



Opening Remarks

To be delivered by
Catherine Kumar
Chief Executive Officer
Trinidad and Tobago Chamber
of Industry and Commerce

**ON THE OCCASION OF THE
BREAKFAST MEETING**

**“MAKING SENSE OF T&T’S ENERGY
DOLLARS”**

WEDNESDAY, OCTOBER 29, 2014

7:30 A.M.

**THE CHAMBER BUILDING,
WESTMOORINGS**

- **Mr. Victor A. Hart**, Chair, TTEITI Steering Committee
- **Ms. Lesley John**, Marketing and Media Relations Manager, Association of Chartered Certified Accountants
- **Mr. Josh Drayton**, Feature Speaker, Trinidad and Tobago Transparency Institute
- **Ms. Joanna Rostant**, Head of the Trinidad and Tobago Chamber of Industry and Commerce, Energy Committee
- **Ms. Vanita Redoy**, Policy Analyst, TTEITI Secretariat
- **Mr. Garik Joseph**, Project Officer, TTEITI Secretariat
- **Representative of Repsol, our kind Investor in this session**

Ladies and Gentlemen

I take great pleasure in welcoming you, on behalf of the Trinidad and Tobago Chamber of Industry and Commerce, to this first public outreach session entitled "Making Sense of T&T's Energy Dollars".

Along with our partners, the Trinidad and Tobago Extractive Industries Transparency Institute (TTEITI) and the Association of Chartered Certified Accountants (ACCA), we are pleased that you have taken the time from your packed schedules to hear about the recently released Second Report of the TTEITI. This report provides citizens of Trinidad and Tobago full disclosure on the payments made by oil and gas companies operating locally and seeks to reconcile Government's accounting for these revenues for the fiscal year 2012.

We hope too, to hear about the efforts of EITI internationally and how this might impact T&T, through the work of TTEITI.

We shall also hear from Mr. Gregory McGuire on the challenges of EITI implementation in T&T and from Ms. Joanna Rostant, Chair of the Chamber's Energy Committee, who will provide a critique of this report.

This Chamber has been a supporter of the work of TTEITI, serving as a member of the Steering Committee from its inception. The objectives of TTEITI align with the Chamber's own values: to us, social responsibility, transparency, good governance and accountability in business and public life are non-negotiable. We continue to believe that the work of TTEITI is critically

important to our development as a nation, given how dependent we are on the proper management of our non-renewable petroleum and mineral resources, representing as they do, such a significant portion of our current national wealth.

EITI came out of a global movement that sought to find ways for the citizens of resource-rich countries get a better quality of life from the depletion of their resources, through transparency and better governance. Globally, the work of EITI initially focused on accounting for revenue collected by governments from the sale of the country's resources.

Like EITI, we at the Chamber believe that, while this important area of focus was a good place to start, it is not the end of the journey. The people of T&T need much more assurance that they are

getting their just due from their resources. In May 2013 the EITI Board agreed to revise the EITI Standard to one that focuses on improving governance of natural resources. Going forward, new disclosure requirements will require, among other things:

- ***Comprehensive and accurate disclosures.***
- ***Disaggregated reporting*** - data in the EITI report must now be presented by individual payment type, company and government agency and by project. Project level reporting is to be consistent with requirements in the US and EU.
- ***State-owned companies*** - more transparency in state-owned companies (SOEs) activities.
- ***Social expenditures by companies.*** Where companies are legally or contractually required to make social contributions, these must be disclosed.

But more significantly, the new Standard will require that each country's EITI sets its own objectives and develop an 'EITI work plan'. This is intended to ensure that the EITI is well-grounded in the national dialogue about how their natural resources are governed.”

In this context, we are pleased that the first TTEITI report has started to address accounting for licenses in oil, gas and mining. For the first time, the Ministry of Energy and Energy Affairs last year placed in the public domain, on their a website, a list of Exploration and Production licence holders in extractives. We look forward to the day when the Petroleum Register, and licenses for other operators along the oil and gas value chain, as prescribed by the Act (which is 45 years old this year) and the Regulations are implemented. Good governance requires that regulators implement

the laws of the land and are held accountable for so doing.

Even though contract transparency is a valuable tool of good governance in natural resource management, that too is not sufficient, in our minds. There is more. That is why we have put our support behind the work of the Private Sector and Civil Society group in pressing for accountability and transparency in the Public Procurement and Disposal of Public Property Bill, 2014 that is currently before the Parliament. We have made recommendations for amendments, which are pleased have, in the main, been included in the version that was sent to the Parliament.

Through our Energy Committee, the Chamber's annual submissions to the National Budget and other initiatives, we have been calling, and will

continue to call for enhancements in the institutional and administrative regimes that oversee the extractives and financial management sectors, for example:

- **We see big gaps in the efficiency and capacity of the revenue collection agencies and legislation and have called, for instance, for implementation of legislation to better manage transfer-pricing issues and the closing of other tax loopholes.**
- **We have been at the forefront on issues of managing natural gas depletion rates, through our gas depletion model discussions.**
- **Similarly, we have been calling for the petroleum subsidy to be addressed and have provided suggestions on approaches that will minimize the impact on the most vulnerable in society. We are hopeful that, now that the issue is being addressed, the fraud and theft involved in the diesel racket, which we have**

been highlighting to governments for many years, will be brought to an end.

We too are looking forward to hearing the results of the Second report. As eagerly, we are looking forward to TTEITI setting out its objectives and work plan for taking T&T forward, drawing on the long and rich history of our industries. We are hopeful that T&T will use this opportunity to lead the world, and not continue to be followers.

The Chamber is excited about the possibilities this future approach provides and we commit to continue to support the work of TTEITI.

As importantly to the presentations that we will get from our panelists this morning will be the feedback and suggestions that we get from you the audience. I am hopeful that we have a very

productive session. I hope you too enjoy this morning.

Again, on behalf of the Chamber and our partners, TTEITI and ACCA, welcome.