. Within days, the Ministry of Financial Services, Economic Development and Digital Transformation established a technical working group. This team included trade and investment experts, and collaborated closely with the Ministry of Finance, Ministry of Tourism, HM Customs, BVI Ports Authority, BVI Electricity Corporation, the Central Statistical Office, and the Premier’s Special Envoy.

The technical working group has maintained regular discussions with stakeholders and agencies to monitor the situation and recommend policy responses. Their goal has been to take decisive actions to protect residents, stabilize the prices of essential goods locally, and support economic strength.

Last Tuesday, I met with the business community to gather their insights and secure their cooperation, which are crucial for navigating this crisis on behalf of the people of the Virgin Islands. Businesses offered valuable feedback and committed to working with the Government. I directed my technical team to implement some

of their suggestions, leading to more comprehensive, coordinated, and effective measures.

Firstly, my Government is addressing the high cost of electricity bills on families and businesses. The General Manager informed me that without government intervention customers would see increases on their electricity bills as high as fifty percent on average. To address this steep increase, the Government will be subsidizing Virgin Islands customers by one million dollars per month for a three month period starting immediately.

This step is designed to lower electricity costs for both households and businesses right away, helping families manage expenses and reducing businesses' operational costs. In addition to this subsidy, we encourage households to conserve energy as much as possible and to sign up for the STEP programme, which will greatly reduce electricity bills, through accessing solar energy and feeding into our national electricity grid.

Secondly, steps are underway to remove duties from insurance and freight, shifting duty calculations from Cost, Insurance, and Freight (CIF) to Free-on-Board or Freight-on-Board (FOB) value for the next three months. This adjustment means duties will be levied only on the value of the goods (FOB), not on rising shipping costs. With global fuel prices on the rise, shipping is getting more expensive, and the current system effectively taxes those higher costs. The new approach should decrease the landed price of imported goods, relieve inflationary pressure on essential items like food, and help stabilize prices throughout the economy. This intended to start in May.

Thirdly, for the next three months, my Government will reduce the Wharfage fee on incoming cargo from 2% to 1% and cut the Container Charge from $300 to $150. Combined with the removal of duties on freight and insurance, these actions will lessen financial strain on businesses, support price stabilization, and limit price increases for consumers. I express appreciation to the Minister of Communication and Works, Honourable Kye Rymer, the Chair of the BVI Ports Authority Dion Stoutt, and the Acting Managing Director of the Port Authority, Dean Fahie, and their teams for facilitating this concession, which is intended to start in May.

Fourthly, for the next three months, starting in May, my Government will implement a protected Basket of Goods with further duty reductions to the items essential for maintaining our basic needs. This should stabilize prices on specific goods, so the most vulnerable members of society will continue to have access to vital food and necessities without escalated costs.

Fifthly, My Government is committed to ensuring that these relief measures directly benefit everyday households. We are introducing legislative amendments to the Consumer Protection Act and approving regulations to regulate prices on a basket of goods. These amendments will also allow the Consumer Protection Act to come into force, providing a comprehensive framework to protect consumers from price gouging and other anti-consumer practices.

In addition to this suite of initiatives, the Government will continue its support of vulnerable groups. In 2024 my government increased government salaries by 30 million dollars, which primarily lifted a number of public officers above the living wage. We increased the minimum in 2025 to 7.25 which is equal to the federal minimum wage in the United States of America. Increases to pensioners monthly payments will be increased within this second quarter with payments retroactive to January 1. We will continue our public assistance programme, which has increased stipends to vulnerable groups by as high as 160 percentage. We are also actively considering other ways to support the vulnerable.

At the same time, my Government is fast-tracking strategies to boost food security and lessen dependency on imports. This involves advancing a Memorandum of Understanding with the Dominican Republic to stabilize supply chains and ensure affordable food access, increasing support for local agriculture and fisheries to raise domestic output, and building national capacity for sustainable food production for long-term resilience. These efforts are intended to mitigate global price fluctuations and strengthen self-sufficiency.

The measures announced today will require Cabinet approvals and legislative procedures for implementation are actively moving forward. Ministries, technical teams, and legal advisors are collaborating to guarantee timely, coordinated, and effective enactment.

We will also have to reconsider budgetary priorities through supplementary appropriations. These actions will be forthcoming.

Our decisive actions announced today mark a clear and organized beginning to the Government's response, with measurable improvements expected in energy costs, import prices, and consumer protection. We will keep monitoring international developments and adjust our plans as needed. Further measures are under review and will be launched as circumstances warrant.

We encourage businesses to pass on these savings to consumers. Every effort must be made to cushion consumers from the onslaught of rising prices. We also encourage consumers to do their part and conserve and spend responsibly. With prudent action and sobered response, we can weather this storm together.

Virgin Islanders have previously faced and surmounted global challenges, showing resilience, strength, and unity. This situation demands those same qualities. The Government will act firmly, businesses must show responsibility, and everyone should unite with common purpose.

May God bless you, your loved ones, and the Virgin Islands.

Thank you.

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Additional Documents or Media

- premier's_national_address_response_to_rising_prices.pdf