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CHAMBER PLEASSED WITH NATIONAL BUDGET FOCUS, BUT STILL HAS CONCERNS

The Trinidad and Tobago Chamber of Industry and Commerce is pleased that the National Budget for fiscal 2012-2013 is geared towards “*Stimulating Growth, Generating Prosperity*”. We believe that in the face of global economic uncertainty, there must be emphasis on economic growth. We applaud the efforts of the Minister of Finance and the Economy to provide some degree of stimulus to achieve this growth in this year’s Budget.

We noted that the allocation to National Security remained high, at \$5.5B, and the Minister has, perhaps for the first time, given a specific performance measure of a 50 percent reduction in serious crime within three years. As crime continues to be a main issue that stifles business investment and a way of life, its importance remains a key focus in this year’s budget and we await the holistic approach to combating crime – which the Chamber has been calling for and the Minister of National Security has promised to deliver shortly. We were pleased that some of the measures recommended by the Chamber were adopted in the Budget, and we look forward to working with the Minister of National Security in their implementation.

Given our low ranking in the 2012 Competitiveness and Ease of Doing Business indices, we are pleased that some measures for improving our business competitiveness have been included, such as the proposed

Amendment to the Exchequers Act to allow for government to accept and make electronic payments, advance submission of electronic information for clearing of cargo. We also look forward to the planned reduction in the time spent in setting up a business.

We are encouraged that a review will be done on the gradual reduction of the gas subsidy within this current fiscal year, but we would have liked to have seen a more comprehensive and holistic response to this urgent issue of the reduction in our nation's fuel subsidy. The cost of the fuel subsidy has been talked about for several years, and we had hoped that this Budget would have made greater strides to address this.

Although the increase in premium fuel price would represent a minimal reduction in the fuel subsidy, we do not see the incremental increase in the price of premium fuel as encouragement to persons to convert to CNG. The Chamber looks forward to being included in the consultation process in the upcoming year, to review the additional measures aimed at further addressing and reducing the current levels of subsidy, and in particular, the subsidy on diesel.

The Chamber is pleased that the Government has recognized in the Budget the need for skills development of persons in social programmes, such as CEPEP and URP, which should allow them to move from a point of dependency to sustainable employment in the private sector. We hope that any restructuring will include control measures that will limit the period of time in which persons may remain in these programmes.

We commend the government for giving incentives to the private sector to stimulate the growth of the construction sector. However we would like to see the ease of doing business apply to the approval process of the many regulatory bodies which would allow construction projects to be completed within the timeframe announced by the Minister. Given the numerous projects listed, we hope that the government has plans in place to properly sequence these projects to prevent the overheating of the economy we had experienced in the past, which led, *inter alia*, to inflation and poor quality of workmanship.

The allocation to the Tobago House of Assembly has increased, and we welcome the plans to build a competitive economy, focused on tourism for Tobago. Whilst we are aware that the Tourism Development Fund and Government Loan Guarantee have been approved, we believe that the process is taking an undue length of time for implementation.

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