



Welcome Remarks

Delivered By

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Chamber of
Industry and Commerce

**Post Budget Panel Discussion
Tuesday 10th September, 2013
8:00am – 10:30am
Festival Ballroom
Capital Plaza**

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 2013 Post Budget Panel Discussion.

I welcome each of our sponsors, guests and participants at the Capital Plaza Ballroom and I also extend a warm greeting to those tuning in to us live on air on CTV and Talk City 91.1FM, and online on www.ctntworld.com.

This morning, we are pleased to have for the second consecutive year, 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 2013 / 2014 Budget. Last year, Minister Howai shared with us his views and rationale for various initiatives announced in the National Budget. Today, we welcome again him to our forum, to speak with us again on this topic.

We are also fortunate to have a highly esteemed panel of speakers, all of whom represent the business and civil society elements of our national community. We welcome you and look forward to each of your contributions.

Of course, I must additionally welcome the representatives of our business community who sponsored this event and thank you for your continued investment in our event.

A National Budget is perhaps the single most important tool a government has at its disposal to present an annual plan to achieve the economic and social objectives for the nation. The last budget for 2012/2013, which was entitled: "Stimulating Growth, Generating Prosperity", was set against a projected revenue of TT\$50.736 billion and expenditure of TT\$58.405 billion, resulting in a deficit of TT\$7.7 billion which represented, at the time, 4.6% of Gross Domestic Product (GDP). The Government's focus in that budget was:

- Stimulated growth, resulting in increased revenue from public and private sectors;
- Refocusing government expenditure to create more Value for Money; and
- Building a competitive economy through focused investment and a targeted reform agenda.

This year, our National Budget was set against a backdrop of an improved economic performance in our non-energy and energy sectors. As a result, we have experienced four consecutive quarters of economic growth and the country has, happily, experienced its most consistent improvement in the economy since the global economic crisis of 2008. We have seen the manufacturing sector taking on more of a role in maximising opportunities with new export markets. The energy sector is, however, still our key economic driver and we must remain mindful that as such our overall economic performance rests, in the main, on that sector's performance. But based on what we have seen of our 2012/2013 performance, I am especially encouraged by our non-energy sector, and it appears that we are heading in the right direction.

This year's Budget focused on "*Sustainable Growth, Securing Prosperity*". The question now is: How do we, then, capitalise on the growth of our economy to secure our prosperity?

Each year, we are the first Business Organisation to host such an event featuring the Minister of Finance, where we examine how the National Budget will affect businesses, civil society, labour and the wider national society. We also attempt to examine the Budget's overall impact on the economy.

To this end, our panellists this morning will discuss:

- "Measures to Stimulate Growth";
- "Revenue Generation vs. Expenditure";
- "Energy Recommendations;" and
- "Where are we in Crime Reduction?"

The Chamber is excited to again bring this level of discussion for yet another year 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. This opportunity, of course, is not limited to just those of us here in this room. I also invite and encourage our viewing and listening public on CTV and Talk City 91.1FM to submit your questions to us via our facebook page and text in using Blackberry messenger or Whatsapp. The information will be provided on the screens.

While our esteemed panel will address the very relevant topics I have mentioned today, there are a few areas which I, as President of the Trinidad and Tobago Chamber, want to highlight.

One of these is COMPETITIVENESS. Just under a year ago, the Minister of Planning and Sustainable Development, Dr. Bhoë Tewarié, indicated that Trinidad and Tobago's overall ranking in the Global Competitiveness Index was, to use his words, "not good enough". The Chamber wholeheartedly agreed with this statement, as we continued to lobby for increased measures to enhance our business competitiveness.

Now, we are all aware that the Global Competitiveness Index 2014 has recently been released, and our overall ranking has dropped.

The Report highlighted the problematic factors for business operations in this country which give the impression that T&T is not open for business or ready for new investment. While it is notable that several measures are being implemented to facilitate the ease of doing business, there are other issues which make doing business in T&T less competitive. These factors include crime, corruption and inefficient government bureaucracy. The Chamber firmly believes that the Government and Private Sector must work as partners together to significantly reduce these impediments.

The second area I would like to address is that of VALUE FOR MONEY. The Chamber has chosen this year to host our Post Budget Panel Discussion, on the theme of "Value for Money Spent". What has made us choose this theme, is our recurring call for a more systematic approach to budgeting, which not only accounts for the expenditure on any given government activity (such as national security or education), but also, of equal importance, accounts for the return on investment from the spend by each Ministry or State Agency.

We are aware that reduction of a budget deficit and return to a balanced budget are always a challenge, but our government **must** make the effort to spend where there is tangible value in doing so, and we, the people of Trinidad and Tobago, **must** hold our political leaders

accountable for the taxpayers' money that is spent on various initiatives. As we say every year, spending on social programmes combined with a reduction in revenues from our economic mainstay – which is the energy sector – cannot help in our efforts to reduce our budget deficit. We understand the need for social programmes to assist the vulnerable in our society, but the reality is that Trinidad and Tobago simply cannot afford to continue providing social services without putting the necessary controls in place to make certain that the nation is receiving value for public money spent.

This leads me to my final point, which is on ACCOUNTABILITY.

In my remarks made in July this year at the Chamber's Pre-Budget discussions, I said that it was important for the national community to hear not just a list of measures that the government promises to undertake over a one-year period, but also the country needs to be apprised by the government on the status of these projects.

One of the underpinnings of good governance is accountability. Government must focus on delivering more appropriate, efficient, and effective public services for which they are held accountable for implementation. Once again, we call for a move towards a system of results-based budgeting.

The Government must include, as part of its budgetary process, a medium-term plan for capital projects, which shows multi-year expenditure.

We also 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, continue our call for an Annual Mid-Year Review of the National Budget, so that we are able to review and comment on the status of projects cited for implementation within the fiscal year. In fact, the Chamber will be happy to host the Minister for such a forum!

While I will not be focusing in depth on crime, as we have a panel speaker to focus on this today, it would be remiss of me if I did not mention that crime and criminal activity was a bug bear on the business and wider national community. Crime has held back economic investment by the private sector, both locally and abroad. Crime detection rates – for both blue and white collar crimes – remains abysmal, and we want to see an improvement in detection. We MUST all work together to find solutions to reduce this scourge. It is my hope that this forum today will help bring about some solutions that the government will be willing to adopt.

We also need to address the issue of the real unemployment rate. We met with our Membership just a month ago, and they indicated that they are still struggling to find labour. Labour shortage in T&T is a real problem and we must address this situation.

The Government needs to fulfil its role as the visionary leaders of our nation. It needs to not be distracted from performing its mandate to be the enabler and facilitator of an environment which encourages business investment and growth. We were encouraged by the fulfilment of the government's plan announced in the last budget to list approximately 20 percent of First Citizens shares via Initial Public Offering to the local community this year. We want to congratulate the Government for bringing this to fruition and look forward to the additional listings to the T&T Stock Exchange, as mentioned by Minister yesterday.

The Chamber is 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. As always, we give our commitment to assisting the 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. As I mentioned previously, this year, thanks to *Yellar Direct* – we have the feature of utilising your Blackberry mobile device to submit your questions to the Minister or any member of the panel, and you may also use your Smartphones to send in your questions via WhatsApp. The information will be placed on the screen periodically for those of you both here in studio and the viewing public who wish to interact with us. Additionally, you can use your smartphones or tablets to log on to our facebook page: "www.facebook.com, 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.

I thank you, and please, enjoy this morning's session.