



MEDIA RELEASE

March 24, 2017

**T&T CHAMBER RESPONDS TO FINANCE MINISTER'S PROPOSED FOREX
ARRANGEMENTS**

The Trinidad and Tobago Chamber of Industry and Commerce appreciates that the job of the Minister of Finance is a very difficult one – and more so in challenging times. We accept fully that he would be constantly searching for solutions to the many problems that confront us – including the issue of foreign exchange. For this reason, we believe the time has come for bold initiatives.

The T&T Chamber wishes to express its disappointment with the Government's announcement that there might be a return to what would, in effect, be a regime of Exchange Controls.

As laudable as the Honourable Minister's objective might appear to be, if he fails to change the underlying management of the exchange rate, such a measure, as proposed, would further decrease the amount of foreign exchange available to other key sectors and industries in our country. Government can be assured that numerous other groups which regard their businesses as just as significant as the manufacturing sector, will make equal or superior claims for access of foreign exchange.

We fully agree that government policy should seek to encourage the growth of the export business for manufacturers; however, it must not be done at the expense of providers of services. Ironically, a more dynamic and proactive management of the exchange rate would have achieved this.

Better management of the exchange rate would have permitted the TT dollar to find its right balance. If this flexibility is not permitted and instead exchange controls are implemented, this could be followed by a deep devaluation of the TT dollar.

Regarding these latest pronouncements, the Honourable Minister of Finance might wish to consider the impact of his statements on the foreign exchange markets. The T&T Chamber therefore urges the Minister to engage with all stakeholders before finalizing the new arrangements as outlined.

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