



The Chamber means BUSINESS

MEDIA RELEASE (Correction)

June 12, 2020

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MID YEAR REVIEW 2020

The Trinidad and Tobago Chamber of Industry and Commerce recognises that the country is in a difficult position given the current scenario.

In light of the developments in the international commodity market since the delivery of the 2019/2020 Budget, it was necessary to revise the budgeted price of **oil to US\$25 per barrel** from US\$60. Based on the uncertain demand for fuel in the coming months, even US\$25 per barrel may be optimistic.

Given the collapse of current prices for LNG, ammonia and methanol, the reduction of the budgeted **gas price to US\$1.80** per MMbtu from \$3.00 may not be conservative enough especially given the importance of natural gas to our economy.

Based on our concern as it relates to the revenue projections, we believe that the projected deficit may be understated.

We believe that the projected decline of 2.4% of GDP for 2020 does not appear to be aligned with the realities of the fall in energy prices and reduced domestic economic activity, now compounded by COVID-19 measures.

The outlook to rebound to 4.7% economic growth levels in 2021 is aggressive in comparison to historical low growth trends, projected energy prices, sluggish global demand, along with containment measures that may have to remain in place until a vaccine is found for COVID-19.

The T&T Chamber acknowledges that the Minister of Finance has made progress with regard to the payment of VAT refunds and we look forward to the final settlement of this matter. The Minister, however, did not address the issue of

settling arrears to government suppliers, which he committed to in a media release on March 18, 2020. We anxiously look forward to these long outstanding balances being paid expeditiously.

Against the current economic backdrop, it is even more crucial that we spend wisely, it is important to have the necessary framework to allow for transparency and accountability of government funds. We believe that the Public Procurement Regulations must be finalised and approved by Parliament, to allow the Act to be fully proclaimed and implemented.

The T&T Chamber continues to advocate for the implementation of the Trinidad and Tobago Revenue Authority (TTRA). The TTRA is long overdue but once implemented it will have the effect of widening the tax net to reduce the burden upon the compliant. We again call on the Opposition to act in the best interest of the country.

We look forward to the implementation of the recommendations of the Roadmap Committee to simulate our economy and drive much needed economic transformation. The T&T Chamber is committed to working with stakeholders on these initiatives. Our belief is that strong businesses are the foundation of a prosperous Trinidad and Tobago.

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For enquiries, please contact:

Rianna Paul

Manager, Trade and Business Development Unit

Email: rpaul@chamber.org.tt

FROM THE MARKETING AND COMMUNICATIONS DEPARTMENT