



New president of the Coalition of Services Industries, Dianne Joseph

## HSF withdrawal concerns TTCSI

The Trinidad and Tobago Coalition of Services Industries (TTCSI) is also raising concern regarding last week's revelation that the Government withdrew US\$160.38 million (\$1.09 billion) from the Heritage and Stabilisation Fund (HSF) on December 18, 2023.

Last Wednesday, the Guardian reported that the HSF quarterly report for the period October 1 to December 31, 2023 stated that the withdrawal was made in accordance with section 15 of the HSF Act (2007).

The HSF quarterly report stated that the withdrawal came from the fund's liquid assets, further clarifying that "assets from the US short-duration fixed income mandate were sold to meet this obligation."

TTCSI president Dianne Joseph, in a news release, said the HSF is a critical financial buffer for the nation, established to ensure economic stability and savings for future generations. Joseph said the Government must maintain transparency regarding the use of these funds to uphold public trust and ensure that withdrawals align with the objectives of the HSF Act.

She said the TTCSI acknowledges the challenges posed by declining natural gas prices and supports the call for robust discussions among stakeholders to enhance and diversify economic activity.

"We also recognise that one of the purposes of the fund is to take care of declines in the prices of natural gas, which is the situation in this case, where it has fallen by approximately 40 per cent. This development will likely trigger the instruments which can be used by the Minister of Finance under the HSF Act, to make a drawdown, which is one of the reasons for the HSF," Joseph highlighted.

She noted that the question may be the delay in reporting the drawdown to the nation and what may have caused the delay.

"Is it because of a challenge in the internal reporting processes or another factor? It will, therefore, be in the Government's best interest to provide appropriate details on the recent HSF withdrawal and to take strategic steps to address the current economic gaps while safeguarding the financial future. This will redound to the benefit of the people of Trinidad and Tobago," she added.

The T&T Chamber of industry and Commerce in their release last week said the Act is very clear about how the funds can be used.

"The HSF cannot be used to finance capital expenditure or as collateral for government borrowing directly," said the T&T Chamber, adding that there is specific guidance in the Act, so once the Fund is being utilised in the stipulated manner, there is no reason for concern.

"The Fund is designed to ensure the best interests of our people are served. The government is doing what it sees as necessary now and is within its rights based on the Act. We believe that this signals the need for ongoing robust discussions among stakeholders, with actions to be taken to catalyse and build other sectors of the economy to enhance and improve economic activity," the chamber added.