



Welcome Remarks

Delivered By

Andrew Sabga

Trinidad and Tobago
Chamber of
Industry
and Commerce

Post Budget Panel Discussion

Tuesday 2nd October 2012

8:00am – 11:00am

Festival Ballroom

Crowne Plaza

- **SALUTATIONS**
- **His Excellency Senator the Honourable Timothy Hamel Smith, Acting President of the Republic of Trinidad and Tobago**
- **Senator the Honourable Mr Larry Howai Minister of Finance and the Economy**
- **The Honourable Dr Glenn Ramadharsingh – Minister of the People and Social Development**
- **The Honourable Dr Keith Rowley – Leader of the Opposition**
- **The Honourable Rudranath Indarsingh – Minister in the Ministry of Finance and the Economy**
- **Mr Wade George - Partner/Regional Tax Service Line Leader, Ernst & Young;**
- **Mr Gervase Warner - President & Group CEO, Neal & Massy Holdings Limited;**
- **Ms Hazel Brown - Coordinator, Network of NGOs**
- **Mr Michael Annisette – President General Seamen and Waterfront Workers Trade Union**
- **Members of the Diplomatic Corps**

- **Other Government officials**

- **Past Presidents**

- **Members of the Board**

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- **Chamber members and other participants**

- **Members of the media**

- **All other protocols observed**
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Good morning,

On behalf of the Trinidad and Tobago Chamber of Industry and Commerce, it gives me great pleasure to welcome each of you to the Chamber's Post Budget Panel Discussion. Let me remind everyone that this morning's proceedings are currently being carried LIVE on-air and online, exclusively by television station, CNC3.

I wish to begin by giving a special welcome again to His Excellency, Senator the Honourable Timothy Hamel-Smith – Acting President of the Republic of Trinidad and Tobago. We thank you for being here with us today. We are truly honoured by your interest in and presence at our event.

We welcome as well the representatives of the companies who have sponsored this morning's session and thank them for their continued support.

This morning, we are pleased to have the Minister of Finance and the Economy, Senator the Honourable Larry Howai, who has kindly accepted our invitation to present the feature address today on the 2012 / 2013 Budget. Yesterday was the Minister's maiden budget presentation, and we are delighted to have him here at our event in his capacity as Minister, to have his first discussion with the public immediately following his presentation. We are also fortunate to have a highly esteemed panel of speakers, all of whom represent the business, social and labour elements of our society. We welcome you and look forward to each of your contributions.

Each year, we are the first Business Organisation to host such an event featuring the Minister of Finance, wherein we examine how the Budget will affect businesses, civil society, labour and individuals in our nation. We also attempt to examine the Budget's overall economic impact.

To this end, our panellists this morning will discuss:

- "Tax Incentives for Stimulating New Investments";
- "Initiatives for Deepening Social Cohesion";
- "Implications for a Productive Labour Force;"
and
- "Moving the Economy into Positive Growth"

The Chamber is excited to again bring this level of discussion to the public, as it represents a unique and exclusive opportunity to openly engage, discuss, question and understand the issues raised in the Budget, and present your

own views directly to the Minister, and other members of our panel.

Yesterday was “Budget Day” in Trinidad and Tobago, and for yet another year, our National Budget was delivered against a backdrop of a highly volatile global economy. Locally, the Central Bank Monetary Report released earlier this year stated that for 2012, the economy was expected to grow by 1 percent, a reduction of the previous expectation of 1.5 percent. Thus, we have found ourselves at the point of having to make “hard” decisions.

In the weeks leading up to the October 1 Budget, there has been much talk as to whether the budget would contain “austere” measures or initiatives aimed at giving better value for money. We hoped that any measures announced would not have too much of a hard impact on our citizens.

However, we are pleased to see that the Budget has not been one of austerity, but rather one of stimulating the economy, which we hope will lead to Trinidad and Tobago being better positioned to eventually achieve a more balanced budget.

VALUE FOR MONEY

Reduction of a budget deficit is always a challenge, but the reality is that we have seen past fiscal deficits which were as a result, in large part, to the increased spending on social programmes, and a reduction in our energy revenues. Citizens of Trinidad and Tobago are expected to live within their financial means, and the government is expected to do the same. We understand the need for social programmes to assist the vulnerable in our society, but we need to ensure that the controls are in place to make certain that value for public money spent is returned to the national community.

DIVERSIFICATION

For some time, we have seen our government in an unsustainable position of contracted revenue and increased expenditure, thereby delivering deficit budgets year after year. While there is need to be wise about spending, we, as a Chamber, have always advocated for increased measures to stimulate and grow our economy, which would go beyond mere infrastructure investment. Infrastructure projects are important for employment in the short-to-medium term, and we welcome these projects; but in the last decade, countries such as China and Brazil have shown us that public spending must also be geared towards measures that will transform our economy to face future technological, environmental and economic challenges.

Going forward, the government must have a confident and visionary role in planning for

diversifying the economy of Trinidad and Tobago. Of course we need general stimulus spending, particularly in areas such as healthcare, education and infrastructure, but we also need to see government-directed investment in strategic new technologies and sectors. In that regard, we have been pleased to hear the Minister identify the seven priority sectors for diversification, with the objective to increase the non-energy share of GDP to 66 percent over the next five years. We believe that our economic vision to produce a balanced budget and, dare I say, even a budget surplus, will be won by actively investing in these new knowledge-based sectors.

ACCOUNTABILITY

Good governance is characterised by a focus on delivering more appropriate, efficient, and effective public services for which the government must be held accountable. We have noted that it is not uncommon for the

administration to go to Parliament for a supplement to the appropriation that is additional funding to finance expenditure. It is therefore necessary that we move towards a results-based budgeting system where achievements are matched to payments.

The Chamber appreciates that not every measure which is mentioned in the Budget documents will come to full implementation within the respective fiscal year.

We however continue to be concerned, that several measures and initiatives do not appear to have clear timelines for implementation and hence our call for key performance initiatives (KPIs) and accountability budgeting to take place. We as a Chamber, are calling for a Mid-Year Review of the National Budget each year, so that we are able to review and comment on the status of projects cited for implementation each year.

CRIME

Finally, but certainly not least of all, we cannot say enough about the importance of dealing with the Crime situation in T&T. Time and time again, we have said that crime is holding back economic investment by the private sector, both locally and abroad. We are therefore happy to hear that, perhaps for the first time, a specific performance measure of a 50 percent reduction in serious crime within three years has been announced. It is heartening to see that crime detection capabilities of our police force has been earmarked for improvement, and we strongly believe that this detection must cover both blue **and** white collar crimes.

There were also a number of social initiatives that were identified for review, such as CEPEP and URP, and we are hopeful that their revision will assist our citizens in moving from a state of dependence to one of sustainable self-reliance.

The Chamber has always postulated that the National Budget should not be regarded as a mere “wish list”, but a map with which the government can steer our nation back to brighter horizons.

While we applaud the Minister’s efforts at giving T&T a dose of “fiscal reality”, the fact remains, as I’ve said, that several projects have been announced in previous budgets, under the current government, but have yet to be brought to fruition. Many of these the Chamber has brought up on previous occasions so I will not delve into them at this time.

While we note with concern that several of the measures identified in this budget were also discussed in the last fiscal year, we are,

nevertheless, very interested in hearing the Minister provide us with a more in-depth look into these and other proposals put forward in the budget for a better understanding of what we are to expect in the year to come. The Chamber as always, promises to assist government in achieving and implementing its budget objectives for 2013.

With this said, I invite you to engage in enthusiastic discussion with our panel of speakers. This year, thanks to *Yellar Direct* – we have the additional feature of utilising your Blackberry mobile device to submit your questions to the Minister or any member of the panel. The PIN number will be placed on the screen periodically, so for those of you both here in studio and the viewing public who wish to **add the blackberry PIN shown on your screens to your blackberry contacts** you may send in your questions, using this medium. Additionally, you can use your smartphones to

log on to our facebook page: [www.facebook.com](http://www.facebook.com/(forward%20slash)TTCIC)
(forward slash) TTCIC – this address will also be placed on the screen, where you can submit questions there, and as time allows, we will pose these questions to the relevant panel members.

We encourage you to hold a very lively analysis and debate this morning, utilising all the technology available to us, as we would like to hear your thoughts and those of our panel and feature speaker.

Thank you and enjoy the session.