



Opening Address
Delivered By
Robert Trestrail
President
Trinidad and Tobago Chamber of
Industry and Commerce

**Trinidad and Tobago Chamber of Industry and Commerce
Annual Post-Budget Panel Discussion**

**Tuesday, October 6, 2015
8.00 a.m. - 10.30 a.m.
Chamber Building, Columbus Circle, Westmoorings**

- **THE HONOURABLE COLM IMBERT, MINISTER OF FINANCE**
- **SENATOR THE HONOURABLE PAULA GOPEE-SCOON, MINISTER OF TRADE AND INDUSTRY**
- **THE HONOURABLE CAMILLE ROBINSON-REGIS, MINISTER OF PLANNING AND DEVELOPMENT**
- **MR. RONALD HINDS, MODERATOR**
- **DISTINGUISHED MEMBERS OF THE PANEL:**
 - **DR. MARLENE ATTZS, LECTURER, HEAD, SUSTAINABLE ECONOMIC DEVELOPMENT UNIT, UNIVERSITY OF THE WEST INDIES**
 - **MR. NIGEL ROMANO, MANAGING DIRECTOR & CEO, IBL BANK - A MEMBER OF THE JMMB GROUP**

- MR. ARUN SEENATH, TAX PARTNER, DELOITTE
- OTHER REPRESENTATIVES OF THE MINISTRIES OF FINANCE / TRADE AND INDUSTRY / AND PLANNING AND DEVELOPMENT
- REPRESENTATIVES OF OUR KIND CORPORATE INVESTORS
 - C&W BUSINESS COLUMBUS BUSINESS SOLUTIONS
 - DELOITTE
 - IBL BANK, A MEMBER OF THE JMMB GROUP TRINIDAD AND TOBAGO
 - SAGICOR
 - BG TRINIDAD AND TOBAGO
 - TTIFC
 - TTUTC
 - YELLAR
- MEMBERS OF THE BOARD OF DIRECTORS OF THE T&T CHAMBER
- PAST PRESIDENTS OF THE CHAMBER
- ESTEEMED MEMBERS OF THE NATIONAL BUSINESS COMMUNITY
- OTHER DISTINGUISHED GUESTS
- OUR VIEWERS ON CNC3 AND VIA LIVESTREAM
- MEMBERS OF THE MEDIA

Good Morning,

On behalf of the Trinidad and Tobago Chamber of Industry and Commerce, I welcome you to the Annual Post Budget Analysis 2015. We are very pleased to be broadcasting live on CNC3 TV and streaming live!

This morning we are pleased to have the Honourable Mr. Colm Imbert, Minister of Finance, who has kindly accepted our invitation to present the Feature Address on the 2015/2016 National Budget. Honourable Minister, on behalf of the T&T Chamber, I wish to congratulate you on your appointment as the Minister of Finance. We know this portfolio comes with immense responsibility but we are confident that you are up to the task and we anticipate continuing the dialogue and collaboration over your term. We look forward this morning to hearing more about the rationale for the various initiatives and fiscal measures announced in yesterday's Budget.

I also wish to acknowledge our esteemed panel of experts who have graciously taken up the challenge of providing analysis and commentary the morning after the Budget was presented.

A very special welcome to our investors for partnering with us to host this year's Post Budget Analysis.

I welcome with equal importance, you, the Members of the Chamber and our wider business community, without whom we would have no reason to host this session every year. And I must thank the Chamber members who have contributed to developing this year's budget recommendations which were presented to the Ministry of Finance.

It is no secret that there have been several issues affecting business confidence, most notably the availability of foreign exchange currency. Our economy has been consistently experiencing declining economic growth attributed to contractions in the energy sector, coupled with sluggish

performance in the manufacturing sector. Credit to the private sector has only marginally expanded over the past year, illustrating that there is a lack of confidence to invest alongside a lack of investment opportunities in which the private sector can engage. In yesterday's budget there was an acknowledgement of the impact that foreign exchange shortages have had on the business sector, and we look forward to the changes that would ensure an adequate supply for legitimate transactions and clearing the backlog of requests.

Given the volatility of international energy prices combined with declining national oil and gas production, diversification of the economy is no longer a distant goal but an imperative. We acknowledge that some starts have been made in this regard. While there has been some continuity with regard to identified sectors, the pace of progress has simply been too slow.

Diversification is of special importance to the sister isle of Tobago, which is heavily dependent upon its tourism product.

While the budget outlined plans to construct a new terminal at the ANR Robinson airport and deal with congestion at the port, no time-frame has been put on these projects. Additionally, the Tobago Tourism Development Fund, which was meant to assist businesses with debt restructuring and hotel room upgrade and maintenance, has not been functioning as intended. If success is to be derived from any of the initiatives there must be close collaboration amongst the Central Government, the Tobago House of Assembly and the Private Sector.

Any effort to diversify will depend significantly upon an enabling environment, including – a reliable supply of labour, a properly aligned education system, adequate infrastructure, efficient transportation (including the air & sea transport between the islands) and above all, leadership. The T&T Chamber acknowledges that this leadership must be demonstrated both at State and private sector levels. To this end, we will be hosting a two day Diversification Conference in

2016 and we invite all stakeholders to join with us in furthering the diversification agenda.

The T&T Chamber has repeatedly cited the fact that the State is competing with the private sector as a result of State-run employment programmes, and we have continuously called for these programmes to be curtailed. Not much was said in yesterday's budget to address this issue and I'd like to reiterate what I said when I assumed this presidency: the significant allocation to these programmes is not only unsustainable, but it is destructive to the national work ethic and is distorting the labour market. The end result is to restrict the growth of businesses. Significantly, the most recent Competitiveness Index has seen poor work ethic overtake inefficient government bureaucracy as the most problematic factor for doing business in Trinidad and Tobago.

Although the T&T Chamber accepts that there is need for a social safety net for the most vulnerable in society, the current

economic environment demands that such programmes must be properly regulated, supervised, and audited, and the State must not continue to be in competition with the private sector.

While the Chamber welcomes a modern and equitable property tax regime, it is mindful of the fact that we face challenging economic times. The revenues collected from property tax should not be used to service national debt or expenditure that cannot be met due to shortfall in energy revenues. The authorities must make the expenditure accounts of the tax revenue transparent and available to the public.

Prime Minister Rowley stressed on the need for reform of Local Government while on the campaign trail. This may be an opportunity to align the collection of property tax to meeting the needs of Regional Corporations.

Crime continues to be a major concern for business, and while we wholeheartedly concur with strengthening of our national security infrastructure, we similarly see a need to enhance our regulatory framework. The Chamber notes that National Security has been the recipient of the largest allocation in the budget.

The experience of CLICO and HCU mandates a commitment to putting in place the right governance structures and legislative reforms that will address all types of crime and corruption.

The T&T Chamber is heartened that the government has signalled its intention to lay out its full legislative agenda within the fiscal year. Among the pieces of legislation to be addressed will be the long awaited Insurance Bill. At present, we are functioning under an Insurance Act that was enacted some thirty-five years ago. This along with changes to the Credit Union legislation is long overdue and need to be addressed expeditiously.

Other legislations to enhance regulatory oversight have also been identified, including those governing the Securities and Exchange Commission, the Financial Intelligence Unit and the Central Bank. As always, the T&T Chamber stands ready to work with Government in reviewing legislation, especially those that impact upon the business sector.

A few initiatives that immediately stand out and for which the government must be congratulated are the promises to amend the existing procedures for appointment of a Commissioner of Police and his Deputies, allowing for video-conferencing facilities at the Remand Yard and giving the Judiciary the ability to manage its own resources. All of these are due to begin implementation in 2016, and the T&T Chamber trusts that wherever applicable, proper governance procedures will be put in place to ensure accountability.

While yesterday's budget identified a number of positive initiatives, a main concern for the T&T Chamber is the unsustainable deficit of \$21.4 billion that this year's budget brings. The Minister has cautiously referred to it as a "pre-adjustment deficit" while mentioning that \$18.6 billion of this will be addressed by additional revenue sources, the details of which are anticipated. Honourable Minister, we also look forward to the announcement of the longer term measures that will assist in bringing the budget into balance by 2018.

There are those who may be disappointed with aspects of the budget, however, the proof of the pudding, so to speak, will be in seeing the programmes unfold via legislative reforms and in administration from the Government and its agencies. While there is great appetite for big pronouncements, what we really need is better execution. If the Government can actually deliver on what it has set out to do, it will represent substantial progress in an economy hampered by lack of investor

confidence, almost singular dependence on energy, low labour productivity and an unrealistic reliance on the State.

I look forward to the presentations from our panel of experts, especially the Feature Address and the discussion that will follow during the Question and Answer Session.

Ladies and gentlemen, I thank you and do enjoy today's session.