



The T&T Chamber's recommendations for the national budget

The 2015/2016 National Budget will be presented in Parliament on October 5, 2015. Newly-appointed Minister of Finance, Colm Imbert, will be faced with the tremendous task of presenting a budget after being in office for less than one month. To his credit, Mr. Imbert signalled his intention to meet with the former Minister of Finance during the course of his preparations. Today, I will reiterate some key recommendations which the Chamber would like to see addressed in the upcoming budget.

With energy and commodity prices for our main export fluctuating at the lowest levels seen in recent times, Trinidad and Tobago must take pre-emptive action to cushion the impact of these fluctuations while simultaneously ensuring that we are better positioned for future challenges.

This can be addressed in part by engendering a highly productive workforce. The Chamber is of the opinion that increasing commitments to transfers and subsidies, which now stands at approximately 17 percent of GDP, has negatively impacted on our national productivity levels.

State-run temporary employment programmes have been competing with the private sector, particularly with regard to the manufacturing and retail sales sectors. Although the T&T Chamber accepts the need for a social net for the more vulnerable among us, it must be understood that it is a temporary measure until the persons engaged can find more stable footing.

Currently we have a situation where the so-called “make work” programmes are considered full-time employment. The private sector has repeatedly articulated its ability and willingness to absorb a significant number of persons from these programmes, but has not been able to attract interest. We re-iterate the need for measures geared towards weaning off dependence on the State employment



The T&T Chamber's recommendations for the national budget

programmes, with a shift to a reliable labour force to the private sector in order to drive productive growth.

We also recommend that a gradual decrease of the gas subsidy should be undertaken over a four- to-five year period, eventually leading to its removal. At the same time the appropriate infrastructural changes should also be undertaken, such as full implementation of use of CNG in our public transport system; easily accessible CNG stations for domestic users and transporters, alongside mechanisms to cushion the effects on vulnerable groups in society. If this can be achieved, our country will gain an appreciation of the value of our main national product.

Finally, the Government cannot continue to forgo tax collection. For instance, land and building taxes are commonplace worldwide and this might be an appropriate time for Trinidad and Tobago to re-examine our own system. Due care must be taken to ensure that there is fairness and transparency in the system while being more aggressive in the collection of taxes and ensuring that the Board of Inland Revenue is adequately resourced for the task.

As our nation prepares to celebrate its thirty-ninth anniversary as a Republic this week, the Trinidad and Tobago Chamber of Industry and Commerce re-iterates its commitment to the development of a strong, sustainable national economy, and to working collaboratively with all national stakeholders. We look forward with anticipation to the Budget Presentation on October 5th and invite you to register for our annual Post-Budget breakfast meeting which will feature the new Minister of Finance.