SENATE
Tuesday, December 15, 2020
The Senate met at 10.00 a.m.

PRAYERS

[Madam President in the Chair]

LEAVE OF ABSENCE

Madam President: Hon. Senators, I have granted leave of absence to Sen. Jayanti Lutchmedial who is ill. Hon. Senators, with your leave the Instrument will be received shortly and we will revert to the swearing in of the temporary Senator later in the proceedings.

MATTER OF PRIVILEGE
(DELIVERY OF RULING)

Madam President: Hon. Senators, at a sitting of the Senate held on Thursday December 10, 2020, I had reserved my decision on the matter of privilege raised by Sen. Paul Richards. I crave your indulgence to revert to this item later in the proceedings when I will deliver said ruling.

FINANCE BILL, 2020

Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters, brought from the House of Representatives [The Minister of Finance]; read the first time.

Motion made: That the next stage be taken later in the proceedings. [Hon. F. Khan]

Question put and agreed to.

PAPERS LAID

1. Forty-Second Annual Report of the Ombudsman for the year 2019. [The Vice-President (Mr. Nigel de Freitas)]


6. Ministerial Response of the Ministry of Finance to the Thirtieth Report of the Public Accounts Committee on the examination of concerns raised in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial years 2016, 2017 and 2018 with specific reference to the Ministry of Energy and Energy Industries (MEEI) and follow up on the implementation of the recommendations in the Fourth,
Fourteenth and Twentieth Reports of the Public Accounts Committee. [Sen. The Hon. F. Khan]


10. Ministerial Response of the Ministry of Public Utilities to the Thirty-First Report of the Public Accounts Committee on the Follow-up on the implementation of the recommendations in the Fifteenth Report of the Public Accounts Committee on the Examination of the Audited Financial Statements of the Water and Sewerage Authority of Trinidad and Tobago for the financial years 2008 to 2013. [Sen. The Hon. F. Khan]

11. Ministerial Response of the Ministry of Public Utilities to the Thirty-Second Report of the Public Accounts Committee on the Follow-up on the
implementation of the recommendations in the Sixteenth Report of the Public Accounts Committee on the Examination of the Audited Financial Statements of the Trinidad and Tobago Electricity Commission for the financial years 2012 to 2015. [Sen. The Hon. F. Khan]


**JOINT SELECT COMMITTEE REPORTS**

(Presentation)

**The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat):** Thank you very much, Madam President. Madam President, I have the honour to present the following reports as listed on the Order Paper and Supplemental Order Paper in my name:

**Fisheries Management (No. 2) Bill, 2020**

Joint Select Committee Reports (cont’d)

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Joint Select Committee Reports (cont’d) 2020.12.15

Miscellaneous Provisions (Local Government Reform) Bill, 2020

Representation of the People (Amdt.) (No.2) Bill, 2020

Cannabis Control Bill, 2020

URGENT QUESTIONS
Complaint by Head of Sentencing Commission
(Measures taken to Address)

Sen. David Nakhid: Thank you, Madam President. To the Attorney General: In light of the complaint by the Head of the Sentencing Commission in respect of the Commission’s inability to properly function, can the Attorney General indicate what measures are being taken to address the concerns raised?

Madam President: Minister of Agriculture, Land and Fisheries, you have two minutes.

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you, Madam President. Madam President, the Sentencing Commission Act was passed in 2000, but only came into effect in February 2018, when members of the commission were appointed. Madam President, suitable accommodation and staffing are being addressed for the commission. With the
constraints of the COVID-19 pandemic, both these matters had to be worked out on a phased basis.

In relation to this accommodation, Madam President, the Office of the Attorney General and Ministry of Legal Affairs has offered accommodation to the commission at the headquarters of the Attorney General’s Office and the Commission has requested specifically accommodation at Tower D.

Madam President, it is impossible to give access to Tower D given the impending move of the civil courts to that particular area. So that matter is still being worked out. That is the matter of the accommodation.

And the second matter, Madam President, the commission has requested a full complement of legal administrative and support staff and the hon. Attorney General and Permanent Secretary are working out the organizational structure with a view to providing the staffing that is approved for that particular commission.

Madam President, despite the appointment of the members, the hon. Attorney General and Permanent Secretary are also awaiting the determination of the terms and conditions of the members of the commission from the Salaries Review Commission. Thank you very much, Madam President.

Madam President: Sen. Nakhid.

Sen. Nakhid: In light of the fact that accommodation and staffing were just a couple of concerns of that commission, the commission has also said they have submitted its first annual report to the Office of the Attorney General for onward transmission to the Parliament. What has been done with that report?

Sen. The Hon. C. Rambharat: Madam President, Unfortunately, I am not able to provide that response but I undertake to do so in writing.

Drowning of Venezuelan Nationals
(Provision of Counselling)

Sen. Wade Mark: Thank you, Madam President. To the Minister of National Security: In light of the recent deaths by drowning of nineteen Venezuelan nationals, has the State provided counselling and grief support to their loved ones in this country?

Madam President: Minister of National Security, you have two minutes.

The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam President. Madam President, the loss of life in this tragic manner is upsetting. We the Government are aware that bodies were recovered close to the Venezuelan coastal town of Guiria and in Venezuelan waters. We have also been informed that unfortunately yesterday more bodies were found on the shoreline of Venezuela. We have been in constant touch with the Venezuelan authorities, both through the Ministry of National Security as well as the Ministry of Foreign and Caricom Affairs. We continue to see all sorts of speculation about the Trinidad and Tobago’s Coast Guard involvement in this, none of which is true.

The available information suggests that this was an accident of human smuggling. This fact seems to be overlooked, human smuggling and human trafficking are both illegal and not to be encouraged. It is very sad that once again the criminal elements involved in human smuggling and trafficking have through their nefarious activities caused the loss of lives, and we pray for their families.

With respect to whether they have loved ones in this country, as at this time we have not been provided with any such information. And I use the opportunity to just remind persons that both the borders of Venezuela, as well as the borders of Trinidad and Tobago remain closed. And it is illegal for persons to enter without
the requisite permission and authority.

**Sen. Mark:** Madam President, through you. Can the hon. Minister indicate whether talks are being held between the two authorities—that is Venezuela and Trinidad and Tobago—considering what the Minister has described as this “human smuggling” exercise that is taking place? Can the Minister advise this honourable House whether talks are taking place between the two countries, with a view to stamping out this human smuggling as the Minister has identified?

**Madam President:** Sen. Mark, that question does not arise. Any—

**Sen. Mark:** Madam President, can I ask the hon. Minister whether the Government has continued to deport Venezuelans via pirogue vessels back to that homeland?

**Madam President:** That question is not allowed. Next question, Sen Mark.

**Reports of Rape and Abuse at Safe House**

**(Steps to Address)**

**Sen. Wade Mark:** Thank you, Madam President. To the Prime Minister: In light of recent reports of rape and abuse of children at a safe house, can the Prime Minister indicate what steps are being taken by the Children’s Authority to immediately address said issue?

**Madam President:** Minister of National Security.

**The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young):** Thank you very much, Madam President. Madam President, there has been one recent again, very tragic, disturbing, and upsetting report of a young female being abused by a private sector security guard at a safe house. This is something that is receiving the Government’s full attention both through the Office of the Prime Minister and the section on Gender and Child Affairs under Minister Webster-Roy, as well as the Children’s Authority. So, there
is no recent report of rape and abuse of children, plural.

In any event, the Children’s Authority of Trinidad and Tobago is currently investigating the said allegation I just described of misconduct by a security officer who is attached to an external service provider. The officer has been removed from duty. The Child Protection Unit of the Trinidad and Tobago Police Service is also conducting their investigation into the allegation as well as the Children’s Authority. And please be assured, Madam President, that the Authority continues to seek the best interest of children who are placed in its care. And I hope that the necessary criminal charges will be brought against the security officer.

**Madam President:** Sen. Mark.

**Sen. Mark:** Can the Minister clarify the issue of abuse of children by those persons who are supposed to be taking care of them at this safe house run by the Children’s Authority?

**Madam President:** Sen. Mark, I would not allow that question. Any other question on this?

**Sen. Mark:** No, I will go on.

**Madam President:** Next question please.

**Explosion at NP’s Sea Lots Tank Farm**

**Conduct of Independent Inquiry**

**Sen. Wade Mark:** Thank you, Madam President. To the Minister of Energy and Energy Industries: In light of the recent explosion at NP’s Sea Lots tank farm, resulting in injuries to two persons, can the Minister indicate whether an independent inquiry will be conducted to determine the factors leading to this incident?

**Madam President:** Minister of Energy and Energy Industries.
The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. Madam President, as is public knowledge by now, at 12.54 p.m. on Friday 11th of December there was blast in the vicinity of tank four on the NP Sea Lots compound. The tank was being pumped off for maintenance work. The pumping-off exercise was virtually completed when the blast occurred. There were three injuries that led to hospitalization. Two have since been discharged and one person still remains warded. And I want to take this opportunity to wish him a speedy recovery.

An incident of this nature is not accepted in any sector but particularly the energy sector which deals with flammable fluids and gases. An investigation has commenced, several investigations for that matter of fact. There are statutory requirements to so do. The Ministry of Energy and Energy Industries, which is the regulator of the industry, has begun its own investigation into the accident. OSHA has also begun its own independent investigation into the incident. And NP took the lead also to commission an independent team outside of the NP’s portfolio to conduct its own investigation.

I think these three investigations will give a clear understanding as to what went wrong and what remedial action and preventative measures could be put in place not to have a reoccurrence of this exercise. I want to give the House the guarantee that all these reports will be made available to the public.

Madam President: Sen. Mark, the time for Urgent Questions has expired.

ORAL ANSWERS TO QUESTIONS

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. Madam President, we are pleased once again to indicate that the Government will be answering all questions on notice, save and except question No. 44 and question No. 46. Thank you.
Madam President: Questions No. 44 and 46 are deferred for two weeks.

The following questions stood on the Order Paper:

Negative Impact of Money Owed to NIB
(Measures Taken to Address)

44. Could the hon. Minister of Finance state:

In light of reports that many employers owe the National Insurance Board (NIB) approximately $437M in national insurance contributions for their employees, and that the reported 2018 ratio of contribution arrears to income increased to 10%, thereby having a negative impact on the National Insurance Fund deficit, can the Minister advise:

(i) what measures are being taken by the Government and the National Insurance Board to collect the contribution arrears owed by employers;

(ii) with regard to the measures identified at (i), is any consideration being given to offering an amnesty for the payment of outstanding contributions; and

(iii) what are the suggested time frames for said measures to be implemented? [Sen. C. Seepersad]

World Bank Public Expenditure Review 2019
(Progress Made re Recommendations)

46. Can the hon. Minister of Finance advise as to what progress has been made in implementing the recommendations contained in the World Bank Public Expenditure Review 2019, on reducing the inefficiencies in social protection spending in the country? [Sen. A. Deonarine]

Questions, by leave, deferred.
Commonwealth Secretariat Request
(Details of)

15. **Sen. Anil Roberts** asked the hon. Minister of Foreign and Caricom Affairs:

As regard the July 14, 2020 letter from the Commonwealth Secretariat requesting that the Government nominate a focal point to facilitate the arrival and monitoring of the General Elections by a Commonwealth Election Observer Team, can the Minister advise as to the following:

(i) who did the Government nominate as its focal point;

(ii) was said information communicated to the Commonwealth Secretariat; and

(iii) if the answer to (ii) is in the affirmative, by whom and on what date was the information communicated?

**Madam President:** Minister of Foreign and Caricom Affairs. [*Desk thumping*]

**The Minister of Caricom and Caricom Affairs (Sen. The Hon. Dr. Amery Browne):** Madam President, regarding the July 14, 2020, letter from the Commonwealth Secretariat requesting that the Government nominate a focal point to facilitate the arrival and monitoring of the General Elections by Commonwealth election observer team, I am advised that: One, the Permanent Secretary (Ag.), Ministry of Foreign and Caricom Affairs was nominated to serve as focal point. Two, the information was communicated to the Commonwealth Secretariat, and three, the information was communicated that the Permanent Secretary (Ag.) and by the Deputy High Commissioner of Trinidad and Tobago, London on 23 July, 2020.

**Madam President:** Sen. Roberts.

**Sen. Roberts:** Is the Minister aware that the Commonwealth Secretariat has put on record that it never received such communication?
Sen. The Hon. Dr. A. Browne: I am not aware of the assertion being made.

Madam President: Sen. Roberts.

Sen. Roberts: Will the Minister give the assurance that he will provide this Senate with those communiqués?

Sen. The Hon. Dr. A. Browne: Can I ask for a clarification of the question?

Sen. Roberts: The hon. Minister has stated that the Permanent Secretary wrote or communicated with the Commonwealth Secretariat advising that she would act—or he or she would act as the focal point—the Commonwealth Secretariat is on record as saying that they never received any information. So, could you provide the Senate with the communication from the Permanent Secretary to the Secretariat?

Sen. The Hon. Dr. A. Browne: I am not sure if the Member is asking, Madam President, for a written response to the oral question? I am not clear on what is being requested—or to circulate a document?

Madam President: Another supplemental? Yes.

Sen. Mark: Through you, Madam President. Can the Minister make available to this Senate the letter that was written by the Permanent Secretary to the Commonwealth Secretariat on the person who was appointed as the focal point individual for purposes of the General Elections on August 10, 2020?

Sen. The Hon. Dr. A. Browne: Madam President, I have no issue with such request and that can be provided to the Senate.

Madam President: Sen. Roberts.

Sen. Roberts: Could the Minister inform this Senate whether the focal point, the Permanent Secretary, and the Ministry of Foreign and Caricom Affairs followed up to ensure that the communiqué was actually received by the Commonwealth Secretariat?
Sen. The Hon. Dr. A. Browne: I am not in possession of such information at this time, Madam President.

Madam President: Next question. Sen Mark.

National Gas Company
(Measures Taken to Ensure Profitability)

23. Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:

In light of the decline in the profitability of the National Gas Company, can the Minister advise as to what measures are being taken to ensure an early return to the company’s profitability?

Madam President: Minister of Energy and Energy Industries.

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you, Madam President. Madam President, NGCs financial performance for its financial year 2019 was adversely impacted by falling prices for petrochemicals and natural gas liquids. These commodities account for almost 75 per cent of NGCs revenue. The combination of lower market prices and increased cost resulted in the compression of gross margin from 22 per cent in 2018 to 7 per cent in 2019, and thus the lower profitability.

The financial performance of the company has been further impacted by COVID-19 as the prices of commodities in particular, methanol, ammonia, LNG, and crude oil that impacted on profitability and liquidity of the company remain depressed throughout 2020.

NGC’s strategy towards improving profitability involves value creation, and optimization within its operation including the use of e-auctions, smart delivery and reduction of project overruns. Other major areas include step change and increased use of technology and digitalization to improve data collection from the field for real-time response and decision making. But more importantly, the
company is also enhancing the integration of its operation across the entire value chain and within the NGC group of companies to drive synergies and optimization in line with its strategy.

NGC is also involved in the gas value chain review undertaken by the Government which is directed to forging and improving the synergies within Trinidad and Tobago’s gas industry. The NGC group remains focused on the execution of strategy and resolution of critical business activities to support the long-term sustainability of the business. This strategy is focused on securing and expanding current business, national contribution, and developing the organization. I thank you, Madam President.

**Sen. Mark:** Madam President, can I ask the hon. Minister whether in his analysis as Minister, whether he sees NGC coming out of this very difficult period that it is currently experiencing in light of the uncompetitive gas price that the upstreamers are calling on NGC to pay, in order to secure gas supplies?

**Sen. The Hon. F. Khan:** Madam President, the Opposition continually and continuously misses the point. This world is based on consumerism. We have commodities that we sell, oil, gas, petrochemicals in particular, methanol and ammonia. Once the market for these commodities remain depressed there will be a challenge. We are price takers, we do not set prices. So we are optimizing NGC’s efficiency. We are getting them more involved in the entire gas value chain. But we are still at the mercy of the market. And all we have to hope as a nation is that the global economy starts to rebound, and starts to rebound as quickly as possible. That is why the COVID-19 vaccine is so important. Because we have to get markets for our products and markets that offer attractive prices. And attractive prices are based on supply and demand. It has nothing to do with what we are doing here. We are trying our best to optimize our efficiency, but we are still at the
mercy of the market.

**Madam President:** Sen. Mark.

**Sen. Mark:** Sen Roberts want to raise—and I will come back.

**Madam President:** Sen. Roberts.

**Sen. Roberts:** Hon. Minister, you spoke about gross margins decreasing from 22 per cent 2018 to 7 per cent. This gross margin is with the upstreamers. Is this not as a direct result of a negotiation between Trinidad and Tobago in Houston with the upstreamers like EOG?

**Sen. The Hon. F. Khan:** Gross margin from the downstream sale. That is where you actually physically get money. Because NGC is an aggregator, and prices are based on what you call a price curve. Where there is a base price and you get a higher price based on commodity prices, it is not solely dependent on upstream. Because when prices of commodity, in particular, methanol and ammonia are high, everybody is laughing towards the bank. We are in a depressed market and we just have to hope that the global economy picks back up. I cannot make this point sufficient to bring us back into an even keel.

**Madam President:** Sen. Roberts.

**Sen. Roberts:** Thank you Minister, you just alluded to the fact that it is a combination of downstream prices and upstream negotiation. So, could you tell us what percentage of that decrease in gross margin was due to a new negotiation done in Houston by the Government of Trinidad and Tobago with upstreamers?

10.30 a.m.

**Madam President:** Minister.

**Sen. The Hon. F. Khan:** The upstream gas prices is a function of the cost of production upstream. I have made the point in this Senate umpteen times over the last three years. The cost of production is increasing upstream largely because we
are now developing smaller fields. Our unit cost of production has gone up and if the unit cost of production goes up the upstream needs to continually invest. So they will have to charge a higher price for their product, like in any other industry, and the gas value chain takes that into account. However, when commodity prices are reasonable, the whole value chain makes money and I want to repeat, again, the real issue is not upstream price, the real issue is commodity price.

Madam President: Sen. Mark.

Sen. Mark: Can I ask the hon. Minister what role, if any, T&TEC has played in the situation now faced by the National Gas Company in respect of its profitability?

Madam President: Sen. Mark, I would not allow that question. Sen. Roberts.

Sen. Roberts: Minister, simultaneously after the upstream negotiation EOG, an upstream provider, announced an increase in the profitability in the Trinidad and Tobago company of 67 per cent—

Madam President: Sen. Roberts, a question, please.

Sen. Roberts: Due to the negotiation conducted, are you aware that EOG resources increased their profitability by 67 per cent?

Madam President: I would not allow that question. Next question, Sen. Mark.

Sen. Mark: Thank you, Madam President. Question No. 25 to the Minister of Education.

Madam President: No, 24 is before 25.

Illegal Venezuelan Migrants
(Measures Taken to Restrict Flow)

24. Sen. Mark asked the hon. Minister of National Security:
In light of the continued influx of Venezuelan migrants into the country, can the Minister indicate what measures are being taken to restrict the flow of illegal migrants at a time of the COVID-19 pandemic?

**The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young):** Thank you very much, Madam President. Madam President, a number of measures have been undertaken by the Ministry of National Security to restrict the flow of illegal immigrants into the country and in, particular, at a time of the global pandemic that is COVID-19. I use the opportunity through you, Madam President, to remind the population that every country with maritime borders has difficulties in securing a 100 per cent of their borders. We witnessed it in the United Kingdom. We witnessed it in the whole southern coast of European countries which have their coastlines on the Mediterranean.

Firstly, Trinidad and Tobago Coast Guard continues to maintain a 24-hour response capability around the coast line of Trinidad and Tobago, with specific focus on those areas commonly associated with unregulated landings by illegal migrants. This capability takes the form of maritime patrols by capital assets and interceptor vessels, also the coastal radar system. These patrols are augmented by land patrols in tandem with the Trinidad and Tobago Regiment, particularly in the southern part of Trinidad and Tobago. Further cooperation is maintained with police stations along the coast in these areas to assist with detention of persons who may be able to evade the continuous maritime patrols and reach the shoreline.

Secondly, to treat with persons who breach the borders and enter into Trinidad and Tobago illegally, the Minister of National Security declared the defence forces heliport facility an immigration station; further designated a building at the heliport as a quarantine facility. This facility is now used to house
and treat with persons caught in the act of breaching the border.

Lastly, the Trinidad and Tobago Defence Force has continued to conduct joint operations with the Trinidad and Tobago Police Service and the Immigration Division, with oversight provided by the National Operation Fusion Center. These specific questions—these specific operations are as follows:

a. Increased land border patrols, both foot and mobile in the nation’s forest and along the waterways;
b. Expansion of surveillance and information gathering operations; and
c. Intensification of deliberate targeted operations against persons involved in human smuggling and human trafficking trade.

Madam President: Sen. Nakhid.

Sen. Nakhid: Given this rather expansive operation that the Minister of National Security alluded to now, I would like to ask, through you, Madam President, how many people involved in, the human trafficking have we managed to capture?

Madam President: Minister.

Hon. S. Young: Thank you very much, Madam President. I do not have the exact number but over time and especially during this pandemic period, persons would have noticed that there were a number of persons charged, criminally charged, brought before the courts for the offences of human trafficking—well over 10, if I remember correctly, including some members, unfortunately, of the law enforcement.

Madam President: Sen. Mark.

Sen. Mark: Madam President, can the Minister indicate if what he has just given us, how many coast guard vessels are involved in these patrols to protect our borders from illegal migrants visiting our shores?
Madam President: Minister.

Hon. S. Young: Thank you very much. Madam President, this is a question that is continuously asked in both Houses. All of the serviceable vessels are used. We do not provide the exact numbers of vessels, what they are doing et cetera, for obvious national security reasons.

Madam President: Sen. Roberts.

Sen. Roberts: Can the Minister please tell us how many army camps and bases have been set up across the coastline, as he stated, to protect the southern coastline?

Madam President: Minister.

Hon. S. Young: Like the last question that was asked, that information cannot be provided. There are army camps. There is a main army base, La Romain, in the southern part of Trinidad with respect to what we call forward operating bases setup in various areas. We will never provide that information to the public. It will compromise operations.

Madam President: Sen. Mark.

Sen. Mark: Is the Minster aware that information has been raging in this country that there is only one serviceable coast guard vessel in operation in this country? Can the Minister confirm with this honourable Senate whether there is one serviceable coast guard vessel in operation in the fleet of coast guard vessels available to the coast guards?

Madam President: Sen. Mark, I would not allow that question. Sen. Roberts.

Sen. Roberts: Without divulging any secret information, I would alert the Minister that La Romain is not on the south-western coastline from Cedros—

Madam President: Sen. Roberts, can you please ask a question?
Sen. Roberts: How many bases or army patrols or army setups without stating where they are, are situated from Cedros to Fullerton?

Madam President: I think the Minister has already given an answer to that question. Next question, Sen. Mark.

Sen. Mark: Question No. 25 now, right?

Madam President: Yes.

Repayment of Scholarship Winners Moneys
(Measures taken to Ensure)

25. Sen. Mark asked the hon. Minister of Education:

In light of the Auditor General’s Report on the Public Accounts for 2019 in respect of the sum of approximately $26M owed to the State by scholarship winners, can the Minister indicate what measures are being taken to ensure the repayment of said moneys?

Madam President: Minister of Agriculture, Land and Fisheries.

The Minister of Agriculture Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, by way of backgrounds, students who were awarded scholarships, by or through the Government of Trinidad and Tobago, are required to serve a period of service upon completion of their course of study. This is mandatory. The period of service is determined by the amount of funds expended on the scholarship. Madam President, a scholar who fails to fulfil his or her period of service or is in breach of the scholarship agreement is required to repay all the funds extended on the scholarship. So in those circumstances, a student who is in breach may do one of three things. First, the student may repay the full amount owed. Second, the student may repay a lump sum amount agreed between the parties and enter into a repayment period to make monthly instalments over a period of time, but thirdly, Madam President, the student may enter into a

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repayment agreement where monthly instalments are paid over an agreed period of time.

So those are the three measures where there is a default and students have to repay. Madam President, I just want to point out, insofar as the question refers to the Auditor General’s Report, a sum of 26 million referred to in the Auditor General’s Report is in respect of 158 defaulting scholars. Madam President, the default took place during the period when my friends on the other side were in Government and since they failed to act within the period set by the law to bring the actions against the defaulting students, of those 158 scholars referred to in the Auditor General’s Report, 86 are in respect of claims which are now statute-barred. So the failure to enforce the obligation to repay, or take action to recover within the time limited by law has meant that the Ministry is unable to proceed against 86 scholars. And of course, the Ministry will take the appropriate action in respect of not only the remaining defaulting scholars, but all defaulting scholars, Madam President, I thank you.

Madam President: Sen. Mark.

Sen. Mark: Can the Minister share with this honourable House, how many defaulting scholars are there in the system at this time?

Madam President: Well, Sen. Mark, I would not allow that question because the question was specific to a certain time frame. Yes.

Sen. Mark: Yes. Can I ask the hon. Minister whether the other students— and I did a quick check here, we are talking about close to about 72 students— have the system outlined of payment? Have these students been honouring this particular system that the Minister has outlined to meet their outstanding obligations to the State and to the people?

Madam President: Minister.
Sen. The Hon. C. Rambharat: Madam President, I thought my colleague would have understood the word “default”. They are defaulting students because they have failed to meet the obligation to repay. And once they have failed to meet the obligations, then, as I said towards the end of my response, the Ministry of Education, is taking the appropriate measures in respect of those students whose—against whom the action is not statute-barred to recover the sums which are due.

Sen. Mark: What are these measures—hon. Minister, through the President, can you enlighten us on the measures? Because I thought he had outlined the measures and I was asking, Madam President, whether these measures have been effected, and what is the status, literally, of the remaining students? But I got a different answer. So could he outline to us the measures he is talking about?

Madam President: Sen. Mark, I do not think you need to repeat it. Minister.

Sen. The Hon. C. Rambharat: As I have indicated, Madam President, the measures are the appropriate measures, which is to indicate to the individual students that the debt is due, a demand is made, the student may or may not come forward to take advantage of one of the three measures, options I outlined in my first answer. And failing satisfactory settlement of the debt, Madam President, then the Ministry has recourse through the court. Thank you.

Madam President: Sen. Mark.

Sen. Mark: Can I ask the hon. Minister whether the Ministry is contemplating taking legal action against those defaulting students?

Madam President: Minister.

Sen. The Hon. C. Rambharat: Madam President, as I previously indicated, when I used the appropriate measures, the possibility of taking legal action is always alive in these matters.

Madam President: Next question, Sen. Roberts.
COVID-19
(Other Drug Treatment Used)

34. **Sen. Roberts** asked the hon. Minister of Health:

Having regard to the Minister’s statement during the Standing Finance Committee proceedings on June 10, 2020, in which he indicated that one of the drugs used to treat COVID-19 patients, namely the immune globulin (human) drug, costs between $100,000 to $200,000, can the Minister indicate what are the other drugs, in said price range, used to treat COVID-19 patients?

**Madam President:** Minister of Agriculture, Land and Fisheries.

**Sen. The Hon. C. Rambharat:** Madam President, I am pleased to say that there are no other drugs used for COVID-19 which fall within the price range 100 to 200,000. Thank you very much.

10.45 a.m.

**Sen. Roberts:** How many patients have been treated with this extremely costly drug or drugs?

**Madam President:** No. Sen. Roberts, I will not allow that question.

**Sen. Roberts:** What is the success rate of this prohibitively costly drug?

**Madam President:** I will not allow that question either. It does not relate to the question that has been posed and the answer received.

**Sen. Roberts:** Has any other country utilized this extremely costly drug?

**Madam President:** I will not allow that question either.

**Sen. Roberts:** What are the criteria, symptoms or risk factors which make this costly drug feasible?

**Madam President:** Sen. Roberts, that question is not allowed.

Next question. Sen. Roberts. [Crosstalk]
Patrols by Air Guard
(Details of)

35. Sen. Anil Roberts asked the hon. Minister of National Security:
As regard patrols carried out by the Air Guard over the period March 22, 2020 to September 30, 2020, can the Minister indicate the following:
(i) the number of patrols carried out over the said period; and
(ii) the number of patrol hours identified at (i)?

The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam President. Madam President, the specific operations of the Trinidad and Tobago Air Guard—the specifics of the operations of the Trinidad and Tobago Air Guard is a matter of National Security, and will not be placed in the public domain as it will compromise operations and national security.

Sen. Roberts: Is the hon. Minister aware that in the public domain and printed in articles in October 2020 and July 2017, it was stated by the hon. Prime Minister that the Air Guard could not be funded, and that the 23 pilots were let go, and as of this day in August 2020, the air guard had no available helicopters nor planes to do surveillance?

Hon. S. Young: True, Madam President. The hon. Prime Minister in June 2017, informed the population that the cost of maintaining four AW139 helicopters was too high for Trinidad and Tobago, and it was not something in our prioritization that we would continue, of course, based on exorbitant contracts that were negotiated in the period pre-2015. In fact, the only thing that was kept over from the OPV vessels, strangely enough, were the helicopters, the AW139s, and the country knows very well what they were used for. So, in an effort to ensure that the country got value for money, those helicopters were grounded. Madam President,
AW139 is back up in the air, and there are other air assets that have been used by the Trinidad and Tobago Air Guard throughout this whole period of time.

**Sen. Roberts:** Hon. Minister, in a report 2017, it was indicated to the public that air surveillance on the two C-26 Metroliner aircraft was deemed obsolete. Have these critical surveillance systems been updated and/or replaced?

**Madam President:** No, Minister. Sen. Roberts, I will not allow that question. Yes?

**Sen. Roberts:** The mission of the air guard is to defend the sovereign good of the Republic of Trinidad and Tobago. Is it the hon. Minister’s statement here that during this pandemic we have not had the services of the air guard to protect our borders?

**Madam President:** I will not allow that question either. Next question. Sen. Richards.

**Sen. Roberts:** I have another supplemental.

**Madam President:** On what, Sen. Roberts?

**Sen. Roberts:** On the same question. I only asked three.

**Madam President:** You have one more. You wish to ask something that is relevant? Go ahead.

**Sen. Roberts:** I will try my best, Madam President, yes. How many pilots were on active duty at the air guard during the period March to August 2020?

**Madam President:** That question is not allowed. Sen. Richards.

**Transportation of Prisoners**

**(Details of)**

45. **Sen. Paul Richards** asked the hon. Minister of National Security:

Can the Minister provide the following information in relation to the transporting of prisoners:
(i) the amount spent annually on said transport to and from Court in 2018 and 2019; and
(ii) the amount saved on prisoner transport during the period April 01 to October 31, 2020, owing to the decreased movement of prisoners during the global pandemic period?

The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam President, and to Sen. Richards. The annual cost to transport prisoners in 2018, was $41.485 million. In 2019, the cost was reduced to $33.531 million. With respect to the savings in 2020, as a result of COVID-19, I directed that the Ministry of National Security engage with NIPDEC, who is the contracting agent on behalf of national security, along with the private sector company, to reduce the cost based on a decreased demand for prisoner transport. These discussions are ongoing and have not yet been finalized.

Sen. Richards: Can the Minister advise when these discussions will be finalized? Is there a timeline involved?

Hon. S. Young: Sorry, Madam President. I met with the Permanent Secretary up to last week, when they were engaging in discussions with NIPDEC directed at what they should do is agree a very low-base figure, and then for transport that is provided above that level, agree a per transport cost, especially due to the lack of transporting prisoners in COVID to and from courts. There is still a need to transport prisoners to the prison when they are held and they have finished their quarantine period. Those discussions are ongoing. I have told them that it is very urgent, and they should be concluded shortly.

Sen. Richards: Thank you, Madam President. Can the Minister advise if the cost for transportation of prisoners to and from court then is on a per trip basis? How is
it organized? How is it itemized?

Hon. S. Young: I asked them and it is the end of negotiations along the lines of what I have just described. I am leaving them to complete their negotiations. When they are finished, they will bring it back. If I am satisfied with it, I will then take it to Cabinet, if not, I will then give further policy directions.

Sen. Richards: Can the Minister undertake, if possible, to identify the degree of reduction in transportation that would have occurred for the period identified in the question, the original question?

Hon. S. Young: Sorry, I did not get the—

Madam President: Can you repeat that?

Sen. Richards: Sorry. Can the Minister undertake to identify and provide to the Parliament, the degree of reduction in transportation services provided by the company for the period identified?

Madam President: Well, I think that you are asking him to provide something—anyway. I think that question is not allowed. Any more questions?

Income Support Grants
(Details of)

47. Sen. Amrita Deonarine asked the hon. Minister of Finance:

Given that in the 2019/2020 Mid-Year Budget Review Statement, the Minister indicated that 25,000 Income Support Grants had been paid at that time, to persons in the informal economy who have lost their jobs/incomes as a result of COVID-19 measures, can the Minister indicate how many Income Support Grants have been paid to persons in the informal economy as at September 30, 2020?

The Minister of Finance (Hon. Colm Imbert): Madam President, 47,330.

Sen. Deonarine: Thank you, Madam President. Through you, Madam President,
could the hon. Minister identify whether there was any significant difficulty in identifying these persons in the informal sector who were in need of salary relief grants?

Hon. C. Imbert: Madam President, this question simply asks:

“…how many Income Support Grants have been paid to persons in the informal economy as at September 30, 2020?”

So the answer to that 47,330. What I can say is that the total value is $144,402,750. But with respect to those other matters, I want to point out that income support grants for persons in the informal economy, as opposed to persons registered in the NIS system in the formal economy, are processed and paid by the Ministry of Social Development and Family Services and not by the Ministry of Finance. It is a common misconception that the Ministry of Finance is responsible for the income support grants. I will endeavour to get the information for the hon. Senator.

Sen. Deonarine: Thank you, Madam President. Thank you, hon. Minister. In light of the response given, could you advise whether there are any measures that would be taken to incorporate those persons in the informal economy who received salary relief grants into the formal economic system?

Madam President: No. Sen. Deonarine, that question is not allowed.

Medical Practitioners Required to Courier DNA Samples
(Measures Taken to Address)

48. Sen. Dr. Maria Dillon-Remy asked the hon. Minister of National Security:

In light of reports that over the past year medical practitioners in Tobago have been required to courier DNA samples to the Forensic Sciences Centre, in accordance with the Sexual Offences (Amdt.) Act, 2019 and the Administration of Justice (Deoxyribonucleic Acid) Regulations, 2018, can the Minister advise:
(i) whether this is considered to be an efficient and appropriate use of expert medical practitioners; and
(ii) if the answer to (i) is no, what can be done to correct this situation?

The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam President, and to Sen. Remy. The current arrangements surrounding the transportation of DNA samples by medical practitioners to the Forensic Science Centre is in accordance with the Sexual Offences (Amdt.) Act, 2019, and the Administration of Justice (Deoxyribonucleic Acid) Regulations, 2018. Consequently, any change to this arrangement will require amendments to the respective legislation.

Sen. Dr. Dillon-Remy: Minister, based on your response, do you think it is something that would be considered, given the fact that a practitioner takes a day from his or her duty to come from Tobago to Trinidad just to courier a sample?

Hon. S. Young: Madam President, I can have this matter looked into, because I understand the difficulties that you have described. If it is found that there is a more efficient way—because I understand there will be a cost implication anyway—for it to be done, then we will look at it, and if there is necessary amendments to be brought to the legislation after consultation, we will do so.


Scholarship Funds Payment
(Reasons for Delay)

50. Sen. Paul Richards asked the hon. Minister of Education:
Can the Minister advise as to the reason(s) for the delay in payment of scholarship funds to many students who are studying overseas?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence...
Rambharat): Thank you, Madam President and I thank Sen. Richards for the question. Madam President, the total number of Trinidad and Tobago scholars currently studying overseas is 479. These students are paid a monthly personal maintenance allowance on a quarterly basis, as well as tuition and compulsory fees which are paid on an annual or semester basis. So, Madam President, I will deal first with the personal maintenance allowances and then the tuition and compulsory fees.

Madam President, in relation to the personal maintenance allowances, as at December 01, 2020, 438 of the 479 overseas scholars have been paid the personal maintenance allowance due for the quarter ending December 31, 2020. So 91 per cent of the overseas scholars have received their personal maintenance allowances. In respect of the remaining 41 overseas scholars, Madam President, payment will be made upon receipt of the relevant documentation from the academic institutions, that is, the status and the enrolment letter and the yearly academic transcripts.

With respect to the tuition and compulsory fees, Madam President, I want to say that of the 479 student scholars, invoices for 250 were received and payments have been made to the appropriate institutions. Of the remaining 229, Madam President, invoices have not been received for 184. The Ministry of Education Scholarship Division is not obligated to pay tuition of compulsory fees for 49 for the academic year 2020, and that is because: 19 are paid by the Cuban Government; four have opted not to accept the tuition payment; one is on leave of absence due to personal reasons; 20 are on work-term sessions as part of their programme of study and one has already defaulted on his contractual obligations.

So, Madam President, of the 479 overseas scholars, 438 or 91 per cent have already received their personal maintenance allowances. Payments are to be made
to 41, once the documentation is received. And in respect of the tuition and compulsory fees, 250 of the 479 have received the tuition and compulsory fees, 184 would be settled once the invoices have been received and 45 are not to receive anything because of the reasons I have outlined. Thank you. [Desk thumping]

COVID-19 Relief Grant
(Criteria Used to Determine)

51. Sen. Paul Richards asked the hon. Minister of Social Development and Family Services:

Having regard to the COVID-19 relief grant, can the Minister advise as to what criteria are used to determine whether a person qualifies?

The Minister of Social Development and Family Services (Sen. The Hon. Donna Cox): Thank you, Madam President. The Ministry of Social Development and Family Services advises that with regard to all COVID-19 relief grants, established criteria are as follows. Applicant must have been retrenched, terminated or experienced a reduction in income on or before March 01, 2020; the applicant must be a national citizen of Trinidad and Tobago; the reduced income of the household minus statutory deduction must not exceed $10,000 per month.

Sen. Richards: Thank you. Can the Minister identify if there are persons who would have fallen to a category where the information was not provided by their employer in any particular category? Could the Ministry intercede? Can the Ministry identify if there are persons other than the categories that were identified, where their employers may not have provided information for them to access a grant of some kind?

Madam President: Sen. Richards, that question does not arise. Any further questions?
Sen. Richards: No, no.

PERSONAL EXPLANATION

Matter of Privilege

(Sen. Jearlean John)

Sen. Jearlean John: Thank you, Madam President, for granting me leave in accordance with Standing Order 22, to provide a personal explanation to statements attributed to me in a Newsday article dated Wednesday, December 09, 2020, under the heading:

“Jearlean John upset at Independents’ vote on Procurement Bill”.

I am to advise that on the 9th day of December, 2020, the Newsday article referred to at caption contained statements reportedly made by me, following the Senate debate on the Procurement Bill on Tuesday, December 08, 2020.

Madam President, there were very strong public statements and severe criticisms on the Bill. I along with my Opposition colleagues joined with this heightened public concern about the Bill. It is in this context, and immediately following the debate, I made some remarks. I advise that at no time did I mean any harm and ill-will or disrespect to any Independent Senator and by extension the Senate. In this regard, Madam President, I humbly apologize to Sen. Dr. Maria Dillon-Remy, to you Madam President, and to the Senate for the criticisms made. I thank you. [Desk thumping]

Madam President: Hon. Senators, I am now prepared to rule on the question of privilege raised by Sen. Richards during the sitting held on Thursday, December 10, 2020. The Senator alleges that statements made by Sen. John sought to undermine the integrity of Sen. Dillon-Remy, lower her estimation in the general public as well as cast aspersions on her character.

It is my role as guardian of the privileges of this Senate, to balance the
freedom of speech and comment of Members while protecting the improper obstruction of Parliament’s functions. While Senators have the liberty to freely express their views, particularly on matters of significant national interest, this liberty ought not to be abused by directly or indirectly imputing motives to any Member of Parliament.

In light of the personal explanation proffered by Sen. John earlier, I will not be referring Sen. John to the Committee of Privileges. [Desk thumping] In this particular case, Sen. John’s personal explanation has enabled this Senate to avoid having to pursue this matter further. It is a course not only eminently sensible, but it is the duty and the responsibility of all hon. Senators to avoid making statements which can be interpreted as constituting improper reflections on the character and conduct of the Members of this Senate, or which otherwise might have the tendency to bring this Senate and its Members into disrepute.

**JOINT SELECT COMMITTEES**

**(Extension of Time)**

**Fisheries Management (No. 2) Bill, 2020**

*The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):* Thank you very much, Madam President. Madam President, having regard to the Interim Report of the Joint Select Committee appointed to consider and report on the Fisheries Management (No. 2) Bill, 2020, First Session (2020/2021), Twelfth Parliament, I beg to move that the Committee be granted an extension to July 31, 2021, to complete its work and to submit a final report.

*Question put and agreed to.*

**Miscellaneous Provisions (Local Government Reform) Bill, 2019**

*The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):* Madam President, having regard to the Interim Report of the Joint Select
Committee appointed to consider and report on the Miscellaneous Provisions (Local Government Reform) Bill, 2019, in the First Session (2020/2021) Twelfth Parliament, I beg to move that the Committee be granted an extension to March 31, 2021, to complete its work and submit a final report.

*Question put and agreed to.*

**Representation of the People (Amdt.) (No.2) Bill, 2020**

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, having regard to the Interim Report of the Joint Select Committee appointed to consider and report on the Representation of the People (Amdt.) (No. 2) Bill, 2020, First Session (2020/2021), Twelfth Parliament, I beg to move that the Committee be granted an extension to June 30, 2021, to complete its work and submit a final report.

*Question put and agreed to.*

**Cannabis Control Bill, 2020**


*Question put and agreed to.*

**FINANCE BILL, 2020**

The Minister of Finance (Hon. Colm Imbert): Madam President, I beg to move:

That a Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters, be now read a second time.
The Finance Bill, 2020, which is aimed at implementing fiscal measures and other matters that were announced in this House and the other place in October of 2020, is consistent with our theme for the 2021 budget, which is, “Resetting the Economy for Growth and Innovation”. We believe that the fiscal measures set out in the Bill will help to achieve just that, despite the many challenges we have faced in 2020, as a result of the pandemic, and the challenges we will face in 2021, in terms of commodity prices and production of oil and gas and supply chain disruptions, among other things.

Just let me remind hon. Senators and the public at large about the circumstances in which Trinidad and Tobago and indeed the world finds itself. In March of this year or even sometime before that, in January, the people of Trinidad and Tobago were advised about the emergence and rapid global spread of this deadly COVID-19 virus. We watched on as the virus ravaged other countries, producing terrible human loss and economic shock. And then on March 11th, the World Health Organization declared the virus to be a pandemic and on March 13th COVID-19 reached our shores with our first confirmed case.

Since then, we have sought to deal with the implications to the health and well-being of our citizens, and we have put a number of plans into action, including the roll out of a world class parallel health care system, which continues to respond effectively to the management of the pandemic; an initial lockdown to contain the spread of the virus; numerous public health restrictions, including an emphasis on physical distancing and then the August 2020 mandate for the wearing of masks, sanitization, the regular washing of hands, limitation of group sizes and other good health and safety practices.

We continue to provide our health sector with all necessary resources. Additional medical personnel have been hired, medical equipment and personal
protective equipment sourced, hospitals and health care facilities upgraded and commissioned and specific sites dedicated to treating infected people have been identified and are in place. Stepdown convalescent facilities are also in place.

We have also taken concrete steps to secure access to a vaccine once it becomes available, in the first instance, for the most vulnerable in our population. Now, with the encouraging news that two vaccines with high efficacy rates are set to hit the market—in fact, I saw yesterday that New York had begun to vaccinate its residents. We believe that in the near future, in the next couple of months, a significant majority of Trinidad and Tobago citizens can be vaccinated, but we have suffered a terrible economic toll because of the pandemic which has also manifested itself in a very sharp decline in oil and gas prices. Oil prices are still in the 40s, down from 63 or 65 at the beginning of the year. Gas prices are down and oil production and gas production are struggling. But, we have continued to engage in an active social agenda, aimed at averting marginalization and alleviating poverty with a very well-targeted social safety net.

But, we cannot lose sight of the fact that the country and the world remain under severe financial strain due to the pandemic. We have to skilfully and deliberately navigate through the current circumstances in order to avoid, as far as possible, catastrophic effects. So we must make compromises, and this Bill seeks to address fiscal measures from a compromised position.

The Bill itself has a number of clauses, but because of the way the Bill is structured, I am not going to proceed in sequence. I would move from clause to clause. The first clause is self-explanatory, it is the title. Clause 10 is the commencement provision containing the date from which the provisions of the Act will come into force, and that is January 01, 2021. If I look now at the measures announced in the 2021 budget, starting with motor vehicle imports, we are making
a number of adjustments to the Motor Vehicles and Road Traffic Act as it relates to
motor vehicle tax, the Value Added Tax Act and the Customs Act.

And clause 2 of the Bill, we are proposing that the Motor Vehicles and Road
Traffic Act, be amended by repealing and replacing paragraphs 8, 9 and 10 with
new paragraphs. The substitute paragraphs will provide for an exemption on motor
vehicle tax for all new vehicles manufactured to use compressed natural gas, new
electric vehicles with an engine size not exceeding 179 kilowatts and new hybrid
vehicles with an engine size not exceeding 1999 cc and this is the proviso—this
was not previously announced, we have announced it in the other place recently—
once those vehicles have been imported for commercial use.

11.15 a.m.

So we are maintaining exemptions on taxes and duties for CNG, electric and
hybrid vehicles once they are for commercial use. The MVT exemption—and that
is new vehicles I am talking about—MVT exemption will also apply to used
vehicles once they are imported for commercial use and not older than three years
from the year of manufacture. These vehicles, new and used, CNG, electric and
hybrid for commercial use will also be exempted from the payment of VAT and
customs duty. And that can be found at clause 6 of the Bill where—and this is the
Value Added Tax Act and the amendments to the Customs Act at clause 9.

As it pertains to private motor vehicles, we are amending the Motor Vehicles
and Road Traffic Act in Part I of Appendix A by inserting new rates for motor
vehicle tax for private motor vehicles as follows. New CNG and hybrid vehicles
with an engine size not exceeding 1599 ccs and new electric vehicles with an
gine size not exceeding 159 kilowatts will now attract $4 per cc in MVT, and I
may say that is the lowest rate of motor vehicle tax at this time on any vehicle.
Used CNG and hybrid vehicles with an engine size not exceeding 1599 ccs and
used electric vehicles with an engine size not exceeding 159 kilowatts which are not older than three years will attract a motor vehicle tax $3 per cc; again the lowest rate at this time.

With respect to the customs duty a new rate of 20 per cent would be imposed on private motor vehicles, whether used or new, that are electric, hybrid or CNG and which have an engine size not exceeding 159 kilowatts or 1599 ccs, respectively. This rate of duty is 5 per cent lower than the current lowest level of import duty for private motor vehicles with an engine size smaller than 1599 ccs. This is at clause 9 of the Bill. The net effect of these amendments, Madam President, is that in these very challenging times the Government can begin to recover some of the revenue foregone over the last few years with our changes to the taxation system for motor vehicles.

We have lost, the last time I checked, close to $1 billion in revenue by the measures we have done since 2016 exempting motor cars, as well as plugs from foreign exchange leakage which is the more important point while continuing to provide incentives to persons to purchase energy-efficient and environmentally friendly CNG, hybrid and electric vehicles because we are giving them the lowest rates of tax and duty. And as I indicated earlier, for commercial use it would still be tax free. I want to make a point at this time with respect to the numbers we are talking about. The total value, CIF, landed for vehicles in Trinidad and Tobago in 2019 was $2.7 billion of which $2 billion was for private motor vehicles, believe it for not; US $300 million in foreign exchange went out of Trinidad and Tobago to purchase private cars in 2019—US $300 million. The total number of vehicles is in the vicinity of 25,000 of which close to 20,000 are private cars.

So when you look at the configuration of vehicles coming in just about 5,000 are public transportation, buses, trucks, commercial trucks, et cetera, and
20,000 are private cars. So the vast majority of vehicles coming in are private cars and the cost to the country, US $300 million in foreign exchange, and we can hardly afford that level of leakage at this point in time. So that is the primary reason for the measures to suppress demand to some extent and to reduce the leakage of foreign exchange for motor cars.

The next theme is technology, transformation and innovation—and, Madam President, how much more time do I have?

Madam President: You finish at 38 minutes past 11.

Hon. C. Imbert: Twenty minutes, okay, approximately. Thank you. COVID-19 has presented a critical impetus and a catalyst for Trinidad and Tobago to begin unlocking the potential of digital technology in all sectors of the economy and the country, including in education, agriculture, business, et cetera. We intend—it is part of our manifesto promise and part of our budget statement—to move as quickly as we can towards a digital society. In order to assist this process we had already exempted laptop computers, notebook computers and tablet computers from taxes and duties by Legal Notice No. 314 of 2020, as well as online purchase tax. We already did that, we used the legal notice system, but both of those legal notices will expire on December 31, 2020. So that is Legal Notice 314 and Legal Notice 315 which dealt with taxes and duties. It is necessary therefore since those notices expire on December 31st to change the law of itself, the parent law.

So amendments are proposed to be made to Schedule 2 of the Value Added Tax Act, Chap. 75:06, to provide for the permanent removal of the payment of VAT on laptop computers, notebook computers and tablet computers beyond December 31st. It is also proposed that the remission of online purchase tax on these items will also continue beyond the December 31st and this will be effected through an amendment to Part XV of the Miscellaneous Taxes Act. And it should
be noted that these items do not presently require duty at this point in time. So the net effect at this time, before this legislation is approved by this House, is that no tax is payable on laptop computers, notebook computers and tablet computers. We also propose to implement a similar tax-free structure for mobile and digital equipment, cell phones, software, accessories and peripherals. This will be effected by additional amendments to Schedule 2 of the Value Added Tax Act, Part VX of the Miscellaneous Taxes Act and the Customs Act. These amendments are found at clauses 6(d), 8 and 9 of the Bill.

We also want to incentivize persons and companies who invest in technology and innovation and this flows from a specific recommendation in the Phase 2 report of the Roadmap for Trinidad and Tobago post COVID-19 recovery. Following that recommendation to facilitate venture or private equity funding and access to capital for start-ups, especially in technology, the Finance Bill, 2020, at clause 4(1) includes amendments to the Corporation Tax Act, Chap. 75:02 to introduce new sections 10R, 10S and 10T to achieve three goals; first, a financial incentive for persons who invest in tech start-ups and new tech business; second, providing financial relief to businesses that incur expenditure towards engaging in technology solutions and digitization; thirdly, providing a financial incentive for creating employment in the technology industry, particularly for young people up to the age of 35. These amendments to the corporation tax will introduce more allowances: the tax allowance equal to 150 per cent of actual expenditure incurred in respect of investment in start-ups and new tech business to a maximum of $3 million; tax allowance equal to 150 per cent of actual expenditure incurred in respect of engagement in digital technology solutions up to $3 million; three, a tax allowance equal to 150 per cent of actual expenditure incurred in respect of creating employment for young people in the technology field up to a maximum of

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We also felt that we should make a bold step, take the risk to forego tax revenue in order to put more money, more disposable income into the hands of our citizens to boost spending, to boost our consumption of products, to boost employment. So as an additional step towards easing the burden borne by citizens during these very challenging times the Bill at clause 3(a) amends the Income Tax Act to increase the personal allowance for which no income tax is payable from $72,000 to $84,000 or from $7,000 a month to $6,000 a month. This will provide hundreds of thousands of citizens with additional tax-free income and will result in persons whose monthly salary is $7,000 or less paying no tax. This will cost the Government an estimated $750 million per year in revenue but we believe in the long term the net effect on our GDP will be much greater due to the expected stimulation in economic activity. It also will assist persons in these difficult times and this is quite a few of your mainstream workers, police officers, public servants.

The median income in Trinidad and Tobago is in this range, 6/$7,000, and therefore this is going to assist the vast majority of taxpayers by putting an additional $250 per month into their pockets. So we felt that in this time we need to do things to encourage people to spend and therefore encourage small businesses and encourage employment in small businesses in particular. We also had an approach from the energy sector, small onshore oil producers. They have asked us to change the regime for supplemental petroleum tax because they find it difficult when the price of oil hits $50. The SPT immediately kicks in and it makes it difficult for them to invest. So we have agreed that we will amend the Third Schedule of the Petroleum Taxes Act, and this is done by clause 5 of the Bill, to increase the threshold for the imposition of the SPT, supplementary petroleum tax, from US $50 to US $75 per barrel for financial years ’20, ’21 and ’22 in the first
instance, and we will see how it goes. And if it is working and it is causing increased investment by these small onshore oil producers we will continue.

Part B of the Third Schedule of the Act will also be amended to allow for this concession to be available only to small onshore producers, meaning producers who produce less than 2,000 barrels per day of crude oil.

We also felt we should try and help young people to get their first home. Previously we had taken steps to help young persons to get a first home by exempting from stamp duty a deed in respect of a conveyance on the sale of property with the value of the consideration did not exceed $1.5 million. But as the price of homes increases we are now proposing to amend the threshold further to increase the threshold for the exemption for stamp duty for first-time homeowners to $2 million. This will save first-time homeowners up to $28,000 in stamp duty and we expect it to benefit 1,000 families per year.

Property Development: Madam President, the report on the Roadmap for Trinidad and Tobago identified the construction sector as critical to jumpstarting and catalyzing the economy. One of our immediate focuses in this upcoming fiscal year will be on boosting activity in the construction sector through an accelerated work programme that is driven by increased and strategic construction investment on the part of both the Government and the private sector, in particular the private sector. To boost property development the Bill before us includes, at clause 6(j), an amendment to the Corporation Tax Act to repeal and replace section 16 to allow approved property development companies to claim as a deduction an amount equal to 20 per cent up from the present 15 per cent of the capital expenditure incurred in the construction of commercial or industrial buildings which have commenced on or after January the 1st, 2015, and are completed on or before December 31, 2024. And as I did in the other place, I may have a potential benefit
from this in the future and I declare my interest.

Small and medium enterprise stock market: In an effort to promote access by small and medium enterprises to equity funding, it is proposed that existing incentives to SMEs that become listed on the stock exchange be enhanced. Clause 4(a) of the Bill amends section 3 of the Corporation Tax Act by allowing SMEs that are listed on the stock exchange to enjoy relief for a period of 10 years. It further provides the rate of tax for the first five years, it shall be zero per cent, a full tax holiday. The rate of tax for the remaining five years shall be 15 per cent, representing a 50 per cent tax holiday from the existing rate of tax for companies at 30 per cent.

Wear and tear for plant and machinery: The final measure mentioned in the 2021 budget statement included in the Bill can be found at clause 3(b) of the Bill. That provision seeks to amend class B of the Seventh Schedule of the Income Tax Act, Chap. 75:01, to increase the wear and tear rate for plant and machinery from 25 per cent to 30 per cent. And again, Madam President, I may have an interest in this in the future so I declare an interest.

Creative and sporting activities: We also propose to increase the tax allowance from $6 million to $12 million for corporate sponsorship of nationals in the local fashion industry, audio, visual or video productions for the purpose of local education or entertainment and local production companies in respect of their own productions, as well as companies which sponsor sporting activities or events of sportsmen or art and culture. This is achieved by amendments to section 10G, I, J, K, L and Q of the Corporation Tax Act found at clauses 4(c) to (h) of the Bill.

I would also now like to treat with a matter that did not form part of the fiscal measures announced in the budget statement and this is additional amendments to the Insurance Act which we intend to—well, the corporation tax
dealing with the insurance companies—sorry—that we intend to proclaim the Insurance Act on January the 1st, 2021. This is the new Act which has been in the making since the 1980s, it is 30 years waiting. The amendment under the corporation tax relates to companies that would be registered and able to operate under the new Insurance Act. It also relates to a foreign insurer that would remain under the old Insurance Act, 1980, 40-year-old Act, for 18 months after the Insurance Act comes into operation. This is required to allow foreign companies in the insurance business to do what is necessary to bring their operations under the 2018 Insurance Act. You see, Madam President, for far too long foreign insurance companies have been allowed to operate in Trinidad and Tobago without incorporating a local company. That is coming to an end on January the 1st and foreign companies will have 18 months to incorporate a local insurance company, and that is to protect our citizens.

Under the Finance Act of 2019 we made amendments to the Fourth Schedule of the Corporation Tax Act to provide a new tax base for companies under the new Insurance Act, quite similar to what exists at present. But we also have found after review of what we did in 2019 to amend provisions to ensure that reference is made to the term “policy accounts” and not “policy account”; just a singular—a plural from a singular, given that insurance companies will have more than one policy account. Another amendment to the Corporation Tax Act introduced in 2019 was done to ensure that chargeable profits calculated by a foreign insurer would have been done by reference to the 1980 Insurance Act, and we have to continue this because the foreign insurer will be required to remain under that old Act for 18 months until it gets itself in order and incorporates the local company.

There are other fiscal measures mentioned in the 2021 budget presentation
which will be the subject of another Finance Bill, which we are proposing to introduce early in 2021. This will involve amendments to the Praedial Larceny Prevention Act, as we announced, the Summary Offences Act, Tobacco Control Act, Children Act, State Lands Act, Minerals Act, Liquor Licences Act, and also amendments to the various petroleum product laws or laws dealing with petroleum products; fuel, in particular, that we have announced for implementation in January which we hope to get sorted out before the end of January 2021.

Madam President, as we move towards a new economy—

**Madam President:** Minister, you have five more minutes.

**Hon. C. Imbert:** Yes. I saw that. Thank you very much. As we move towards a new economy and a new society under this COVID challenge, this crazy virus, we are aware that we will continue to face challenges for many years to come. As I mentioned in my 2021 statement, our objective is to keep the economy moving as far as we can to stimulate economic activity, to continue to provide financial assistance to individual and businesses within our means. We have already put out $10 billion in 2021 to deal with gaps in revenue and also to assist persons and businesses in need, and to keep as many people employed as possible. We believe the measures in this Bill are just the start of achieving those goals. We seek to leave no one behind and we will try our best to leave no one behind.

One of the measures in this Bill that I am most happy about is the decision to forego $750 million in revenue in order to put $250 per month into the hands of over 100,000 taxpayers. I am very happy that the Government agreed with that proposal [*Desk thumping*] and I think it will go a long way from January 1st where all of these middle-income persons, the people at the lower end of the middle-income spectrum, will now be saving $3,000 a year and can spend that money in the local economy, and we expect them to spend it in the local economy.
And that is part of the Keynesian approach to economics, you spend your way out of a depression. I beg to move, Madam President. *[Desk thumping]*

*Question proposed.*

**Madam President:** Sen. Mark.

**Sen. Wade Mark:** Thank you, Madam President. Thank you very much, Madam President. Madam President, the fiscal measures contained in the Finance Bill of 2020 are extremely disturbing, worrying, troubling and concerning not only for the vast majority of our people but the very integrity and stability of our beloved country. Madam President, I would show, in the limited time at my disposal, that in a period of adjustment the distribution of the burdens is disproportionate and completely one-sided. And the hon. Minister talks about the Keynesian approach and I will have to ask him a few questions as I proceed.

Madam President, this Bill that we are debating today reminds me of an individual who can be described as a craftsman of deception, deceit, mamaguy and tomfoolery. Madam President, nothing housed in this package of measures will provide any comfort for the poor, the vulnerable and the working people. This Finance Bill is literally a rich man’s paradise and a virtual poor man’s hell. Madam President, this so-called $3,000 in personal allowance that is being provided by the Government is really crumbs falling from the master’s table and really will not bring about any lasting impact whatsoever on the quality of life and standard of living of the vast majority of people who the Minister indicated will benefit from this measure.

Madam President, I will examine clause 4 briefly and in that section I want to address subclauses (1) and (2). I will also briefly look at clause 5 that deals with exemptions for SPT—from SPT rather, as it relates to small onshore producers between 2021 and 2022. And I want to briefly examine amendments to the First finance bill.
Schedule of the stamp duty to increase the exemption from stamp duty to $2 million in respect of a conveyance or transfer on the sale of a property of a residential nature for first-time homeowners. Madam President, if we go to clause 4 of the Bill, quickly, we will see where the Minister is amending the Corporation Tax Act and in subclause (2) the Minister referred to small medium enterprises, and those small medium enterprises must be listed on the stock exchange in order to enjoy the first 10 years of literally not paying any taxes to the people of this country at a time when, Madam President, the country is strapped for cash. We have just seen the latest monetary report issued by the Central Bank in which Trinidad and Tobago’s economy is in a state of further contraction and near collapse, whether it is the energy sector or the non-energy sector; both sectors are in reverse gear.

Foreign exchange is at a crisis level, Madam President, and the debt to GDP is in the red zone, that is the danger zone. We at the end of September of 2020 had a debt to GDP of 80.7 per cent. Madam President, we thought 40 per cent was dangerous for developing countries. At one time we thought 60 per cent was extremely worrying, now we are at 80.7 per cent and counting, Madam President, we are in the danger zone, so to speak. So let us look at the clause 4, Madam President. I went to the stock exchange, Madam President, to see, when I looked at clause 4(a), (2) and (3), and all the subsections of those areas of the legislation, how many small and medium-sized enterprises will be benefiting from a zero per cent of taxation—corporation tax that is—for the first five years upon their listing and thereafter for the next five years, instead of paying 30 per cent, Madam President, they will be paying 15 per cent.

11.45 a.m.

Now this is at a time when people are hungry, people are starving, people
are unemployed, people cannot have a meal. Unemployment is over 100,000 people today, and we are talking about giving what is called small and medium enterprises listed on the stock exchange no corporation tax payment for five years, and for the following five years, 15 per cent. So they would only pay for the second five years, 15 per cent corporation tax.

When I looked on the stock exchange that we are told these companies are supposed to be listed on, I am seeing three companies that fall under this category called “SME”. I am seeing something called “Cinema One”. I am seeing something called “Endeavour Holdings Limited”, and then I am seeing a company with a US equity share called “MPC Caribbean Clean Energy Limited”.

When I looked at this, it peaked my interest. Who is going to benefit from five years of not paying any taxes? I came upon this particular listing. It is not Cinema One. It is not Endeavour Holdings. When I checked, all the criteria outlined in clause 4(a)(2)(a) and (b) and 3(a), (b, (c) and (d), it fits very neatly into a company by the name of MPC Caribbean Clean Energy Limited.

So I would like to know what is the relationship between this MPC Caribbean Clean Energy Company Limited and the Government of Trinidad and Tobago? Madam President, this company was listed on the stock exchange only on the 4th of January, 2019. This company is a literally ghost company. It does no business, it employs nobody, it has no investment in Trinidad and Tobago, but yet still this company miraculously gets what? Five years of paying no taxes, and then another five years and they are being asked to pay only 15 per cent corporation tax.

So when I examined this thing closely, I said where this company has come from. We understand it is a German company called “MPC Capital AG”. It is a German company. You know, Madam President, they have an investment in a farm called Tilawind Farm in a place called Costa Rica. You know, Madam President,
who are the co-investors of this MPC Caribbean Clean Energy Limited? The Ansa McAL group. So the Ansa McAL group is the owner or co-investor of this company, and that company was recently listed on our stock exchange. Less than two years, and you have crafted legislation. I have termed this section of the legislation, ad hominem legislation. It is designed only for a company called MPC. So we have come to this Parliament to use our Parliament, to give a company that has no business on the ground in Trinidad and Tobago. It started off with a share at US $1, two years ago, it is still US $1.

It has no plant on the ground. In Costa Rica, Ansa McAL and this company have a solar or a wind farm on the ground. So I can see in Costa Rica if they are getting incentives I can understand. In Jamaica, there is another plant on the ground called, I think, the Paradise Park Farm in Jamaica. I will get the full name for you in a short time, Madam President. So they are involved there.

But in Trinidad and Tobago they have no investment on the ground. So why are we being asked in this Parliament to pass a measure to give this German company, that has a co-investor called Ansa McAL, five years of paying no taxes, and another five years and they are only asked to pay 15 per cent?

Madam President, I am saying that is unacceptable. [Desk thumping] That is inexcusable. That is indefensible, and the Minister should withdraw this proposal. We cannot bring legislation to our Parliament designed to benefit one company, and that is what the Government has done. If we did not do the research on this matter, we would have never known that it is this company called MPC Caribbean Clean Energy. The Government is an agent of big business in this country. [Desk thumping]

And this Minister of Finance comes here and gives the impression that look at they are on the right road, they are on the right track. How can you be on the
right track and the right road and giving one company the option—not the option, giving them the privilege of not paying taxes to the people of this country for five years, and then you are giving them a 15 per cent “bligh” for the next five years. But you are asking me to pay taxes? You are asking the ordinary people to pay taxes? You are asking the small and medium businesses that are not listed on the stock exchange to pay taxes? But this foreign company, in bed with Ansa McAL has been given five years of no taxes. Madam President, that cannot be fair. [Desk thumping]

Madam President: Sen. Mark, your voice level is starting to go up, and could you also, you have been making this point now for at least 10 to 15 minutes, so I will ask you to try and move on to another point.

Sen. W. Mark: Madam President, I appreciate your concern and your guidance.

Madam President, I am saying that the Government is engaging in tomfoolery and trickery and trying to mislead the Parliament. That is what I am arguing here.

Madam President: Sen. Mark, that last statement—

Sen. W. Mark: I withdraw it, Madam President.

Madam President: Thank you very much.

Sen. W. Mark: Madam President, if I may go on according to your guidance. The Minister said that he is conflicted; well I think the entire Government is conflicted. [Desk thumping] They are in conflict with the population. All the measures that they have introduced here in this Bill, is either to benefit the Minister of Finance or to benefit Ansa McAL merchant group and some German company. So they are using the Parliament to promote their own self-interest and their own objectives.

The Minister said that he is conflicted on two fronts. What are those two fronts? I am putting to the Minister, he is also conflicted on a third front, and the
third front, he needs to declare his interest. Because I have read in the newspapers where he is selling his apartments at Picton Street, Allora, for $2.75 million per apartment. I am seeing in the legislation where we are exempting stamp duty for first time homeowners from $1.5 million to $2 million. So if I call to this particular company and I say, “Look, I want an apartment for 2.75 million”, I pay down a certain amount, I have not completed the transaction, because the building is not completed. With this measure that we are being asked to approve here today, I will be able to escape paying stamp duty for the first 2 million, and I will only be called upon to pay $750,000 on stamp duty. So I think the Minister is conflicted, and he ought to declare his interest in this matter.

Madam President, how can a government bring a measure to this Parliament and tell this Parliament we are going to increase allowances on property, in respect of your capital expenditure, from 15 per cent to 20 per cent? At a time when you have over 100,000 people unemployed in this country? At a time when children, 65,000 children, cannot get laptops. They cannot get a tablet, but a Minister is coming here to tell us we must increase property allowance for capital expenditure purposes from 15 per cent to 20 per cent? So the Minister is smiling all the way to the bank, [Desk thumping] whilst the ordinary people cannot get water, cannot get food, they cannot get jobs. That cannot be fair.

The Government is too greedy. They are not satisfied with 15 per cent, so they increase it to 20 per cent. How can we support this? How can we support this? This is almost ad hominem legislation, designed for the Minister. The Minister of Finance should resign from this Parliament. [Desk thumping and laughter]

**Madam President:** Sen. Mark, but no, you realize—listen to how I am speaking to you. Can you keep your tone—?

**Sen. W. Mark:** I am angry.

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Madam President: I know you are angry, you say you are angry, but you still have to keep your voice—

Sen. W. Mark: Madam President, this is misbehaviour in public office. [Desk thumping] This is a fraud that is being perpetuated against the people of this country. How can you support this?

Madam President: Sen. Mark, you are going too far in your language now, and you are imputing improper motives. I would ask you please to withdraw that statement and move on.

Sen. W. Mark: All right, I withdraw, Madam President, and I move on, but I am going to organize the people in this country, along with the UNC, to deal with this Government. This Government cannot be allowed to use our Parliament to pass legislation to legalize robbery and “tiefing”. [Desk thumping]

Madam President: Sen. Mark—Sen. Mark—

Hon. Imbert: Put him out!

Sen. W. Mark: Madam President, I withdraw.

Madam President, so I am saying, on behalf of the Opposition, United National Congress, that what we are being asked to do today is a travesty of justice. It undermines our democracy in a very serious way. So, Madam President, could you imagine, I am a builder and I am a Minister, just imagine this, and I am presenting to this Parliament as a Minister in the Kamla Persad-Bissessar Government. You could imagine, and I am this builder, and I am coming here with a provision to amend the law to increase my opportunity to gain more? I “gone” from 15 per cent to 20 per cent, the PNM would have run me out of town. [Desk thumping] It is not fair. Madam President, that is why I am angry this morning, because I know people are hurting.

You know, Marie Antoinette in France, when there was a big demonstration
by the poor on the streets of Paris, they were begging for bread. They were begging for food, and Marie Antoinette told them, “You are marching for bread and food? You eat cake.” Well, the history would have shown that Marie Antoinette was executed by the people of Paris and France. What we are seeing here in our country today is what I said a travesty of justice in our midst in a serious way, and these are some of the matters that I want to deal with.

Madam President, they have killed, they have slaughtered, they have butchered—

**Madam President:** Sen. Mark, your language is increasingly inflammatory, and I am going to ask you please, as you begin to wrap up, I will ask you please to one, lower your voice, and two, try and keep your language in accordance with this Chamber.

**Sen. W. Mark:** Madam President, this Government has brought a measure here today to close down literally the foreign used-car industry. That is what they have done, by increasing the age, reducing the age from four years to three years and then at the same time denying private vehicle owners the right to get motor vehicle tax exemptions. But you know what, for commercial vehicles, it is okay; commercial vehicles are okay, they will get VAT, they will get motor vehicle tax out.

Madam President, there is a racket taking place in this country involving state enterprises, whether it is WASA or statutory authority—WASA, T&TEC, NGC, where they rent and lease commercial vehicles from Southern Sales, from Ansa McAL, from Massy. That is why the Government is seeking to remove only—VAT will remain. No problem with VAT for commercial, no problem with motor vehicle taxes, it is okay, but for ordinary people who want to buy a little Tiida, they are in trouble.
Madam President: Sen. Mark, you have five more minutes.

Sen. W. Mark: This Government has to go. This Government has to go, they cannot how they going continue the way they are going. And they want us to support this measure? How can we support this measure, Madam President? We cannot. So as far as we are concerned, the measures that they have put forward here today is really about promoting their friends, their families and their financiers. [Desk thumping]

Let me just bring to your attention this SPT. They have a “fella” called—“wha he name?”—Nazim Baksh. He is the A&V king. What have they done? They have crafted the legislation in such a way to reduce SPT: Dey say, ‘Listen you small operators, 2,000 and less. You will not be paying any SPT after $75’”—before US $75. So whereas it was $50, you could have dealt with some payment, they say no longer $50, you are going to 75.

Madam President, I want to tell you that based on my research into this matter, as it relates to, for instance, where are we with this issue of oil on the open market, what are we seeing. We have seen the following: In 2020, Fitch has done this piece of work. It is predicted that in this year the price of a barrel of oil would be US $44, or around that price or range. In 2021, it will not go beyond $51. In 2022, US $53. In 2023, US 55. In 2024, US 58. So all of these small producers—I have no problem with small producers, but the Government must really study what it is doing properly. Because if the price will never reach 75, when are they going to pay?

I want to say that the Government is going in the wrong direction. They are on the wrong track. We are now in a period of renewables, where fossil fuel demand is decreasing and renewables are rising, and there is an expansion in renewables and sources of renewables all over the globe. Hybrid electric vehicles
are the future.

You know a small country called Mauritius, in the next five years they have predicted that close to 20 per cent of their energy needs will be provided by renewables. They are using solar and wind and ocean currents, in order to generate electricity in their country, and energy. What is the Government doing in Trinidad and Tobago?

I remember the Minister of Energy and Energy Industries came here sometime in 2017 and boasted that a particular company was producing more than 4,000 barrels of oil a day, and everybody gasped, and they said, “Oh my gosh, 4,000, a small producer”. We did not know they were producing water and selling to Petrotrin water as oil. Today, that same company is producing less than 100 barrels of oil a day. So I would like the Minister to come here and apologize to this Parliament, when you misled the Parliament at the time.

**Madam President:** Sen. Mark, as you have about a few seconds, withdraw that statement.

**Sen. W. Mark:** I withdraw that.

**Madam President:** Thank you very much.

**Sen. W. Mark:** But the Minister came here and told us this. So in closing I want to make it very clear, the United National Congress, the alternative Government, will not be supporting this measure. We will not be supporting this Finance Bill. We call on the Minister to withdraw this Bill. Thank you very much.

**Madam President:** Sen. Mark, your time has expired.

**Madam President:** Sen. Deonarine.

**Sen. Amrita Deonarine:** Thank you, Madam President, for the opportunity to contribute to the debate today on the Finance Bill, 2020.

The intention of this Bill is to really legislate the budgetary or the fiscal

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measures outlined in the fiscal package announced in October’s budget statement. As the country continues to face the economic challenges which were exacerbated due to COVID-19 pandemic, the Government in this Finance Bill is really legislating the way in which they are going to give up some of their revenues, through for example, the increase in the threshold of the personal income tax allowance. It is sacrificing this revenue in the hope that it will regenerate some sense of economic activity through incentives, and also while continuing to manage foreign exchange reserves quite tightly.

While the intention is to stimulate economic activity, the Bill is premised on putting money in the hands of the citizens of the country, keeping as many people employed, providing financial assistance to those who need it the most, while reducing any sort of drain, trying to reduce any drain on the foreign reserves. Now that is what the Minister of Finance indicated in the piloting of the Bill.

Now, while trying to save a large chunk of foreign exchange reserves from, let us say, increasing of the motor vehicle taxes, I believe it is some $2.76 billion in foreign exchange reserves, foreign exchange that will be saved on an annual basis. My concern is that as fiscal incentives are taken advantage of in the short-term, you may end up having a drain on foreign reserves. But I would like to stick a pin here and point out that the availability of foreign exchange continues to be a concern. I would like to say that the forex woes are worsening, and as we continue to here the cries of importers on the availability of the forex being the worse in the last seven years—for example, the Business Express on Sunday, December 12th, indicated it has actually been the worse in the past seven years.

As a matter of fact, if we investigate this matter further, we will see that data from the Central Bank of Trinidad and Tobago shows that the amount of foreign exchange supplied on the market by the Central Bank of Trinidad and Tobago saw
a sharp decline in September 2020, of around 56 per cent. That decline of 56 per cent on a month by month basis is from US $100 million in August, to US $15 million in September.

Now when you compare the period January to November 2019, to January to November 2020, US $236 million less has been supplied to authorized dealers. What this means is that authorized dealers have gotten 17 per cent less foreign exchange this year to sell in the public than last year.

What this means is that it would stifle business activity. It stifles aggregate demand, which is now becoming more difficult to meet. It starves the potential for economic regeneration, the very objective the hon. Minister is trying to achieve, by sacrificing this revenue in the hope for achieving a Keynesian economic recovery.

Now, we may say that this reduced supplying of foreign exchange by the Central Bank of Trinidad and Tobago to authorized dealers may be as a result of a reduction in the demand of forex in the market. However, just looking at the month-by-month information available on the Central Bank website, we see that in September $50 million was supplied, but then in October US $129.5 million was supplied on the foreign exchange market to authorized dealers.

This is as a result of proceeds from central government borrowing, and disbursements from the Heritage and Stabilisation Fund. So I am mentioning this quickly to say that it is a genuine concern since the inputs required to take advantage of the incentives outlined in this Bill, for example, the tech set ups, start-ups requires investments in foreign exchange, requires investment which require foreign currency. You may very well end up in the situation where the foreign exchange climate could potentially starve diversification attempts in these areas.

12.15 p.m.

I would like caution the Government, that while it is continuing to prop up
reserves so that it appears healthy in our books, it is being done so with detrimental effects on the local business community. It is becoming more and more difficult to contribute, to continue to prop up these reserves as the data has illustrated.

So I spoke about this issue, Madam President, during my budget contribution at length, so I do not want to belabour the point today. Today, I want to focus on those policies which serve to create—serves to implement the digitalization thrust of the Government, that is, our move to achieving a digital nation.

These policies are distributed at clauses 4 (10R, 10S, 10T), and 6(d), 8 and 9. So let me start with the clauses which deal directly with the zero-rate tax allowance, the online purchase tax exemption, customs duty exemption on laptop computers, notebook computers, tablet computers, mobile and digital equipment, cell phones, software, accessories and peripherals, that is, clauses 6(d), 8 and 9.

Before I delve into this specific amendment, Madam President, I want to look at what it is we are really trying to achieve when we talk about trying to reach—achieve a digital nation.

So at the highest level if we look at the PSIP, it indicates that the intention of the Government is to increase the contribution of the ICT sector to national GDP by about 5 per cent. That is generating output from this sector and this sector alone that is valued of approximately or at least $7.5 billion. So how do we intend to do this? By providing sector—providing incentives in the sector. But where is the focus? Is it that we are digitizing? Is it that we are digitalizing and or is that we are trying to achieve digital transformation? Because they are all different, Madam President.

Digitalization cannot occur without digitization. Digitization really is the conversion from analogue to digital. Digitalization deals with how we use digitized data to impact how work gets done, and digital transformation requires a much
broader adoption of digital technology and cultural change.

So based on my research—and I looked at the PSIP document that was provided with the budget documents—we see that the Government is really trying to roll out all three levels simultaneously. This is a challenging task and therefore should be—and therefore it should be done with very close attention so that we do not lose sight of the main objective.

Now, delving straight into the actual amendment in clauses 6(d), 8 and 9, I took the time to look that the Customs and Excise Division web page to check for the categories that will be exempted. The Bill is telling us that laptop computers, notebook computers, table computers, mobile and digital equipment, cell phones, software accessories and peripherals are going be exempted. However clause 6(d), the clause specifies two categories, and the numbers listed there in the Bill 8471.30.00 and 8517.12.10 which really restrict the exemptions when you check it on the Customs and Excise Division web page, it restricts exemption to laptops and tablets and cellular phones and not the detailed list as the clause describes.

I am just seeking clarification from the Minister which is it. Perhaps some categories were inadvertently omitted, but my observation is that these two categories do not include other digital equipment, software accessories and peripherals.

And I ask this question, Madam President, because the budget statement exactly on page 38, I believe, indicated that the exemption would be extended to computers, the general category of computers, and I am not too sure why it is now being so narrowly specified.

I also observed that—because I noted that the Minister indicated in his piloting of the Bill that the duties have already been removed from most of these categories or devices, but I observed when I looked at the Customs and Excise
Web page that the duties on cell phones still show that it is at 20 per cent, and it is not stated as free. The Minister—perhaps this is an area that the Minister can clarify for us. Maybe there is some miscommunication taking with the Ministry of Finance and the Customs and Excise Division.

Now, Madam President, if we are serious about encouraging the creation of a digital nation, I believe that there are some other critical equipment that should not be left out of this list such as desktop computers, servers, routers, Wi-Fi extenders, computer mother boards, computer storage devices, computer memory, networking equipment, especially networking equipment. The equipment are—these equipment are the engine of growth for development and for infrastructure providers.

Now—and I just want to go back to the budget statement again, because I looked at the budget statement in my preparation for this Bill, and I want to go back to the budget statement to say that, or the budget statement did emphasize that the focus will be on software and mobile app development, user interface design, quality assurance, bug testers, animation, visual effects.

Now—and, Madam President, desktop computers have the processor-power requirements for research and development. Professionals in the areas like graphic design, artificial intelligence and algorithm research, to work more freely and efficiently—desktop computers allow them to work more freely and efficiently. So desktops, Madam President, typically include more software and hardware capabilities that allow a person to work more efficiently.

So I just want to say this, that we should not really be too short-sighted in focusing solely on becoming mobile. Yes it is important that we become mobile and we have everything at our fingertips, but it goes back to what we are really trying to achieve in this digital-economy thrust. Is it not to become digital-content
creators? Because it is the creation of productive content in this sector that generates that output that will contribute to that GDP.

Madam President, then we have to focus on—we really have to focus on the production of content to achieve this and therefore, incentivizing the associated equipment that is required to develop this sector.

Well, some focus seems to be on consumption of content, consumption of digital content; it is needed to satisfy the short-term needs to get everyone equipped to deal with the digital shock, that is the digital shock that has come about due to the COVID-19 pandemic. Everyone has automatically moved to having to learn how to do things digitally and virtually. However, if we lose sight of other critical equipment required, then we are really promoting a consumption-based digital economy which can really be foreign exchange depleting.

Now, focusing on the production of context which is really what will allow the creation of the digital economy which contributes to that GDP growth and it will help the Government and help the country achieve that objective of 5 per cent GDP in the ICT sector.

Now this, Madam President, this brings me to the digital literacy problem we are faced with in the country. This is needed to facilitate this whole digital transformation process proving laptops, notebooks, tablets, mobile and digital equipment, et cetera, and other accessories as tax free makes these devices, yes, more affordable to many, but we need to ensure that there is meaningful access and meaningful connectivity, something that was also addressed by the Minister of Finance.

Now when we speak—but I want to specify here that when we speak about meaningful access, we really are talking about the fact that we have so many
people who own devices, but many persons are digitally illiterate in the sense that they cannot use the Internet properly beyond WhatsApp, Facebook and YouTube. As simple as signing up for an email address and conducting virtual meetings via one of the many platforms is challenging for many.

The other issue is meaningful connectivity. Yes, we are making these devices available at cheaper prices to attempt to limit the inequities occurring now in educating our children but, Madam President, there is also the problem of spontaneous Internet access in different parts of the country. Then there is also the problem of electricity access in many remote areas where poverty-stricken children’s only hope to getting out of poverty was face-to-face classes.

There are areas in, for example, Sisters Road, Guaya, Kernahan, Tabaquite, Brasso just to name a few, Madam President, where Internet connection is so spontaneous if at all present. This inequity should be top priority and the first area to address when looking at our move to this digital nation. Therefore, in this whole move we have to realize that eliminating these areas of spontaneous mobile access is critical. We need to recognize that even if we provide broadband Internet, it may not be affordable for many. So connectivity in a meaningful way is a serious problem.

The point that I am trying to make, Madam President, is that, we have to ensure that we are not short-sighted by conducting a ticking-the-box-off exercise where we allow devices to be available at discounted prices, but we need to also think about everyone becoming digital literate, have meaningful access and meaningful connectivity so that we can all benefit in a sustainable way.

So, I agree, Madam President, that the Government’s role is actually the most important in this whole move towards trying to create a digital economy. The Government’s role is critical because the ability for the private sector to absorb
persons in the tech industry, both youth and adult, is limited. Let me explain.

The Government has—we need to recognize that the research and development in the private sector is low, and it has been low for some time. As a matter of fact in 2014, if we look at a survey done by the Inter-American Development Bank called the production technology and innovation survey, it showed that only 5 per cent of private sector firms had research and development departments.

Now, Madam President, this could be explained by the nature of operations most of our private sector tech firms operate with. It is mostly trade oriented with an import/export structure, that is, buy and sell. The most that they do is procure software and resell it to their clients, and the most you have is someone with the necessary skill or maybe a software developer to configure that equipment. It is more management—administrative and management oriented.

So my point is that, with the thousands of students graduating from the field of ICT, where are these persons going to be absorbed? According to information from GATE, the GATE programme in 2016, over 40,000 students were beneficiaries of ICT-related educational programmes. So we have a situation, Madam President, where we are creating incentives for firms to hire youth in the sector, but at the same time the private sector does not have the appetite or has very little appetite for this type of skill. We need to strive to develop a better understanding of the skills gap in this sector by bringing in insights from private sector education experts and global practitioners.

Madam President, what Trinidad and Tobago needs is a strong push to educating persons in software development, coding, AI, et cetera. How far these incentives go to assist in developing the actual skills needed to create productive members in the digital economy is where the focus should be. So perhaps a
suggestion would be consideration for adopting a similar model like the industrialization by invitation model. There is a name for this. It is referred to as industrial digital transformation. This is where we enable industry to collaborate with digital text start-ups to partner with industrial companies in strategic innovation and investment initiatives such as joint technology and product development. So we need a model to arrive at a point where we can enable companies to deploy impactful tech-driven solutions, thus creating the demand for these skills. We have to empower the next generation of technologists and entrepreneurs to catapult their ideas and lead the future.

Now before I wrap up, Madam President, there is—I want to make a point that, this process towards digital transformation and developing information technology enabled services have been something that has been on Government’s agenda since 2013. Back in 2013 the then Government would have signed an arrangement, a loan agreement, with the Inter-American Development Bank for a loan referred to as the global services offshoring programme.

Madam President, I am raising this because it would be interesting to hear the tangibles that were achieved from this US $18 million loan that was eventually reduced to US $4.6 million. I believe it is only $3.7 billion—million, sorry, US dollars that was disbursed. It will be interesting to hear what were the challenges encountered in this project, and also the lessons learnt because the objective was to promote exports and foreign direct investment in the global services industry in Trinidad and Tobago.

It was—the objective was to implement innovative methods for export promotion, promoting internationalization of local SMEs, strengthening the institutional capacity of investment promotion agencies, and supporting the update of industries regulations—regulatory framework. So back then, Madam President,
in 2013 before this whole COVID-19 pandemic came upon us, and all of a sudden
digital transformation and becoming a digital nation became a priority, even since
then we were trying to increase on the number of individuals utilizing flexible
work space and technology, increasing the number of information technology
enabled services—

**Madam President:** Sen. Deonarine, you have five more minutes.

**Sen. A. Deonarine:**—thank you, Madam President—and also to help these
technological firms penetrate international markets. So, Madam President, my
message today, and I would like to wrap up now, is that the Government’s
intention is to really try to put money in the hands of the citizens, create jobs and
doing all of that while it is really tightly managing a—where it is managing a very
tight foreign exchange situation. So one of its objectives is to reduce the drain on
the foreign exchange.

I spoke about what we are really trying to achieve when we speak of the
digital economy. I spoke about the categories of exemptions, especially—and I
spent some time discussing the various devices and the need for digital literacy, the
employment capabilities of the digital economy, education in the digital economy,
and I also mentioned the fact that this process is not something new and it was
actually started since 2013. With those few words, Madam President, I thank you.

[Desk thumping]

**Madam President:** Minister of Public Administration and Digital Transformation.

[Desk thumping]

**The Minister of Public Administration and Digital Transformation (Sen. The
Hon. Allyson West):** Thank you, Madam President. Madam President, I would
like to thank you for allowing me to join in this significant debate. As the Minister
of Finance would have indicated, we are facing very challenging times mainly
brought on by the significant expenses we have had to incur as a result of COVID, and that continues, and as the result of the collapse in energy prices which are recovering, but not quickly enough to suit us.

So, Madam President, in that context I think it is important for us to recognize that despite the challenges Government is facing and the country and the economy as a whole are facing, the finance—many of the provisions in the Finance Bill, in fact, as the Minister of Finance would have indicated, seek to provide relief to the citizens, as well as to stimulate and the economy. So what the Government is doing is foregoing income that it would otherwise be entitled to, to achieve these two objectives, providing relief to the most vulnerable mainly and stimulating the economy.

Madam President, I was a member of the road map committee, and in that committee which was comprised of people from the private sector, the public sector, and academia, the general consensus was that COVID would hit the world very hard, which we have all seen, and that the only way to ensure that the economy does not crash is to provide an ecosystem that encourages the private sector to invest. The Government standing alone cannot take us out of the decline that COVID has put us into, so we need to stimulate the private sector so that they will continue to invest, continue to generate income, and, very importantly, provide jobs. So in that context I am going to deal with some of the clauses covered by the Finance Bill.

Clause 1 gives relief to the most vulnerable, as I indicated. It increases the personal allowance from 72,000 a year to 84,000 a year which will result in an increase in the exemption of income from the first $6,000 of income to the first $7,000 of income of all resident individuals who will not be exempt from tax with effect from the 1st of January, 2021.
Another amendment to the Income Tax Act which provides some relief will come to anybody involved in business and owning, purchasing plant and machinery for that business. It increases the rate of wear and tear from 25 per cent to 30 per cent on class B. Now if you are—of the Seventh Schedule.

Now if you look at the Seventh Schedule you will see that there are four classes of plant and machinery for the purposes of wear and tear, and the vast majority of assets fall within class B. In the three other classes, very minimal assets fall. So in class A, buildings, in class C, computers and tractors and very heavy machinery. In class D are items like air planes which do not impact on most of us. So the vast majority of assets fall within class B, and we are seeking to increase the rate of wear and tear on those assets from 25 per cent to 30 per cent which allows persons purchasing those assets to recover the cost of purchase much quicker than they otherwise would have.

Switching to the Corporation Tax Act now. Sen. Mark, in his usual approach to presenting on issues like this, came up with yet another conspiracy theory, this time in relation to the adjustments to the provisions to provide relief to encourage persons to list on the stock exchange.

What Sen. Mark is saying is that there is this company that he has discovered that listed in 2019, I believe he said, and the company is a German company and not doing anything in Trinidad and Tobago, and the Government is passing this—is seeking to pass this provision to benefit this company. What I would like to say to Sen. Mark is if the company was listed in 2019, it will not qualify for relief under this amended provision because the amended provision will come into effect based on the provision on this very Bill from the 1st of January, 2021. Any company that is already listed will not benefit. That company if it qualifies for any benefit as listed on the stock exchange would in fact benefit from the provisions.
introduced by the Minister of Finance of Sen. Mark company’s party when they were in power in 2013, I believe. Minister Howai at the time introduced reliefs to encourage people to list on the stock exchange, so that company would have benefited if it qualifies under those provisions, UNC provisions not PNM provisions.

The objective of these amendments is to encourage more companies to list on the stock exchange, and that will bring a couple of benefits. We would have seen especially before COVID that the country is very liquid and there is not sufficient opportunity for investment. Increasing the number of companies listed on the stock exchange will increase the opportunity for investment. So that deals with getting opportunity to invest liquid assets.

The other benefit from increasing the incentive to list on the stock exchange is that it allows companies or persons who have business ideas and have difficulty financing those ideas to secure a normally cheaper source of lending than the—sorry—capital injection cheaper than the traditional borrowing from banks.

If you look at how Trinidad companies operate, they tend to be heavily leveraged, they borrow a lot, pay a lot of interest and this impacts their bottom line. And more important than that, it deters some people from either developing their business ideas or growing their businesses. The more companies we have listed on the stock exchange is the more opportunity we will have to finance new ideas to allow companies to grow, to export and so on. So investing in the stock exchange is a good thing.

What we are trying to do is increase the number of people who are prepared to list. Despite the incentives that existed prior to 2015, getting people, encouraging people to list on the stock exchange has been difficult. The growth of that list has been very slow which is probably why Sen. Mark could only find one
or two people, and what the Government is now trying to do is to give an enhanced incentive to further encourage investment—listing on the stock exchange.

Now you would see from other provisions that I will deal with later that we are trying to encourage people to get involved in tech start-ups, to diversify the economy, to get into exporting of services and other things and therefore, we need to provide these people with a means to secure contributions to their capital so that they can expand and grow, and this is what we are seeking to do.

So what we are doing is moving the relief that currently exists from 10 per cent on all income from the first year of listing to two categories of relief. For the first five years the company that lists on the stock exchange will be exempt completely from tax on their income, and for the second five years they will be subject to tax at 15 per cent rather than the current rate of tax which is 30.

Now, another amendment that we are seeking to introduce is to tighten up the criteria that will allow you to qualify for relief under this provision, and what it does is that it limits your entitlement to the relief to a situation where after you have listed you have to establish that there are at least 25 unconnected shareholders who together own 30 per cent—a minimum of 30 per cent of your shares.

12.45 p.m.

Now, there is one particular company that listed in the stock exchange some time ago and would have qualified for the benefits. But if you look at the shareholding of that company, it continues essentially to be a private company, although it is listed. So, we are seeking to ensure that when somebody lists on the stock exchange you can only get the benefit when a significant percentage of your shareholdings actually goes to persons not connected with the original promoters of the company. So those amendments are to tighten up those provisions.

Moving on to another amendment dealing with the Catastrophe Reserve
Fund. Now, as I would have indicated previously to this place, the Catastrophe Reserve Fund or what we commonly call the “CAT Fund” was introduced way back in 1994 and 1998, to allow insurance companies to eventually set up a self-insurance fund to finance disasters because they were being challenged at that time with the cost of reinsurance. That is the sole purpose for the CAT Fund. So what we do, or what we did, is we gave them a deduction for contributions put into the fund and exempted any investment income earned on that fund so that they will have a pool of money to cater for or to settle any claims arising out of a disaster. What these provisions are seeking to do, is to do some tidying up. So, you get a deduction when you put money in the fund. You do not pay interest or any tax on any investment income. But when you take money out of the fund, at the moment that money is not taxed. And then you get another deduction for any claims you pay. So you are actually double dipping.

So what we are seeking to do is when you take money out of the fund you pay tax on that income, and then you get the deduction for any expenses paid, so there is no opportunity for double dipping. The other amendment made in respect of this provision is that with the change in the insurance tax regime, and the administration of insurance companies in general, it is moving away from external control through, like the Statutory Fund. We have done away with the Statutory Fund and so on. So what this is doing, is another step in that direction. We have moved away from requiring the CAT Fund to be administered by a trustee, and putting the responsibility for accounting for the income and the movement and so on, and the tax resulting from the fund, moving it away from a trustee to the company itself. The company has an obligation to report to the Board of Inland Revenue within three months of its year end on the performance of the fund in that year. So those are the two changes essentially to the CAT Fund.
Moving on to other reliefs provided in this Finance Bill. Currently there are allowances available for various types of activity. Allowances are available for the promotion of art and culture, for sporting activities and sportsmen, for audiovisual and video productions to production companies, and for the promotion of the fashion industry. The maximum benefit currently available is $6 million. When we look at the impact of COVID on this industry and the fact that artistes are not currently able to perform and earn any income, that people are not going anywhere and therefore they have probably reduced their spending on local clothes and so on, we thought that one, we needed to support the participants in these industries; and two, we need to allow them to develop further to export their skills. And therefore, we are seeking to increase the allowance available for them from 6 million to 12 million a year.

Madam President, coming on to the digitalization incentives. The Income Tax Act—the Corporation Tax Act, I am sorry, is amended to provide various allowances in respect of promotion of ICT. And that is done under the new sections 10R, 10S—

**Madam President:** Minister, you have five more minutes.

**Sen. The Hon. A. West:** Thank you—and 10T of the Corporation Tax Act. And both the Minister and Sen. Deonarine would have gone through the various provisions.

In addition to that, we are providing VAT relief on computer and computer-related equipment. This is completely consistent with the new digitalization thrust that the Government has. I found a very interesting website when I was doing my research. It is the UN digitalization knowledge base, which assesses the status of a company in terms of its digital transformation, and it has two indices. The first index is E-Government Development Index. How is the Government ranked in its
e-government programme? And E-Participation; how does the country, the citizens of the country, how engaged are they in the e-world? Trinidad and Tobago in 2010, ranked $67^{th}$ of 193 countries in e-government. By 2014, it had slipped to 91. From 67 to 91. In 2020, we are back down, but to 80. So we are behind where we were in 2010, but better than where we were in 2014. And, that I would assume is largely because of the fact that other countries are jumping ahead, so we have to address the speed of our advance to progress.

In respect of digital participation which I think is important and germane to this debate, in 2010, we were ranked $86^{th}$ out of 193 countries. In 2014, despite all the school laptops and laptops for all children and so on, we dropped to 107 of 193 countries, and in 2020 we are back down to 85. Providing opportunities for the citizens to own their own laptop by making them cheaper by zero rating them, and encouraging companies through the slew of incentives for digital activity, will allow us, in my view, to advance in the digital, the E-Participation Index, while the Government pushes forward with its thrust to advance the E-Government Index. So the hope is, that with these incentives and with the Government activity, we can move forward together as a country to increase and improve our ranking on the digital scale.

Finally, Madam President, just a couple of other incentives I would like to just mention. The approved property development allowance is something that has been in existence for quite some time, at least two decades or a decade and a half. What we are doing is moving the allowance from 15 per cent where it was currently, to 20 per cent, and extending the period but you can construct and still get it, to 2024. This is consistent with the Road Map to Recovery recommendation that we need to incentivize people to get involved in shovel-ready construction projects. If you look at the report, you would see that in there, to encourage
employment of people and keep the economy ticking over. This is consistent with that. And finally, the stamp duty provision, merely moves the exemption from where it is at $1.5 million for first time homeowners only, to $2 million. So, any amount of expenditure incurred on the purchase of a house or the mortgaging of a house by a first time homeowner, will be exempt up to $2 million.

So, Madam President, briefly, those are the provisions in the legislation I will focus on. As I indicated at the start, it seeks to do two things: To provide relief to the vulnerable, and too keep the economy growing and moving and active so that as the Minister of Finance said, we can spend ourselves out of this depression. Madam President, I thank you. [Desk thumping]

Madam President: Hon. Senators, before I call on the next speaker, I am going to revert to the earlier business on the Order Paper because I am in receipt of the instrument.

SENIOR’S APPOINTMENT

Madam President:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES, O.R.T.T., President of the Republic of Trinidad and Tobago and Commander-in-Chief of the Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. ELI ZAKOUR

Whereas Sen. Jayanti Lutchmedial is incapable of performing her duties as a Senator by reason of illness:

Now, therefore, I, PAULA-MAE WEEKES, President as aforesaid, in

UNREVISED
exercise of the power vested in me by section 44(1)(b) and section 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the advice of the Leader of the Opposition, do hereby appoint you, Eli Zakour, to be a Member of the Senate temporarily, with effect from the 15th December, 2020, and continuing during the absence of Sen. Jayanti Lutchmedial by reason of illness.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann’s, this 15th day of December, 2020.”

OATH OF ALLEGIANCE

*Senator Eli Zakour took and subscribed the Oath of Allegiance as required by law.*

FINANCE BILL, 2020

**Madam President:** Sen. Lyder. [*Desk thumping]*

**Sen. Damian Lyder:** I thank you, Madam President. And, Madam President, with a mere 20 minutes to debate a Bill which is of critical importance, as many of those Bills in the last two weeks have been debated, I am now forced to cherry-pick only several amendments to this Bill. Time does not allow me to do this justice. And as I stand here today, I am filled with great disappointment and despair because when we look at these amendments brought today, one would have thought that this Government, having been caught by surprise by an election victory, and having been ill-prepared to present a budget, would have had several months to come to this august Chamber and fix, and bring further plans to improve on that budget.

*[MR. VICE-PRESIDENT in the Chair]*

So from the onset let me say, Mr. Vice-President, and welcome, Mr. Vice-
President, that this Bill is a betrayal to the manufacturing and small business sector by the Government that received a mandate based on a Roadmap to Recovery. And we see all of this, Mr. Vice-President, when we see this economy at its worst. GDP down by 18 per cent, the fiscal deficit in the tens of millions, debt to GDP now over 80 per cent, a decline in the ease of doing business from 63 to 105 in the world, foreign direct investment in a negative $700 million US, and US foreign reserves in a total free fall. One would have thought that four months later, Mr. Vice-President, after delivering this failed budget, this Government would have had the opportunity to have consulted with the private sector stakeholders, met with the civil society, listened to the cries of the citizens of this country, and heard the issues plaguing the small and medium enterprises in this country.

We would have all seen the deepening effects that this COVID pandemic has now done to this economy, and even worsened a situation that had already, when this PNM Government cashed the economy before COVID. One would have thought that this Government would have come with amendments that would really benefit the private sector, business, and the SMEs which seem to be the only hope left for this economy to survive. So, Mr. Vice-President, you know, when we look at the clauses, what do they amount to? Imposing VAT and duty on foreign used cars, a marginal increase in depreciation allowance that will only truly be felt by the large investors in this country, some changes to the Corporation Tax Act with no mention of any reduction on corporation tax on profits to encourage companies to invest in this country, some adjustments to the SPT for petroleum to fix the mess that was already made, and some stamp duty exemptions additional that do not really impact the small man, waivers on tax on devices which should not have been imposed in the first place.

So, Mr. Vice-President, when I review these clauses, you can imagine my
disappointment and my disbelief because it is clear that the Government has not listened to the private stakeholders. It is clear they have not listened to civil society. It is clear that they have no intent in listening to the citizens of Trinidad and Tobago which chose them to be in power. The average man looking on, Mr. Vice-President, at these amendments today, will come to the conclusion, that, as we have, that the Government is incompetent, and that the Government does not have the ability to steer this country through these rough waters in not a recession, but a depression that was brought on and inflicted by this PNM Government. This is what the average man would say. The Government is incompetent.

But I want to say I am prepared to challenge this view because whereas, yes, maybe a lot of them may be incompetent, Mr. Vice-President, there are a select few that sit in this Government that are the authors of these types of legislation. And, Mr. Vice-President, they are indeed brilliant. They are intelligent. They are crafty. They are very focused on what they bring to this Parliament; they are. Because every time we look at these amendments, we have to ask ourselves why are they bringing it and who is going to benefit from this? Mr. Vice-President, it is like walking on a beach looking for a crab on the sand and you turn over a rock and there the crab is. Every amendment that comes here, these stone amendments that come here, you turn the stone and there is another Government Minister recusing himself. Another Government Minister citing a conflict of interest. Some big businessman gaining from these legislation. You just turn the stone.

Mr. Vice-President, I heard my colleague, Sen. Mark, say, that if we were in power today, and if the Government was on the other side, there would have been fire, fury and brimstone to pay. They would have called for the resignation of the Minister of National Security. They would have called for the firing of the Minister of Finance. Mr. Vice-President, they would have called for some seats to be
vacated and bi-elections to be had. So, Mr. Vice-President, we know how it would have gone. But let us look at some of these clauses here. When we look at clause 3, the wear and tear allowance, and I will read that:

“This clause…seeks to increase the wear and tear rate of allowance on plant and machinery classified under Class B of the Seventh Schedule from 25 per cent to 30 per cent.”

Mr. Vice-President, when I look at this clause, I remember the contribution, again, of my colleague Sen. Mark. Who could forget it? Where he spoke about these monopolies. This big business benefiting from all the major policies that come to this House. Mr. Vice-President, with this clause this Government shows a contradictory nature on this Finance Bill. When you see where they are giving a mere 5 per cent allowance, yet they have already signalled their intent to come with property tax to manufacturing plants and equipment. So, Mr. Vice-President, they are going to give on the one hand and they are going to take on the other hand, and this will signal the rise of food prices. Mr. Vice-President, this action also reminds me of another part of this clause 3 in this Bill where the Government increases the taxable allowance on residents or citizens from 72,000 to 84,000 per year. Where in that amendment the Government is telling the taxpayers we are doing so much good for you. We are giving you everything, $3,000 a year. But again, they are contradicting themselves because they are coming with the property tax to take back that 3,000 and more, and then at the same point in time: water, going up; lights, going up; fuel, going up; expenses overall are going up, so they are give you a little “cacadah” and then taking it all back away again.

So let me come back to the wear and tear allowance. And you have to ask yourself who this clause really benefits because it cannot be the small- and micro-enterprise business in this country. When we look at this clause where the Minister
is proposing a marginal increase in wear and tear allowance from 25 to 30 per cent, but there are many SMEs now today, Mr. Vice-President, who are struggling to survive. Many businesses are either making a loss, breaking even, and if they are making a small profit, Mr. Vice-President, what happens then? Because we have to also look at this Government’s policy on VAT and VAT refunds, or the lack of VAT refunds. Because when this Government fails to pay back the money that belongs to the manufacturer, that belongs to the businessman, money that does not belong to this Government, that eats away whatever and erodes whatever little profit they may have to be able to invest in plant and equipment.

And then, Mr. Vice-President, the citizens of this nation, the taxpayers of this nation are being asked to foot the bill when the Government once again runs to the Heritage and Stabilisation Fund to pay these VAT refunds. Taxpayers’ money, Mr. Vice-President. So bring it back to the clause on wear and tear on plant and machinery. Where do these small- and medium-enterprise companies get the money to buy equipment? They can barely survive. Mr. Vice-President, we do not manufacture equipment in Trinidad and Tobago. So most of it is imported. We have to look for foreign exchange to purchase this equipment. Where do the small guys, the small businessmen get the US dollars to invest in this plant? Small businesses, and I would declare I am a medium-sized, or small to medium-sized businessman, and I struggle to get United States dollars. If I am lucky, 10,000 a week, sometimes zero per week. So where do I get the money, the US dollars to purchase this equipment, when big business is eating up all the foreign exchange? And we saw this displayed in many articles in the newspaper.

So, Mr. Vice-President, these small and medium businesses cannot even go to the bank to get a loan. With this economy being the state that it is today, many of these businesses who are struggling, their P&L statements, their financials, will
not present itself very well to banks and banks will not approve their loans. So, where are they going to get the money to purchase this equipment and to benefit from these added tax exemptions? Again, it is only big business. Now, Mr. Vice-President, let me declare, I am not against big business, you know, but there needs to be equity in this country. [Desk thumping] There needs to be equity. Not only for the big businessman, but for small- and medium-sized businesses. So it is clear to me that my colleague Sen. Mark is indeed correct. And he has a right to be angry, Mr. Vice-President. It is clear that the voice of the private sector and civil society has not been heard, as it was not heard last week. I say this Bill is a betrayal to manufacturers and small business sector by this Government.

When we look at clause 6, to remove zero-rated VAT on imported CNG hybrid and electric vehicles, the change of the law pertains to the removal of zero rating from private vehicles whilst maintaining zero rated for CNG vehicles for commercial purposes. Sen. Mark spoke at length with that. I will not repeat what he said but the question is: Why would you be aiming to encourage CNG in this country and at the same time you remove the incentives? That simply does not make any sense, Mr. Vice-President. So, we question the Government’s motivation for the removal of the zero VAT rating. The Minister of Finance in another place, spoke about in excess of $80 US million spent on foreign used cars, and as much as $210 million US spent on new cars. It was an Express article by Asha Javeed, and if I might quote from it. It is headlined, “Credit cards grab largest slice of usage”, published on the 13th of July, 2020.

Mr. Vice-President: Senator, you have to give the date of the article.


“T&T spends…$3 billion (about US $441 million) on the purchase of new vehicles every year.”
This will include both commercial as well as private which, Mr. Vive-President, is 2 per cent of our GDP. If we are to compare what the Minister of Finance’s figures are, it begs the question: Why are the biggest losers in this legislation appearing to be foreign dealers? This deduction in the ability to import from four years to three years, from date of manufacture, increases the price point on these vehicles and reduces the competitiveness of the sector. It was Visham Babwah, president of the Trinidad and Tobago Automotive Dealers Association, who is on record saying, and I quote, Mr. Vice-President:

“Expect the foreign used car industry to collapse within six months’ time, and some 8,000 persons ending up on the breadline as a result.”

This is sounding like another Petrotrin again. Mr. Babwah is of the view that if the Government really wanted to reduce this drain and leakage on foreign exchange he would have also targeted the new-car dealers. If you are targeting one you have to target all. He also stated that this was done without any consultation. So once again, Mr. Vice-President, no consultation with the Trinidad and Tobago Automotive Dealers Association, just like no, no interaction, no consultation with the TTMA, with the Chambers of Commerce, with the private sector and civil society groups because it is clear that they are assisting those who they are interested in. Mr. Babwah further asserted that, and I quote:

“…if Government was serious about ending the drain on foreign exchange, it would have limited…”—drain on—“…new car purchases.

He notes that in 2019, a total of 25,000 cars were sold, with around 8,000 of them being foreign used. He said that the…used car industry consumes around 30 per cent of…forex.”

So if we did the calculation of the overall, by this information the used-car dealers account for about $130 million US, approximately, whilst new-car dealers
account in excess of $300 million. It is clear to me once again that this Government bringing this Bill is controlled by big business. Over 8,000 persons are at risk, Mr. Vice-President, by this measure. I just want to know if there are any used-car dealers who may be part of the big boy clubs and the friend, family and financiers? I would like to know. So, Mr. Vice-President, it is clear is that through these amendments and this Bill, this Government has no intention of assisting the small, micro and medium—

**Mr. Vice-President:** Senator, you have five more minutes.

**Sen. D. Lyder:** Thank you, Mr. Vice-President. No intention of assisting the small/medium businesses in this country who are the backbone of this country who employ over a 100,000 people in this country.

It is clear that it is this Government’s agenda to cherry-pick promises from the budget, railroad it through this Parliament for the benefit of big business, friends and financiers. Because if the PNM really cared to assist the small and medium enterprises in this industry, if they really cared to assist the labour force who are losing their jobs by the thousands every month, they would have done what other countries in the world have done to assist small business; and not just the developed countries, but some of the developing too. Countries: Malta, Netherlands, France, Iran. They did not bring these types of amendments to their Parliaments or to their Houses. I mean, look at the Netherlands, they have been dealing with wage subsidies. We have heard them say on the other side that they do not have the finances like those bigger countries to bail out many of these companies, but they have money for paintings. They have money for boats. They have money for over-priced boats. They have money for pools and palaces, but they do not have money for the small man in this country and the small businessman in this country, Mr. Vice-President. *[Desk thumping]*

**UNREVISED**
1.15 p.m.

Instead of meaningful support, you come to give some increase in depreciation allowance on some machinery. You cannot even make a profit. How are you benefiting from that as a small business? All these measures will serve as nothing more than to just make your losses greater. What they should have done is assisted business through low interest loans, subsidies, that is the things that they should have done. Help the small businessman survive through this, businesses that would actually get approved and not mamaguyed. So this is a mamaguy to the small business, Mr. Vice-President.

So as I close, Mr. Vice-President, as I wind up, I have shown that a few of these amendments, the Government continues to make decisions and change policy to benefit friends, family and financiers; to benefit the monopolies, the oligarchies, the big businesses in this country. That is why I say to you that these select few Ministers are simply not incompetent. They know exactly what they are doing. There was a quote from Mr. Frédéric Bastiat, a French economist where he says and I quote:

“When plunder becomes a way of life for a group of men in a society, over the course of time they create for themselves a legal system that authorizes it and a moral code that glorifies it.”

We see our laws being changed right before our eyes. We are here on the verge of Christmas, the festive season and they have railroaded all these amendments in the last two weeks through us. They have trampled on our rights, on our democracy, on our constitutional rights in this country. They have made every effort to put themselves and make themselves into some sort of a dictatorship in an effort to control the resources of this nation.

Mr. Vice-President, it is time now that the nation opens their eyes and sees
this atrocity because it is clear to most in this nation now, they have been hoodwinked and they have been fooled. But, Mr. Vice-President, the people in this nation are not fools. They are not fools.

In the now historic words of the former US President, Abraham Lincoln:

“You can fool…some of the people…”—sometimes—“but you cannot fool all the people all the time.”

I am repeating it now because I heard it in the last debate. This is a nation of brilliant, hard-working, beautiful people who have noticed what these amendments are, what had come to this Parliament. It is clear to them that the Government is not on their side.

So finally, Mr. Vice-President, I say it again, this Bill is a betrayal to the manufacturing and small business sector by the Government. This is a betrayal to the citizens of Trinidad and Tobago. And I thank you, Mr. Vice-President. [Desk thumping]

Sen. Charrise Seepersad: Thank you, Mr. Vice-President, for the opportunity to contribute to the debate on the Finance Bill, 2020. I believe that the Finance Bill contains significant measures which are major drivers of the economic activities in the country and consequently, I would like to make the following observation on the few key measures.

Clause 2: exemptions for motor vehicle tax for CNG powered vehicles, electric vehicles and hybrid vehicles under 1599 cc; amendment to the Fourth Schedule of Motor Vehicles and Road Traffic Act. Mr. Vice-President, in my view, while purchases of new and used vehicles under 1599 cc, they are very small and not very powerful vehicles, continue to benefit from this amendment. Vehicles over 1599 cc are now being brought into the tax net. The effect of this measure, therefore, will result in a significant increase in the cost of these vehicles.
Conservatively, I have estimated that the cost can increase by $40,000 to $50,000 for CNG-powered vehicles, electric vehicles and hybrid vehicles over 1599 cc. This is a retrograde step.

Mr. Vice-President, I am very concerned about the environment and pollution. I believe that switching to renewable energy generation and use is the way to go. Whenever this is a reality in Trinidad and Tobago, benefits will accrue from the reduction of and reliance on imported fuel and the demand for US dollars. Fuel imports in 2018 was US $1.76 billion or 21 per cent greater than the total amount of non-energy exports for that year. The economics of renewables are such that it is unlikely that oil and natural gas can compete in the medium to long term. The cost of running electric vehicles driven by renewable energy sources is on the decline. The market has projected that the only way for gasoline cars to compete with the renewable energy-powered vehicles by 2022 to 2024 is if the price of oil fell to US $11 or $12 a barrel. The total life cycle cost of owning an electronic vehicle will be cheaper than that of owning gasoline fueled car. Other environmental benefits include not breathing polluted air, not having huge oil spills and not destroying a livable planet.

Clause 3: increase in personal income tax allowance, amendment to section 18 of the Income Tax Act. Effective January01, 2021, the annual personal tax exemption limit will be increased from $72,000 to $84,000. This measure is estimated to benefit 250,000 taxpayers and will result in approximately $750 million decrease in taxes collected. It is based on the belief that the multiplier effect from this money being spent will outweigh loss in direct tax collections. The anticipated economic benefit of additional consumer spending power from the increased allowance, however, could be offset by other measures announced which may have the effect of increasing the cost of living. However, for approximately
350,000 persons earning below $7,000 a month, this increase in personal income tax allowance provides no benefit. They will be sharing the general burden of inflationary price increases. The livelihood of this lower income group continues to be more adversely impacted.

Income tax on pensions: Mr. Vice-President, as I have said on several occasions before, most retirees are being victimized by continuing to pay taxes on fixed income pensions. Like the lower-income group of 350,000 persons, they will be faced with the same dilemma of shrinking monetary value due to inflation and increased prices. They have worked most of their lives and surely they have paid their dues.

Clause 4: small and medium enterprises stock market initiatives, amendment to section 3 of the Corporation Tax Act. Increased incentives for the new listings on the small and medium enterprise marketer of the Trinidad and Tobago Stock Exchange will be introduced effective, January 01, 2021, including: one, a full tax holiday for the first five years following the listing on the Trinidad and Tobago Stock Exchange, and two, a 50 per cent tax holiday for the second five years post-listing.

While this move is certainly progressive, short-term stimulation of listings could prove challenging in the current environment with business performance notably weaker, the economic environment highly uncertain and investor confidence waning, listing success will require very compelling valuations and/or solid business cases. At present, there are just two stocks listed on the SME marketer, Cinema One Limited and Endeavour Holdings Limited, with a combined market capitalization of around $435 million or less than 0.4 per cent of the value of the Trinidad and Tobago Stock Exchange listed stocks.

Other comments: collection of royalties by the Ministry of Energy and
Energy Industries. The Ministry of Energy and Energy Industries is responsible for determining the royalties payable to the Government from companies and lease operators in the oil and gas sector as well as those in the mining and processing of minerals. Mr. Vice-President, I have looked at the reports of the Public Accounts Committee entitled, “Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Years 2014, 2016 and 2017 with specific reference to the Ministry of Energy and Energy Industries.”

Based on these reports, neither the Ministry of Energy and Energy Industries nor independent inspectors verified the exchange points between buyer and seller, nor does the Ministry of Energy and Energy Industries independently check the performance of meters. The outcome is that oil and gas production data received from companies used in the calculation of revenue collection is not independently verified by the Ministry of Energy and Energy Industries. The Ministry of Energy and Energy Industries must be hands-on in the process and not rely entirely on the accuracy or completeness of data produced by the oil and gas companies to determine the royalties due to Trinidad and Tobago. This also applies to the production and extraction data from operators of quarries, sand and gravel pits. The Ministry does not have a system to capture data from all quarry operators, whether they are legal or illegal. Generally, information on the operations of the legal operators are supplied by the members of the public. These significant deficiencies have been documented in the reports previously referenced. Mr. Vice-President, I am concerned that it is quite possible that the country can increase royalties due from these sources by simply due process. In this period of restrained economic activity, it is critical that all revenues, from all sources are, verified and collected expeditiously.
National insurance: under the current National Insurance Act, self-employed individuals fall within the definition of the employed person and should be registered with the National Insurance Board and pay contributions. The Minister of Finance acknowledged this in his 2015 budget presentation and indicated that there were no arrangements in place for the payment of contributions from or the payments of benefits to these individuals. He proposed to include self-employed individuals in the National Insurance System, effective January 01, 2015. However, to date, this has not been done. I would like to know when the Minister of Finance intends to address this matter.

Self-employed citizens without adequate retirement benefits and support become a burden to the State. Also, if an amnesty period for NIS payment is given by the Minister of Finance, contributors may be able to become compliant and qualify for retirement benefits. The National Insurance Fund is seriously underfunded vis-à-vis projected pension payments. There are numerous organizations in arrears with their national insurance contributions for various reasons or have failed to register their businesses in the specified time. The 2018 NIBTT Annual Report revealed that employers’ arrears were over $437 million. The penalties to become compliant are prohibitive. An amnesty can lead to an increase in the contributor base which will have a positive impact on the fund deficit.

Government’s accounting system: Mr. Vice-President, the Government’s accounts are prepared on a cash basis system which does not accurately reflect the true indebtedness of the Government. The exchequer overdraft is one of the many exclusions that contribute to an inaccurate picture of the country’s actual indebtedness. The exchequer overdraft, which stands at $41.38 billion as at September 30, 2019, is not included in the public debt position of Trinidad and
Tobago. Interest is payable on this liability and the debt must be repaid. The cash basis system also excludes liability such as government to government debt obligations which start to become due in 2024 and 2025, government current liabilities to contractors and trade suppliers, future liabilities for current commitments, state enterprises obligations and refunds for VAT and tax. I therefore recommend that, one, the Government must undertake a comprehensive review of all government debt to understand the size of current and future liabilities, obligations and upcoming payables. This include debt that will be incurred from government to government arrangements and other commitments with delayed repayment terms or moratorium periods and must be explicitly stated and monitored as part of total public debt. This is crucial to the development and successful implementation of a debt management plan. Two, implement an internationally recognize public sector accounting system so that the Government accounts are prepared on the accrual basis of accounting.

National Statistical Institute of Trinidad and Tobago: having access to data by both public and private sector entities is crucial to making sound business decisions. At the present time, the Central Statistical Office is not able to provide the data required since the current system does not facilitate the CSO from gathering and disseminating data. A National Statistical Institute Bill, introduced in 2018, was in 2019 referred to a joint select committee. However, this JSC was not reconstituted in the current Twelfth Parliament Session. The NSITT envisages to be legislatively robust, autonomous and independent to effectively coordinate the national statistical system. Finalizing an implementing a modern and powerful national statistical institute needs to be prioritized in this fiscal year.

Thank you, Mr. Vice-President, for the opportunity to contribute to this debate. [Desk thumping]
The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Mr. Vice-President. Mr. Vice-President, as usual, it is an honour and privilege to be asked to contribute in this debate, this one in particular, the Finance Bill coming out of the budget that was presented in October. A lot has been said about the economy, the economy and what we should do and what we should not do. You know, Mr. Vice-President, that reminds me when I was in primary school, the teacher used to say, not to me, but to other students, “Yuh head hard.” It seems as though “de UNC head hard”. They are not understanding, you know, “they head is very hard”. The global economy is on a slowdown. Commodity prices—and look, I was just checking it. All over the world, every single commodity has been depressed in 2020, energy, oil, gas, coal, methanol, urea. Not only there, in the minerals industry, the catastrophic drop in the price of zinc and copper. The countries in Africa—iron ore, a precipitous drop also. Brazil, Australia is suffering from that. Zambia and all these copper producers in Africa are also suffering from that, because as the global economy slowed down because of COVID, that is what is causing the issue.

Trinidad and Tobago has been fortunate, under this administration, that the economy has been managed despite the crisis of commodity prices. We have been able to maintain a social net for the people. We have judiciously borrowed, we have judicially withdrawn from the Heritage and Stabilisation Fund and today we still enjoy a relatively comfortable lifestyle as we try to navigate our way forward. So their heads will remain hard. I cannot teach them otherwise.

But, Mr. Vice-President, I am here to deal primarily with the supplemental petroleum tax. This may seem as a simple exercise but it has some far-reaching consequences. The taxation system in the energy sector is quite robust, especially with oil. The oil companies pay five basic taxes. From the top, they pay royalty,
which is 12 and a half per cent of gross revenue. In the middle they pay supplemental petroleum tax, and I will explain that in a while. At the level of profits, they pay profit—petroleum profit tax, which is high; 50 per cent plus 5 per cent unemployment levy, which is 55 per cent. Then there is also something called the petroleum levy, subsidy levy, which is capped at 4 per cent of gross revenue. That used to be to support the subsidy on fuel. And there is something called the petroleum impost which covers the operating cost of the Ministry of Energy and Energy Industries. The petroleum profit tax, in particular, is a windfall profit tax. Let me explain how that operates, bearing in mind oil is a wasting asset.

You make profit from the production of oil based on the difference between your operating cost, so what is called your lifting cost, and the price in which you sell your product. So if an oil company has a lifting cost of say, US $25 per barrel and oil sells at US $40 per barrel, that is his margin. That is his margin that he makes his profit, he pays his taxes on. What happens if that oil price jumps to 90? His lifting cost still remains at 25. The cost goes to 90. That is called a windfall profit. Due to no innovation on his part, it has to do with the global market and over the years, the price of oil bore no relationship to the cost of production. It had to do with the geopolitics of the Middle East by and large. The only other commodity, I always say that here, whose cost of production bears no relationship to what it is sold at is Louis Vuitton handbags. But having said that, that is the market.

So what a government has to do is to impose a tax so that the oil companies would not cream off the entire windfall of the price deferential between the selling price of the commodity and the cost of production. The SPT regime was first implemented in 1981 and it has evolved throughout the years. Whether it was pegged at $50 per barrel, $50 per barrel at that point in time, was seemed as a
windfall price. But in all reality now, especially for marginal producers, where the cost of production, the cost of lifting the barrel of oil is higher than if you have a large field. What is happening in Saudi Arabia and what is now happening in Guyana, their lifting cost, because of the huge volume of oil, probably is $10 or $15 per barrel. But here in Trinidad, where we have marginal producers scraping the bottom of the barrels, so to speak, their lifting cost will be as high as 30, $35. So they now cannot be subjected to a windfall profit tax based on $50.

So, to encourage investment, the Government has now decided to lift the barrier to $75 per barrel and it makes sense. Because these companies used to come to the Minister of Finance and to myself and say, we prefer to have an oil price of 49.50 than to have an oil price of $55, because they make more money, they are in a profitable position at 49.50 and they start to lose money at $55 because of the imposition of the supplemental petroleum tax. So, as a sensible and reasonable Government, we took heed.

The Minister of Finance and myself discussed the matter with the Cabinet and we decided to lift it to $75 per barrel. What is more important is that the surplus revenue that the companies will now generate, that money will be used to reinvest in keeping the production high. Because in the oil business, you have to keep reinvesting, because there is something called natural decline and the wells decline and if you do not reinvest and drill new wells, your production will fall to a level where it becomes virtually uneconomic. It is called “walking up the down escalator”. So that quantum of reinvestment has to be maintained. Those profits may not necessarily go to shareholders as dividends. Those profits have to—most of it if not all—have to be reinvested in the company to keep its production going.

So, we feel that it is a good measure. It is being welcomed by the Energy Chamber, in particular, and by all the operators. And let me give you a list of the
operators that will benefit from this. But before I do that, there are—let me just give you some statistics on oil production in Trinidad. Onshore oil production averages 17,900 barrels per day or approximately one third of the country’s total production for around 54,000 barrels per day. Heritage is the largest oil producer with a land production of 10,500 barrels per day. The remaining 7,400 barrels per day, and that is a lot of production, are produced under a mix of contractual arrangements such as Heritage’s lease operatorship, farm outs, and what is called IPSC, which is, incremental production service contract. Twenty companies produce less than 500 barrels per day; one company produces 1,100 barrels per day and two companies produce more than 1,500 barrels per day.

Most of these are local, private Trinidadian companies and Trinidadian businessmen who have invested significant capital in this industry. And I will call some names: Hydrocarb, that is a Fyzabad-based company who I know personally and they have been in the well servicing business for many, many, years. Oil belt; Lease Operators Limited, a very, very, innovative small operator but not so small now. They are one of those who produce now more than 1,500 barrels per day. This is the company that is called the parent company, Well Services Petroleum Company Limited, owned by the Brash family, a prominent family in south Trinidad. East Coast Drilling, a company owned by the Alves family out of Guayaguayare and they have been contractors with Texaco since I was a little boy growing up in Mayaro. TN Ramnath, everybody knows that name. Petroleum Contracting Services; Trinidad Wireline, Krishna Persad and Associates. You see Krishna Persad as a commentator in the newspaper occasionally. He is a geologist and incidentally he was my first boss, but also an entrepreneur and an investor and he puts his money where his mouth is.

Massy Energy, and many other companies. Some of the small operators, there are
independent oil producers who are trading on the Calgary, London, and Toronto Stock Exchange.

1.45 p.m.

So, all in all, this project is being structured so that these small operators can make the required profit to reinvest back into the operation so that they can keep the production sustained. Because we would be—I will just give you some ideas of what it is estimated that the Government, probably from this measure, if oil prices go above 50 to 75, we will lose between—we will forego I should say, not lose, between US $10 million to US $15 million per annum. But we will get it back in royalties, you know, because when they take that money and reinvest it in a new well, the new well increases production and then you take royalties from the top, which is from your gross revenue, which is price multiplied by production. So it is Keynesian form of economics, as the Minister of the Finance rightfully said.

So, Mr. Vice-President, I hope I have explained quite clearly what this SPT is all about. It is a fundamental taxation system on which the Government over the years has benefited by creaming off some of the windfall profit that the oil companies were making, bearing in mind we have not offered this concession to the large companies, you know. The Shells, and the BPs, and EOGs, and the BHPs of this world are still subject to SPT. It is the small operators who are marginal operators because of their high cost of production and the low productivity of their well that are benefiting from this measure. So, by and large, we feel this is a step in the right direction.

We are comfortable with it. I want to compliment the Minister of Finance for heeding the call from the energy sector and, in particular, the Energy Chamber, and deciding that it is a concession that he can make as Minister of Finance, on behalf of the People’s National Movement Government of Trinidad and Tobago,
and do not bother to tell me five more minutes. This is my final comment and I want to implore this Senate that the measures proposed in this Bill are quite innovative and it is in the interest of all the people of Trinidad and Tobago. I thank you. [Desk thumping]

Mr. Vice-President: Sen. John.

Sen. Jearlean John: Mr. Vice-President, I thank you for the opportunity to join this debate. The hon. Minister of Energy and Energy Industries said he wished people’s heads were not so hard and I really wished that was the only thing that was hard, but things are really very hard in the country right now. People are having a hard time. We accept that things are challenging but there is no evidence in the policies of his Government, prior to COVID and now, that it is really to benefit the people. It is not what they say, it is what they do, and Senators presenting over the period of this debate have basically being zeroing in on the same amendments. I believe that if it is Senators zero in on it, it is very clear that these are not in the interest, or these exemptions or these measures will not perform in the interest of our citizens or in their best interest.

Because, Mr. Vice-President, when you decrease the years or the age on a vehicle, you know, within the context of this foreign used market, it is not an easy market. It is a place where people of modest means, the working class, middle income, they go to get a vehicle. It is not about a luxury to transport themselves. It is also sometimes part of the tools of the trade. It is part of the capital employed as a matter of fact because people will sell vegetables out of the back of their vehicles. Somebody comes to drop a salad for you, they are selling food out of these vehicles. The man coming to cut the grass comes in one of these modestly priced vehicles—well, modestly priced then if you could have gotten one—but that appears no longer to be so because when the age is capped at three years, certainly
the price would be higher, and even in the normal market of buying and selling used cars, that will push the price up. So even if you currently have a car that is five years or seven years because the used car market has now become something illusive and exclusive, in a perfect market of supply and demand, the price will go up.

So, you see, Mr. Vice-President, the banks will not lend the working class to pursue their passion, to pursue any kind of business that they will pour their heart and soul into. They will lend them maybe to buy one of the new cars that the Government’s policy is pushing them to get, or to buy a fridge and stove for this Christmas that they really cannot afford and use their salaries as collateral, you know, and of course, under onerous terms and conditions. I have seen where the hon. Minister of Finance, in clause 4, he spoke about the insurance companies that are not registered in Trinidad and Tobago, that they must within 18 months be registered here, and maybe that is a good thing. But I think coupled with that, if he is in the finance regulating or trying to ensure that the financial sector works in the interest of the citizens of Trinidad and Tobago, the poor, especially at this point in time, he has to also look at the banks.

Because, Mr. Vice-President, during this same period of COVID, when there was a big song and dance that the banks were giving, I think, three months allowances when you do not have to pay, at the end of the day what you are hearing is there was a charge attached that. It was not for free. And I think that is something the Government should have looked into. And, you know, at the end of the month when you have old people over 60 standing up outside in the sun, a bank declaring billions of dollars in profit will not buy a tent or even put a toilet for an old person to urinate. So these are the things we have to use this Parliament for. When the measures come, the ordinary citizens out there must feel as if they reflect
their needs, and I think that is what the Opposition does.

It is not that our head is hard. It is that we come here and we reflect the views of the population. We reflect [Desk thumping] what they are saying out there because it is our duty so to do, and we are really earnest about doing that because then what is the purpose. So, Mr. Vice-President, I mean now many cottage industries have sprung up to make ends meet because a lot of people are not working, the bars are still closed and you know they like to say, the UNC likes to talk about bars. But I am teetotal, eh. “I doh drink if ah happy, I doh drink if ah sad”. But what is happening is women, particularly with children, they go and they work in the bars or they work in the entertainment industry, they work in the hospitality industry, and some of these employers, they have been trying to pay them, and now nothing is happening because basically a lot of the income is based on the TIPS system.

So in talking about this clause 4 that has been amended, Mr. Vice-President, relative to these cars—these foreign used cars, I know the Minister is saying he cannot do anything, but we are forcing people to go and buy what they cannot afford and we put this pressure on the foreign used market, but leave the guy who is selling the new cars to go free. There is no way he is carrying this burden. What is going to happen, he is going to sell more cars because the banks are there with their exorbitant loans waiting for these folks to put their salaries, as I have said, as collateral.

So, Mr. Vice-President, clause 3 of this Bill seeks to inter alia amend the Seventh Schedule to the Income Tax Act, and other presenters have also spoken about the proposed amendment decreases the wear and tear allowance depreciation from 25 per cent to 30 per cent for a schedule of operations. Now. Again, this does not trickle down to the man in the street if indeed these amendments are supposed
to impact and affect people in a positive way. This is set up and structured. Why at this time when we are looking to garner as much income as we can? We are now giving this big, lofty, very generous depreciation of 30 per cent and we have assets lined up from the CL Financial Group, from Paria, Petrotrin refinery, and other key government assets are there waiting, but at this very time we are giving this allowance.

The other thing is, again, I am coming back to clause 4 and the amendment in the Corporation Tax Act and with the small and medium enterprises. Now, Mr. Vice-President, we have many, or we had prior to COVID-19, many companies in this small and medium range that are family-owned. And many times—I mean, when I worked in the private sector exclusively—these businesses will want to go to market, but what they call this front-end loading of the writing up the prospectus where you have pay these expensive attorneys and accountants, it becomes very prohibitive and it was not something that was attractive. So even if they have to pay zero taxes within the first five years, that is not something that they can easily access at this point in time, and then I always ask the question: Where is the Government’s communication strategy? Because even if this thing is there and the people do not know, it comes the same way as if you build a better mousetrap, the world would beat a better path to your door. They would not, because they do not know.

To me, this is not a time when the Government should just say it is on the books and take a hand off, because you want to encourage people, these small and medium enterprises, such as some that the Minister of Energy and Energy Industries was just talking about. You know they are family-owned, they are family-run, and many times the owners of these business they have poured their hearts into the businesses and they have built something very special in many cases
because Trinidad tends to be quite entrepreneurial. But they have themselves running the business, or their sons and daughters, and what going to the market calls for is professional management. You know, it calls for professional management if you have strong future growth and revenue earnings.

[Madam President in the Chair]

You know, we have businesses in all of these sectors, sometimes that we are not even aware of, businesses that exist and are doing very, very well, and they can go to the market and get cheaper capita if only they understand how to get there, if they get the assistance. But as I am just putting it on the books, it is not something that will assist. They will not go because the people are very suspicious of what they call “outsiders” coming into their businesses. So the zero per cent for the first five years, as opposed to what happened before, I think it was 25 cents on the first million dollars of profit and then 30 cents, et cetera, this is attractive, but certainly, who is going to access it? Right now, I am hearing that it is only two businesses and that two have been so proud for the last 10 years, or maybe it was only one and now it is two, but this really has not been moving.

The market is very—that stock exchange is very thinly traded and it is a tool that—I mean, Singapore came—well, you could say almost recently, even Dubai is of recent vintage, and they have come and they have positioned themselves and they are now world-renowned. You know, they probably came even after us all or at the same time, and somehow we cannot seem to use our advantages of being an English-speaking country, the level of literacy on the same timeline with New York, the New York market, et cetera, ahead of or behind London, et cetera. You know, we have a lot of advantages. So this is a good way that people could find cheap money but they have to know how to get it, and to me, the Government has to not be invisible hand, they have to really assist people in accessing these kind of
amendments, what is available right now.

Again, Madam President, clause 4 again seeks to amend the existing section which increases tax allowances related to arts and culture. That was a big thriving market prior to COVID which culminates in our big street celebration, and to me, the tax incentive from where you get these tax allowances from 6 million to 12 million, those are significant. But how are they going to access it? That is the thing. Because with respect to the communication strategy, to me, it is just not there, or people who are going to be there just to treat with these things, because now more than ever, our businesses, they need help and they need support. The lights at Queen’s Hall every night—every day I passed there, it is out. And that is a market that is—always the lights were on because something was happening, there was some production.

So people are very, very entrepreneurial. They are busy doing these things. They love the arts, they love the fashion industry, all of these industries, but they are basically being shuttered and no amount of allowances will get people back into the business because particularly things like the arts and culture, these are not businesses that could kind of survive during the COVID where you had this, what you call the kind of drive-by, you could pick up something by a window. These were just shuttered. And, Madam President, clause 8 of the Bill seeks to exempt the payment of online purchase tax for all laptop computers.

Now, this is another one that where as soon as the Government came in, they signalled who they were by putting on this online tax of 7 per cent, and that is why the argument finds resonance that the Government is really not about the poor. Because why would you want to put on this 7 per cent on computers or on anything people could get cheaply from wherever? At the end of the day, you know, if you can save a dollar, you can save a dollar. I suppose the Minister was
saying, well, we will dampen that demand for forex, but that is not quite so. Because the man with shop or the store, the brick and mortar store, he is still going to buy that same product and mark it up exorbitantly. So I think that argument does not quite fly because it seems as though if the same amount of money is being spent anyway.

So, Madam President, with respect to this whole laptop and the taxes that are being exempted here, people just do not have money to buy—they do not care if the taxes are not there, you know, because they just do not have money to buy any of those things. I mean, the hon. Minister of Education was here and probably she was asked if she had a sense of where we were on this 69,000 students, how many were still without? Because every day you are seeing in the papers somebody giving four and somebody giving 10—oh, I thought you were about to speak, Madam President.

Madam President: You have five more minutes.

Sen. J. John: Thank you. Yes, and to me, there is no cohesive manner in which we are managing this, who has devices and who does not have, because particularly the children in the rural areas, they have nothing. They are calling everybody else to get a little device because children cannot access this online training. I mean, now you are seeing some corporate sponsors are saying that they are bringing devices to give out, but people are getting vaccines in their hand now in England, and in New York, and in China, and in Russia, et cetera. So the pandemic is almost over and they are now coming with this thing.

So, to me, this was really badly handled, this moving from the physical to the virtual space. A lot of children have been left behind and as this—I was reading a little article sometime where a woman by the name of Henrietta Fore, Executive Director of UNICEF, she said:

UNREVISED
“The sheer number of children whose education was completely disrupted for months on end is...a global education emergency.”

And we have to treat it like that, because how are we going to catch up with this gap? It is not by putting our invisible hand into the concordat or decide what we will do with scholarships and so on, and bring the levels down to try to say we are balancing the thing. No, we have to look at the children who now still cannot access education. And this lady went on to say the repercussion of children whose education has been disrupted for these months could be felt in the economies and societies for decades to come.

So in the media, you see government agencies providing a few devices here and there, which, Madam President, exposes deep inequalities in access. I have heard that in many instances the devices do not work well because the Government is not providing no minimum specification, no requirements, no guidelines. So people just buying anything and say, “Well, all right here. You need, so look it.” So, Madam President, I think it is a simple exercise. This is very critical that the Ministry of Education should get to calling these schools to find out who has and who does not have, because this is an emergency that really and truly we could probably alleviate even now.

The Government, I think based on what is before us, really is not looking after the poor. These amendments are not about the poor and those who do not have. In no way do they speak to the lack out there and the sheer crisis that is facing us, and we all understand that we do not have a lot of forex and we do not have a lot of this, and we do not have a lot of that, but whatever little we have, let us help those who cannot help themselves. Let us help those who are most vulnerable [Desk thumping] in the society. That is what I think we have to do at this time. Madam President, I thank you for this opportunity. [Desk thumping]
Madam President: Sen. Richards.

Sen. Paul Richards: Thank you, Madam President, for recognizing me and allowing me the opportunity to make a contribution on the Finance Bill, 2020, introduced in the other place and, of course, seeks to make amendments to the Motor Vehicles and Road Traffic Act, Chap 48:50, Income Tax Act, Chap. 75:01, Corporation Tax Act, Chap. 75:02, the Petroleum Taxes Act, Chap. 75:04, the Value Added Tax Act, Chap. 75:06, et al. Allow me to pass on my facilitation, Merry Christmas, Happy New Year, Season’s greetings, Feliz Navidad, and all that good stuff. It is the time of the year for that, and while many of the provisions in this Bill seeks to provide some sort of relief, actually quite a significant amount of relief in some ways, there are many people in our society that are not going to have a merry Christmas, not going to probably have a happy new year, and we are all engaged in navigating what is one of the most significant existential challenges any country, and all countries, have faced in a long while; 2020 will certainly go down in history as a year of disruption and challenge.

So in terms of the actual provisions in the Bill, I am happy to see the exemptions sought in the motor vehicle tax in relation to hybrid cars, electric vehicles and vehicles that use CNG. What I would invite is some sort of commentary as to how we are going to sustain this because while electric cars are great—I do not drive around and see many fuelling stations for electric cars—and if we are going to go that direction, which is commendable because it is going in the direction of the green economy that we are seeing around the world, it is much more ecologically friendly—we need to put system in place. We have spoken about CNG cars and I know many people are making the transitions, and subsidized transitions at that, to CNG cars, the service station that supplies CNG are only incrementally increasing and they are not widely available.
So while I applaud many of these initiatives, it has to be in the context of a wider national transportation policy vision and strategy which includes us moving in the direction, in some instances, of having less cars on the road to start with, because the hon. Minister of Finance in the other place spoke of the number of cars I think in Trinidad and Tobago per capita, and the amount of money, I think it was over a billion dollars, spent on importation of cars in one year alone. So that tells us that we have a transportation problem in Trinidad and Tobago. And while these provisions are admirable, because they are moving in the right direction in terms of subsidizing cars that are less dependent on fossil fuels, what we really need is an overall transportation vision strategy and plan to mitigate the issue related to the need for the importation of so many cars in Trinidad and Tobago.

The other part I would like to identify is clause 4 which seeks to amend existing subsection (7) by inserting the following new definitions in alphabetical order, quote:

"‘catastrophe losses’…any losses arising from—

(a) earthquake shock, fire following an earthquake or flood caused by earthquake;”—and

“(b) hurricanes, cyclones, tornadoes, windstorms, including rain and flood accompanying or caused by these perils;”

And I am wondering—and I am asking the question because I do not know. I think it is a worthwhile provision. But in the context of a catastrophe, I think a pandemic and infectious disease pandemic at that, may actually qualify as a catastrophe and may be applicable to the included in some way, form or fashion in this clause, because I know in terms of what my interpretation of what the clause is trying to achieve, the effect of including the damage caused by the pandemic across all sectors of society may be a worthwhile consideration.
Clause 4 also seeks to amend the existing sections by:

“…increasing tax allowances related to arts and culture, sporting activities or events, audio, visual or video productions, production companies and the fashion industry from six million dollars to twelve million dollars.”

Also extremely commendable. However, how does that fall into an overall concept for how arts and culture plays into being a consistent and sustainable contributor to GDP in Trinidad and Tobago? We all know that we had several iterations of debate where several Members in this place and in the other place have quoted the potential of the creative arts sector.

So while this actually does some good, in terms of providing or increasing by doubling the allowance, to me, it has to be in the context of a wider understanding of how the society feels that they can participate inconsistently and build an industry as opposed to contributing to a festival—and there is nothing wrong with the festival approach, you know. But if we are to build an industry out of the creative arts, it has to include a much wider vision, and certainly if we have a wider vision, we would find that persons are steering their careers and their endeavours in that direction and can actually benefit from this in a more sustainable fashion.

The other part of the Bill that I want to comment on is, and I think again it is commendable, clause 8 of the Bill which is under the heading, Miscellaneous Taxes Act and “No online purchase tax” seeks to exempt the payment of online purchase tax for all laptops, computers, notebooks, tablet computers, mobile and digital equipment, cell phones, accessories and peripherals. I know my colleague, Sen. Deonarine, mentioned some parts that she thought was missing, but I think that may be covered under peripherals, including desktop and router systems, et cetera. And again, while I think it is commendable and I will spend quite a bit of
time this, facilitating tax exemptions on devices which are required for life in this new digital environment is extremely commendable.

There is no doubt about if fact that we have been thrust, like many countries in the world, into digital space more fervently than ever before. However, in doing research for this contribution, and I know the hon. Minister of Public Administration and Digital Transformation made her contribution earlier on, but I did not hear a lot of commentary on what we need to be vigilant about. In times of crisis, pandemics, hurricanes, natural disasters, countries and jurisdictions are struggling to transition and mitigate the disaster, but there are opportunists that abound in the world.

2.15 p.m.

And one of the red flags that has been raised in many jurisdictions while people rush to get devices into their jurisdictions for obvious reasons is the fact that there are people out there and companies out there that will seek to exploit vulnerabilities. Because when we open the doors without any sort of regulation or guidelines, we may be importing so many devices with built-in malware, built-in bots, et cetera, that may pose a big danger long term in terms of our cyber security in Trinidad and Tobago and there are, many, many vulnerabilities that can be exploited when we seek to import en masse without any regulation or guidelines or supervision what we are importing, who we are importing them from.

For example, the European Commission on digital education action plan focuses on many of those issues and I will quote from an article:

Today’s ICT environment is characterized by ubiquitous connectivity through many networks and diverse systems and devices and the exploding demand for interconnectivity, integration and platform compatibility makes hardware and software both more complex and more homogenous but also
extremely vulnerable to potential cyber threats which have become more widespread presenting serious challenges both to the industry actors, governments, private sector. The cost is eventually going to be borne by the country and the developing countries quite frankly that are more vulnerable. Recent threats include malware, Web-based/Web application attacks, phishing denial, distribution denial of service, bots, spam, botnets, data breaches, ransomware. Malware as defined by the International Telecom Union software which cyber espionage which intentionally performs actions which can damage data and hold some countries and some sectors at ransom.

One of the recent issues involved the NSA itself where “Wanna Cry” which was a particularly ruthless targeting malware focused on Microsoft Windows operating systems by encrypting data and demanding ransom for payments in bitcoin crypto currency. IT used two powerful exploits including Eternal Blue and Double Pulsar. The first Eternal Blue refers to an exploit created by the NSA. There was 78 per cent increase in cyberattacks in 2019 alone. This is before the pandemic and before most countries started to transition radically online. There are several things we need to be looking at including design flaw, infrastructure flaw. In 2017 and 2018 alone, the Internet society reported 14,000 router-related outages in one month alone.

There is a term in the cyber world which focuses on a term called “zero day” exploits and it is one of the malicious techniques receiving attention in recent days. It is commonly called “zero days”. It is an informal term used to describe an exploit of a vulnerability in software not yet known to the soft vendor, manufacturer or end user. It is a dark world term. The non-disclosure of “zero days” is often perceived to pose the most risks if they are not responsibly reported to the vendor or manufacturer and in some cases are built into devices of loaded
onto devices which have low-risk assessments on them. So we need to be very careful where that is concerned.

In terms of the transition and the section of the Bill which deals with the accessibility to digital devices, again, I say it is extremely commendable by the hon. Minister, it also needs to look at moving us from transition services in education and other areas to digital competence and strategic planning of our digital infrastructure in Trinidad and Tobago, including digital literacy, not only at the school level but at the wider society level. Because we do not want in addition to having the gaps that have been identified by many other people in the education system because of a lack of connectivity, in particularly rural areas, or a lack of data in some areas or a lack of devices in some areas for the elderly persons in society to be left behind because their digital literacy levels are much lower.

One of the provisions that I would have liked to see considered in this Bill to the hon. Minister, and I do not know if it can still at some later stage be considered, is the issue related to the cost of digital services, Wi-Fi, et cetera and possibly introducing some sort of digital voucher system in Trinidad and Tobago by what could be possibly your means test to ensure that persons who are vulnerable are able to access a voucher that can pay for digital services and can pay for Internet services, particularly in rural areas where the persons are within the lower socio-economic group and where they, in many cases, cannot access digital services for education, for Government services, et cetera.

Also, Madam President, through you, one of the issues that we need to look at when we are importing these devices is the ability to be interconnected seamlessly into the existing systems in Trinidad and Tobago because the wider variety of devices that we have, the more difficult it becomes to manage the devices in terms of hardware, software and “integratability”. So we need to also
look at that and also looking at developing systems that are protected where we as individuals in society and also particularly in the school arena, enforce some sort of encrypted digital credential system so that there can be day by day, week by week, month by month monitoring of digital uses, threats posed, progress made in the educational sector and real-time interventions based on the data gathered and analysed in those areas.

One of the other items I would have liked to see included, and maybe the hon. Minister can comment on that, is some sort of provision or tax incentive or it may fall under one of the provisions here for maintenance system of these devices that are being imported in Trinidad and Tobago because when we are now importing en masse devices from all over the world to meet the increase demand in Trinidad and Tobago, we can very easily see in six months or a year—

Madam President: Sen. Richards, you have five more minutes.

Sen. P. Richards: Thank you, Madam President. That the devices will need some sort of maintenance and upgrades and checks and we do not want to find ourselves in a position where we have allowed this significant investment from the private sector, from the state sector and from stakeholders in importing devices for school children, for other people in other sectors and now we do not have a maintenance system for the volume of devices we have in the country and we have to go in six months to a year to repurchase devices because they have not been maintained and they have deteriorated to the point where they cannot be repaired. So while we are looking at importing devices, we need to put systems in place to make sure devices are maintained and checks and balances are in place for that sort of continuous maintenance of these devices.

Finally, in closing, Madam President, while I approve of many of these provisions, I have sought to point out some of the gaps that I think I identified and
also when we are focusing on transitioning to a fully digital society and I know it is a process that will take several phases, we really need to focus on putting mechanisms in place to assess the significance of the digital divide in Trinidad and Tobago, including equity in education and other areas and accessibility and the gaps therein because if we do not, we will just continue to increase the gap between the haves and have-nots and unfortunately this generally leads to a deterioration in societal conformity and that is never a good thing in a society like ours.

So with those few words, Madam President, I would like to thank you for the opportunity to contribute.

**Sen. Nigel de Freitas:** Thank you, Madam President, for the opportunity to contribute in this presentation that is currently engaging this honourable Senate today which is the Finance Bill, 2020. And let me just join with my colleague Sen. Richards in wishing everybody Merry Christmas, it is about 10 days away, next week Friday, and hope that the joys of the season will quell the passion that we heard in the first set of contributions today in relation to Sen. Mark’s contribution and Sen. Lyder’s contribution indicating that they were very angry.

But, Madam President, as I get into the Bill that is before us, I am reminded of a particular phrase that was said to me when I was going through university and learning about the particular industry that I was heading into because at that point in time, the industry was relatively young still, it was making some impact, it was growing and ironically it was Sen. Vieira, I think it was in his budget contribution, was speaking to the Blue Economy and where it is now and the fact that it is a revolution and is being hailed as a revolution.

But at the point in time that when I was looking into that particular industry where I was, the talk was that it is relatively small and growing and therefore it did not
have that much of an impact. But the fact was is that after not too long by the time I actually completed my degree in university, the Government of the country I was in at the time was starting to look into that particular industry towards regulation but also balancing in the sense that they wanted to ensure that the industry continues to grow so that it could contribute to the GDP.

And the phrase that I mentioned earlier that I am speaking to which came from my professor at the time and then I happened to hear the exact same phrase when I returned home, was that a government’s role is not to per se create an industry but instead to create an environment where the industry can thrive. And when I read this Bill and the clauses in this Bill, to me, that is what is prevalent in this Bill. So what industry is the Government trying to create in Trinidad and Tobago and an enabling environment for? Well obviously it is the tech and digital industry because that is where the world is now and that is where we are obviously headed catalysed by the emergence of COVID-19.

And let me just respond to Sen. Richards, the speaker before me, when he indicated that we really do have to look at the devices that we are bringing in and the malware that might come in with them. The fact is, Sen. Richards, is that hackers, malware and these types of things are going to be pretty prevalent going forward as we as a people on this planet move into a digital world. As it is right now, we technically live in a digital world and a physical world. You will have a particular personality on social media for example and a completely different personality physically. You may even have friends on social media who you have never met in your life or will ever meet in your life and that is just the world that we live in.

So one of the things that will happen is that you are going to get individuals and people who are going to engage in that type of activity and it is very difficult
to treat with and deal with but going forward, it is something that you would just get used to in terms of the continuation of the digital world growing.

So, Madam President, several clauses in the Bill do tie together to help create that enabling environment to which I spoke to and we begin clause 4 where we speak to increasing the tax allowance from $6 million to $12 million which essentially has the effect of increasing the available disposable income to companies that are involved in that particular industry and the industry I am speaking to here in clause 4 is the creative industry and you would see that the arts and culture, sporting activities, events, audio visual or video production and production companies as well as the fashion industry is actually named in that clause.

And Sen. Richards would have spoken to the creative industry being earmarked for a while in relation for growth and talking about developing more in terms of how this industry would be able to contribute to the GDP. And what I would say in response, Sen. Richards, is that the creative industry in Trinidad and Tobago has been growing. We do have some very talented individuals, whether it be singers, whether it be painters and artists and they are emerging more and more as time goes on and as more money is put into that particular industry.

But this particular clause allowing people to be able to access a tax allowance to the tune of $12 million and therefore creating that extra available disposal income will have the effect of bolstering that industry and I think it is Sen. John that spoke to the fact the COVID-19 pandemic is having on that industry and that individuals in that industry may not be able to survive because, one, you cannot congregate. But what I would say if you look at what is pointed out or earmarked in that particular clause, you would notice that they have been surviving during the COVID-19 pandemic. Sporting activities have not dried up completely.
We see the NBA is still ongoing, we see the football games are still ongoing and they have found a way to survive, because once it is that you are engaging in entrepreneurship or business, one of the first things that you learn is that you have to overcome obstacles no matter what may come your way if it is that you want to survive in business period and therefore they would have to overcome obstacles in relation to the pandemic and they have been doing just that.

But let me go further to speak just a little bit about for example the video production and the production companies. If you have noticed just in the last four months, and the Minister of Tourism would have pointed this out before, Trinidad and Tobago is being looked at in relation to these massive TV shows that have gone viral. And we had a recent show called “The Amazing Race” in Trinidad and Tobago that showcased both Trinidad and Tobago and therefore was able to tie into our tourism industry and expose the country to eyes and ears of individuals who may never before have looked at Trinidad and Tobago. One of the things that I am saying is that with the tax allowance that you would get here, these companies would be able to reinvest in the company itself and expand the company and better be able to attract these types of shows to be able to come to Trinidad and Tobago tie into the industry and basically also bolster the tourism industry as well so that they can continue to grow and Sen. Richards, be able to contribute more to the GDP of Trinidad and Tobago.

But in order for them to do that, all of these activities tied to the creative industry have a heavy presence in the digital world and once you have that heavy presence in the digital world, you are going to need equipment and resources in order to capitalize on the allowances in clause 4 through the expansion of the company.

And let me just respond to Sen. Deonarine because she did make a relatively
good point in relation to desktops being missing in terms of the devices that would invite that allowances or the no VAT and the no customs duty and the no online purchases in terms of tax. But what I would say, Sen. Deonarine is that the whole world is moving towards mobile and yes, there are a lot of these industries, especially the production companies and the video production companies that would still heavily rely on desktop and the CPU. But if you notice, for example, Apple has developed the iPad Pro which allows you to do a lot of these things on the device because they realize that is where they are headed and even the laptops for example are starting to be and I want to use the word phased out to a certain extent because they are blending the tablets and keyboards to give you the kind of power that the laptops used to have and in some cases that the desktops used to have to be able to do these things.

So as much as you still would require desktops to a certain extent, when you are doing heavy lifting that you will be doing with the video production, the fact is that in a few years to come, you are still going to be moving towards mobile to be able to execute and do these things.

So I do agree somewhat in the sense that yes, desktops should be there because right now it is something that is being utilized to get those things done but the fact is that after a certain period of time, you are going to see that even the desktops are going to be reduced to a mobile application in terms of using it and therefore having that in terms of taxes being taken off is a good move right now. Even if in the future, you might need to add desktops for now but at least you are not hindering any progress in that particular area.

So, Madam President, I move on to clause 8 where the amendments to the Miscellaneous Taxes Act, Chap. 77:01 to exempt laptop computers, notebook computers, tablet computers, mobile and digital equipment, cell phones, software,
accessories and peripherals from the payment of online purchase tax. Clause 6 deals with the provision of a zero-rate tax allowance in relation to VAT. And then you have clause 9 which goes even further to amend the Customs Act, Chap. 78:01 to give exemptions on those same items in relation to customs duty. So you are seeing that tie-in effect where you are trying to create that enabling environment in one particular industry which is linking to other clauses in this Bill in relation to the types of equipment that you would need and be using in those industries also having the taxes removed. So you have the disposable income being increased in relation to the tax allowances in that particular industry but you also have a reduction in cost of equipment that you would require to expand that company. And that is why I am saying that as you look through these clauses in these Bills, you would see where they tie together to create that enabling environment.

But, Madam President, we are talking about the creative industry. What about the actual tech industry itself and the companies that you would find in that industry? Well you would realize in that those companies, vis-à-vis the software companies for example, you would also need that enabling environment to be created and well that take us right back to clause 4 in relation to where start-up tech companies should get a boost due to the increased tax allowance to the tune of $3 million and that would really come for, let us say venture capitalists or investors that want to invest in those tech start-up companies and they will have that allowance to tune of $3 million.

And what that means is that if you want to start up a company, if you want to solve a problem in Trinidad and Tobago and you have an idea to develop a piece of software to do that, whereas prior to that it might have been difficult to actually access the funding, you might have wanted to go to the bank, for example, and then they would have to understand what it is you are trying to achieve, you do
now with this amendment have that access to venture capital companies and investors, individuals who may have the money to do so, to invest with you because now it is beneficial for them to do so to the tune of the tax allowance giving you that $3 million availability.

So, Madam President, let me tie all this together in terms of how it would work because I have been hearing coming from the Opposition specifically that it is the poor man that is going to suffer and this is not going to help the people of Trinidad and Tobago and it is those that have big companies that are going to benefit mostly. Well, that is not the case and let me just tie this together in a way that you can understand exactly how I envisioned after reading this Bill that this would work.

So “yuh young”, probably just left university, you are looking to leave your mark on the world. Armed with theory, you decide to launch an app that you are sure is going to solve whatever problem is plaguing today’s society. So you get down to turning your dream into a reality. You need a decent laptop so you order online, after all, there is no online tax anymore and there is no customs duty, so the price that you would normally pay comes down. And once you have it, well you need money for the beta phase so take up a job in the creative industry which now has an enabling environment or maybe a production company where you can put your skillsets that you have learnt to use and you realize you are in luck because with the new tax allowances, there is a need to hire more people in this industry and some of these companies are looking for the young people because that tax allowance to the tune of $3 million outlined in the Bill is now there and available for them so they are looking for young, bright individuals to come and work for them. So you are working and you are building at the same time and in no time, the beta phase of your app is complete. Immediately you look for investors and this
has to be your year because investors are looking to capitalize on tax allowances given for investing in tech start-ups. So you set up a meeting on Zoom on your brand new laptop that you got duty free and well as we say, the rest is history.

Madam President, if you believe the picture I just painted is farfetched, then I can assure you that you are probably a person that is far from understanding the impact and potential and resilience of a people once given an opportunity or an enabling environment to thrive.

With those few words, Madam President, I thank you. [Desk thumping]

**Sen. David Nakhid:** Madam President, I would like to thank you for the opportunity to contribute to this debate and like my colleagues on both sides to wish everyone in Trinidad and Tobago the best of the season. I would like to add also that the comment made by Sen. de Freitas that the season should serve to quell our passion—I would like to add, Madam President, that we have the reality despite the season and what takes place on the ground and as we all know here, if we are honest in keeping with birth of Jesus Christ, peace be upon Him, that the situation on the ground is dire.

Madam President, the motor vehicle tax exemption as indicated in clause 2 of the Bill, having listened to the presentation of the Minister of Finance, I am struggling to understand the Government’s philosophy with respect to hybrid and electric vehicles. I say this because I looked back at some of the budget debates circa 2015, 2016 and the Minister of Finance gave tax exemptions for all hybrid vehicles and from the essence of that contribution back then, I was of the view that the Government was seeking to go green. I was of the view that the Government was moving away from fossil fuels with a view to protecting the environment.

But the very next year, I heard in another budget presentation, the same Minister of Finance complaining that the tax exemptions on hybrid vehicles were
being abused by upper and middle-class rich folks to bring in high-end vehicles like BMWs and others and take advantage of the tax exemptions on hybrid vehicles. I did not understand the complaints when I saw them. I am even more confused now because once more, we are hearing about tax exemptions for hybrid and now electric vehicles but the exemptions are limited to vehicles being used only for commercial enterprise. So what really is the philosophy, Madam President?

Madam President, all entities of substance, of value, they have an overriding philosophy but this Government seems to be all over the place, “ah kinda scatterbrain approach” and we have the hon. Minister of Energy talking to us about being hard-headed. While I know he struggles to find the appropriate language, I would say to you, hon. Minister, it is not hard-headed as my dear colleague said, it is about being resolute and determined in the face of a convoluted and confused policy that you have presented. [Desk thumping]

If we are going green, Madam President, which should be our focus, since we are now a net importer of fuel, then why limit the tax exemptions to only commercial-use vehicles? Who benefits from these tax exemptions? Economic theorists suggest that the tax exemptions should mean a savings to the entrepreneur which in theory would be passed on to the consumer. But what is our reality? And that is where the jig is: What is our reality? And this PNM Government seems disconnected with the reality on the ground.

Yes, there would be a savings because companies can acquire commercial vehicles at lower rates. But what really happens with those savings? Only two things can happen in theory. The savings accrued would put more money into the pocket of the company making use of the exemption. But what are they going to do with that money and what would his choice and how would his choice benefit the
people of the country? Given a choice between keeping this windfall in profit adding it the profits versus letting the lower cost of doing business trickle down to the consumer in the form of reduced prices. The reality, Madam President, is that the entrepreneur will keep his windfall and thereby increase his profit margin.

2.45 p.m.

Madam President, trickle-down economics has never worked in any part of the world. They can bring us no example of it. And they keep proposing these trickle down economic policies over, and over again. Right here at the pump our fuel prices most times lower than the First World countries. But has the price at the pump decreased for the man on the street?

So in the end, Madam President, I am of the view that this exemption is just a boon for the one per cent. No matter how it is quoted, how it is spun, they alone will benefit. So it is not about going green. If it was about going green the exemptions would apply across the board. Again, this philosophy, perfectly in line with the hon. Prime Minister Rowley’s declaration that, let us get the rich richer, and the rich will elevate the poor. To quote the hon Prime Minister, poppycock.

Madam President, I move on to the corporate tax exemptions for sport. And I would like to focus on sport, Madam President, because—and I would like to address in light of the festive season to the hon. Minister of Agriculture, Land and Fisheries, who in one of these debates referred to me as a striker, with all respect displaying his ignorance of someone who has served the country as national captain and football player for over 18 years, that I was a midfielder, and the first midfielder to have played in Europe from Trinidad and Tobago. Three times voted most valuable player in the Caribbean, and twice national player of the year. [Desk-thumping] That message was asked to be relayed to you by one Ellis Sadaphal, one of the best players this country has ever seen. So it is not about “ah
just come”. I have been here sweating blood and tears for the country of Trinidad and Tobago. \[Desk thumping\]

As far as the increase in exemptions for companies making financial contributions to sport. I am bemused at this increase, Madam President. Again, this seems to be another attempt to lessen the burden on corporate Trinidad. Unless there is close, close almost forensic supervision of this claimed expenditure and a tight audit to ensure that every cent earned in exemptions was actually spent for its purpose, this will be another opportunity to give huge tax breaks to the 1 per cent with very little benefit to those who actually should benefit.

And let me explain. Clause 4. Allowance for contributing to sport and culture. How many businesses, Madam President, can actually fund anything close to 6 million or up apart from BP, ANSA McAL, or Massy? Average businesses in this straightened time, even before COVID, can hardly fund their own cricket league like in days gone by, or football league team. They cannot even give teams regular uniforms, or their staff—fund a staff, or even fund like before maybe a community. So these kinds of top-end suggestions in legislation and amendments they do not resonate as I repeat in this noble House. And I do not know if the Government is hard headed; it has no resonance on the ground.

But I would like to offer some proposals in light of the Christmas season. I propose that we should have an initiative whereby corporate Trinidad instead of giving money to perhaps sporting federations and associations—that almost never reach to people—that we can have Government encourage corporate Trinidad and Tobago to adopt a community. Let each conglomerate corporate giant identify a community and adopt that community. Let them perhaps employ professional coaches so that we can have coaches of the standard of my colleague Sen. Anil Roberts, undoubtedly, and I can tell you this personally, one of the best coaches the
Caribbean has ever seen. [Desk thumping] Let them go into sporting communities, adopt community centres in places like Laventille, Morvant, Mount D’or, Bagatelle, Scorpion, Maloney, Malabar, places that need this kind of development.

And I will tell you why. We still are, fortunately, Madam President, a very faith-based community. We have faith-based communities in Trinidad and Tobago. So, thereby I propose once again to the hon. Minister of Sport and Community Development, or the hon. Minister of Finance to adopt perhaps the Belgian model, where sport goes hand in hand with the elevation of academics.

Let me explain. For every national player, regional player, that these communities produce there is an incentive given to the schools in those communities, to perhaps put a computer lab, many of them struggling still without laptops. Perhaps another wing of a building. Perhaps bringing in better paid teachers and staff to raise the level. Whereby we can have not only sport as an outlet but education. So we do not have a reference to these poor communities on the East-West Corridor only when it comes to sports and the craft. We have to give them that opportunity, Madam President, in academics, because policy without structure, Madam President, is a recipe for disaster, leads to no implementation or poor implementation; and that will be the order of the day.

When I looked at all the reviews including those of the Economic Recovery Commission, it seemed like nothing has been done in preparation for the end of this pandemic. We are way behind countries like Grenada, St. Vincent, Jamaica, St. Kitts, Guyana, in terms of preparation for sport. Can you imagine, Madam President, can you fathom, in speaking about sport tourism the Economic Recovery Commission mentioned Tobago once? They spoke about Brian Lara Stadium and the Queen’s Park Oval in terms of sport tourism. It shows a fundamental lack of understanding of what sport tourism entails. And I can talk from my own personal
experience. When our teams would travel to have camps abroad, the first thing we would want to see after training is a beach. Where do we take them after the Hasely Crawford Stadium or the Queen’s Park Oval? To the foreshore to swim? It makes no sense, Madam President. It makes no sense while we have Tobago where every beach is five or ten minutes away. It was mentioned once.

The hon. Minister of Energy and Energy Industries I would like him to understand that in our desire to find a solution—

**Madam President:** Sen. Nakhid, you have five more minutes.

**Sen. D. Nakhid:** Okay. I will come back to you Minister of Energy and Energy Industries another time.

**Sen Khan:** Use your five minutes wisely. [*Laughter and crosstalk*]

**Sen. D. Nakhid:** Madam President, there is a saying, and I would like to close with this, there is a saying that floats about in politics that: “When you are uncreative, non-innovative, uninspiring and apportioned with a deficit of imagination by almighty God, what do you do? You legislate.”

You know, this is the first time I feel a bit sorry for this Government in terms of policy, legislation, and implementation. This Government can be compared to like mice in a maze running around trying to find the exit. But “all yuh always boasting all yuh win de election”. Well stop running around and bring legislation to benefit all the people and not only friends, family, and financiers. Worry for one time about the majority shareholders of this country. I gave you all now some solutions as regard to sports. Use it, do not be arrogant. Do not be proud, use it. It is time for you all to stop bringing useless legislation and time to govern this country. Thank you, Madam President. [*Desk thumping*]

**Madam President:** Sen Deyalsingh.

**Sen. Dr. Varma Deyalsingh:** Thank you, Madam President, for allowing me to
Finance Bill, 2020  
Sen. Dr. V. Deyalsingh (cont’d)

partake in this discussion, with this Bill which to amend various aspects of a few Bills, the Motor Vehicles and Road Traffic Act; the Income Tax Act; the Corporation Tax Act; the Petroleum Taxes Act; Value Added Tax Act; Stamp Duty Act; and the Miscellaneous Taxes Act, and the Customs Act. So it looks at various aspects of these Acts to see if certain changes could be brought about. And what I looked at really—it looks to see if, you know, we can somehow ease up citizens, somehow support small businesses, somehow to encourage the start of small businesses.

For example the IT businesses which clause 4 at 10R and 10S actually looked up to try to see if we can help these aspects. And as I looked at these amendments I wondered would it really cause any sort of improvement to the lives of the citizens? And I have to say yes, it does, and it would in some instances. And other instances I may have some questions. So we have seen that most of these measures were already mentioned in the main budget and this comes like enacting legislation to give some meat to what we have already had planned to bring about.

When I looked at the fact that we are trying to start up small business, this is something commendable because we have seen in the COVID time a lot of the businesses have folded. We have seen problems existing with this COVID. And even before COVID we had challenges where you had the ease of doing business, you know, we had problems in Trinidad where it went from 66th place in 2014 to 105th in ’19. And also the World Economic Freedom Index in 2015 had us listed as 67th in the world and then later down, I think, in 2019 is 109. And all this was before COVID. So before COVID we had challenges and now we still have these challenges to see how we can start up these businesses. And in all of these, you know, any sort of action to start small business is commendable, but we have to realize we have a big bogey also. We have the issue of crime. So we need to tackle
crime. Because if I am going to open a business, I would have to look at the economic outcome, the safety of my workers, the safety of myself going to and fro to my business.

So therefore, most respectively I heard the Minister of Finance mentioned that in January he would be looking at other pieces of legislation and I welcome those things. And I just want a slight suggestion that probably we have to look also that, you know, even at start-up security companies is something that may be making business in this time and tax incentives should also look at that. And also, I remember in the previous regime when I think it was—the Minister then was I think Jack Warner was the Minister then—he actually had some sort of concessions to security equipment and camera. So I think we need to look at those things that you know, if we are looking at crime free to start a business, security companies, and any sort of tax concession for cameras and security equipment should be also playing part in our life.

So then, when I look at also the fact that, you know, we are trying to save I think it is billions of dollars in our food import bill. And I had heard mentioned in the budget that, you know, apples and grapes may be things of the past but, Madam President, I saw apples and grapes downstairs there in our dining room. So, we may have to look at what we are doing even here. Because you see while we are trying to save this foreign exchange which is commendable even in my field there is a medicine called Leponex for schizophrenics—resistance schizophrenia, and Madam President, we are not getting it. So you find schizophrenics who have resistant treatment on this tablet called Leponex. It is not available and some the companies are saying it is due to the lack of foreign exchange. So anything we can save, I am thinking would help the community.

So then, Madam President, the other thing we need to look at and I think the
Minister of Finance mentioned he will be looking at the Liquor Licences Act. And when I went to the grocery recently I saw 72 different types of alcohol in one grocery. There was Vodka where you had pineapple flavoured, apple flavoured, you know, different liqueurs that appealing to the younger groups and to the children.

So what I am saying, we need to also look at the foreign currency we can save in, you know, curbing alcohol use. And even a past Minister in the last regime, I think it was Minister Surujrattan Rambachan, mentioned the horrendous cost of spending moneys to buy alcohol. So all these are things that I think—I am hoping in January we get some sort of, you know, added restrictions on certain of those items.

So, really speaking when I looked at clause 3 of the Bill, Madam President, I saw this Bill actually, you know, looked to increase the personal allowances of an individual who is resident in Trinidad and Tobago. And this again is commendable. Because you see if we are looking to increase the personal allowance you will find that persons as the Minister quite rightly said, will have added money, added money would lead to added expenditure. I mean, prices have gone up so they may not be able to save but at least the money would be circulated.

When I looked at the wear and tear aspect of the clause 3, again, this is commendable. Because the depreciation in goods, you know that we see that we can assist small businesses in these COVID times. I think this is something that is very welcomed.

And also, Madam President, the clause actually looked at different sections and I looked at clause 4 of the Bill look to adjust the rate of corporation tax on small and medium enterprise company listed in the stock exchange. And this is commendable because then if you have these companies being listed they may be
able to borrow more and you would get some sort of mobility into the stock exchange. So all of those are benefits which I think would go a long way.

When I look at the aspect of the Bill, Madam President, that you are looking at clause 4 and I want to make mention of the aspect in clause 4 where you looking at 10—you know the clause that seeks to amend section 10G(1), 10I, 10J, 10K et cetera. When you are looking at increasing the tax allowance relating to arts and culture, sporting activities, and also into video production, all these things are very, very commendable. And I might say we are going through hard times. The artistes are now saying that they are in some dire straits. But we have to remember even after the black plague the period of art, the Renaissance followed great art pieces that were in the European culture.

Madam President, when I look at the fact that we are going to look at tech start-up businesses, I found this is a good aspect. But two aspects I had to kind of—you know, I would like to mention because you see what it was mentioned in this is that when you are looking at new businesses, you are looking at creating youth employment. I think this is a bit discrimination. Because even though you are starting new businesses there is a lot of elderly persons out there. We are an ageing population. There are persons who may want jobs. So yes, we want to create jobs for the young persons but I do not think this—we should have ageism in this. So I would say no to that part. Create employment but not youth employment. So I will have an opportunity if I so desire to, you know, go into a company. I may be able to go into that.

So I would also like to mention that when you look at the section 16 of the Corporation Tax Act to allow the approved property development company you know. So people who are developing companies I think—developing housing or business construction, commercial, all these things will stimulate the economy
because you are getting a tax break you are going to hire persons. So all these I think is very commendable.

The fact that clause 5 also looked at the Petroleum Taxes Act, and I heard the Senator mention about the need for it, the fact that we would actually be looking at increasing these small companies who would be having their difficulties at this period, but if they are producing the oil and gas, those small companies, I am thinking, definitely this would go a long way in helping those persons, supplementing them. And I am thinking this is something it is very welcome. This adjustment I think it was welcomed by the industry itself, with the small operators being benefitted.

When I looked at clause 6 of the Bill and I—this is something I realize that I was in a little disagreement. Because if you look at the history, Madam President, of the car and getting cars and, you know, in this country and foreign used cars, we had instances where the previous government I think in 2011 they gave a six-year period registering of certain vehicles. Then in 2016 a different government reduced it to four years and now it is further reduction to three years.

Now, Madam, I am thinking you know, the foreign used cars are something that it is a definitely a benefit to persons. I have a young son. If I have to buy a car I would be looking to see which foreign used car I could get. I would be also looking to see, you know, let us go green. Because remember we are signed on to the Paris accord. So, while I commend this move to go green and to have all these vehicles operating at this, I think that three year should be expanded to give persons—for two reasons because one, if you get older cars it will cost less to the population. Two, older cars may need more fixing, so if it needs more fixing it will stimulate the mechanic industry because mechanics there would also hire people to service these older vehicles.
And you see the other thing, Madam President, we realize what is going to happen with PH cars and allegations of the dangers. If I had a daughter I would try “all how” to get a cheap PH car rather than my daughter—a cheap car rather than my daughter have to go and travel in a PH vehicle. So I think this part I am not in agreement. I think the motoring public would be at a disadvantage. And I am thinking that hopefully the Government could look to make it older vehicles, but as I say it is cleaner vehicles being that it is with the electric cars et cetera.

Now, I would also now look at clause 7 of the Bill which reduces the Stamp Duty. And again, I must commend the Minister for this because my young son, he is now graduated from medical school, and if he is going to look for a first time property this would be an advantage where:

“Clause 7 of the Bill amends the First Schedule of Stamp Duty Act, Chap. 76:01 to increase the threshold for exemption from Stamp Duty to two million dollars in respect of a conveyance or transfer on sale of property…first time…owner.”

So it will definitely help the younger persons. But I must say young doctors are not getting long contracts. They are getting three-month contracts. So there is no way they can use this to get a long-term mortgage to help with this. So I am saying there are still difficulties there for some individuals.

When I looked at clause 8 and clause 9, Madam President, they really looked at the laptop computer, notebook, you know, exemption, tablet, mobile, digital equipment. And I—you know like also reduce the custom duties and also the fact that the history of this laptop has caused some talk on both sides. Because if I look at the history of it, Madam President, in 2010 the PP Government dared start up giving laptops and that is very commendable. It was excellent. It was even, I think, continuing the goal of our first Prime Minister Dr. Eric Williams, where he wanted
to educate the masses. He being an intellect this was one of his duties and he actually had an excellent forum in terms of plans, of schools, and educating the persons.

So, it is a new time so the future of the school children is not in the schoolbags again, it is in the laptops. And I think the PP Government recognized this and must be commended for having that first thrust to put this on there for us.

Now, when I look at the history again in 2016 you found that the taxes were reintroduced by the present regime. Probably they needed to increase their taxes to run the country, the reasons there. And then even after that when the 7 per cent online purchase tax was added on, I was a bit disappointed because I thought you know, here we are something good was going, we could gain on it.

So therefore, coming back to see now I am seeing that in wisdom the Government has decided with COVID, you know, COVID has probably given us and injected in us a new sense that we have some sense of wisdom in the Government saying that we have to get things going. Because really speaking now, Madam President, e-learning is the future. I am “zooming” every day. And you know, so the turnaround I am saying it is welcomed. I am extremely grateful for this. I am thinking it shows the country—

Madam President: Sen. Deyalsingh, you have five more minutes.

Sen. V. Deyalsingh: Thank you, Madam. It shows the continuity of good policy. And you know even though it went—it was back peddled it comes back on board and it shows that if good policy could be there, we can move on and you know, continue with sort of good policy.

So I thank the Government for bringing back this. And I see the ICT in the Licensing Department is up and going. I see the court has—everyday it is improving in their mechanism in having cases held. And so, what I am saying you
know, certain things, Madam President, I am thinking it is good that we have that back on track.

But what I must say though we have to ensure there is connectivity, Wi-Fi, all over the country. In the past this present regime was always accused of having rural neglect. If you look at the history of Dr. Winston Mahabir who started in the bosom of the PNM with Eric Williams, he left the party but one of—in his book he had, one of his criticisms of the regime is rural neglect and probably south of the Caroni River. Right now we have a chance to show we could get connectivity Cedros, down Moruga, anywhere in Trinidad and Tobago so at least nobody will say that we are guilty or this present regime is guilty of such.

I also would like to now end, Madam President, by saying that in conclusion the Minister of Finance has come like Santa Claus. He has made some happy. Some youths love this. My children are now behind me to buy new devices for them because they realize now it is there. It is accessible. So there is not just one but it has three different devices, the phone, laptop different things now. So my pocket has to come out, but I have to thank the Minister of Finance. Like Father Christmas he has made some happy.

And I am saying—in advance I would like to wish everyone a COVID-free Christmas to be careful out there, to have a happy New Year and I pray for greater comity among the main players here in the coming year. Thank you, Madam President.

3.15 p.m.

Madam President: Minister of Trade and Industry.

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon): Thank you very much, Madam President, to—I am pleased for the opportunity to
speak on this Bill. And which is to benefit all of the people of Trinidad and Tobago, I thank the Minister of Finance for bringing these measures which were introduced in the budget for fiscal 2021. Let me just go to my Opposition colleagues and to look at what they have said and how I can comment. Of course, Sen. Mark thought everything was disturbing and worrying and concerning, and disturbing, et cetera, this is a travesty and of course, he emphasized that Government—he said, it was his claim in his usual alarmist state that Government is an agent of big business and he sought to call names and so on, which I would never do here today. That is not the way we operate on this side.

And somewhat similar sentiments came from Sen. Lyder. Sen. Lyder whom I thought—I was quite surprised at some of his comments because I thought that he would know better. I think he is quite close to the manufacturing industry, so as quite alarmed to hear him speak to the fact—to speak to some supposed betrayal to manufacturing and small business. Sen. Lyder, you know, your affiliation in terms of distribution of manufacturers, you would understand that they are doing well. And one of the major persons for whom you distribute—the major companies in fact won the medium award in the recent awards by the TTMA, I think you understand that all of these small businesses are doing well.

So, I find it quite disconcerting that you would come here and chastise all of the measures which were put in place, precisely to do that benefit small and medium sized businesses, including manufacturers, and you went on to say that we should not have consulted but you forgot, and I will remind the public that the lead up to the budget involved, the setting up by the Prime Minister, especially having regard to COVID and the effect of COVID not only on Trinidad and Tobago’s businesses and population, but also on the rest of the world. And he established, our hon. Prime Minister established a Roadmap to Recovery Committee. And
within that Committee, I served as well on the business side of things in manufacturing and in retail. And I can tell you that we brought on board, all of the Chambers, all of the Chambers throughout Trinidad and Tobago, the Confederation of Chambers, the Chamber of Commerce, the TTMA, all of them were brought on board, so that there was full consultation and many of those measures were brought forward in our budget. And I mean, if you—and I mean, today we come into the House and we speak about a couple of measures but I can tell you, if you go to the Ministry of Finance’s website, there are about nine pages of incentives and measures that are on offer to all different segments of business, whether it is agriculture, or manufacturing, or tourism, or creatives, it is all there. And so, as I said it is quite disturbing to—I expected more, but I oppose this is just usual rhetoric that we can get from the Opposition.

And I will tell you something, as we are talking about SMEs, at the national level, there exists a policy framework that we will take into consideration all of the unique needs and challenges and solutions in the development and the sustainability of SMEs. It is there, in our National Development Strategy in our Roadmap to Recovery Report, in our National Trade Policy, in our Annual Budget Statements and of course, in their most recent Annual Budget Statement of 2021 and several of our Ministries. The Ministry of Youth Development and National Service, the Ministry of Trade and Industry, Ministry of Education, NEDCO, exporTT, several agencies are all involved in small enterprise development, small businesses, medium sized businesses, in particularly that last newly developed Ministry, the Ministry responsibility for youth development, who I know they are now redoing their small enterprise development policy.

And if I look, I have to give all credit to the Minister of Finance, because if I look through the fiscal 2021 budget, it is dotted, it is dotted, and I mean lots of dots.
with measures to improve businesses, especially at the small and medium size level. And the Minister took his time to address and you talked about Sen. Lyder, I do remember you said, you talked about VAT for small- and medium-sized businesses. But you would know that some 5,000 small- and medium-sized enterprises, you would know that you brought it up this afternoon, received up to $500,000 in cash, they got the accelerated VAT refunds. And this is despite the frustrating circumstances of the Government, we made every effort not only to satisfy the large, but also all of the small businesses, all of those—142 of them, would have received zero interest, Government guaranteed loans, I am talking about the small enterprises. Many of them would have benefited from the credit union loan facility, the 5,000 micro enterprises would have benefited from the enterprise grant programme.

And so I am at pains to understand what you are talking about. I can tell you, many people spoke about foreign exchange as well. And you would know that the Government would have made available some $75 million. And there was a second tranche of the US $75 million made available to the importers to ensure that we have our basic food supplies, I am talking about medicine and basic foods and so on. And with regard to manufacturers you talked about earlier on that manufacturers not having any money for their inputs into manufacturing and I can tell you I got a letter from the President of the TTMA, Franka Costello, who has done extremely well in her stewardship, which will soon come to an end. And you would know that the Government did in fact give a tranche of $100 million US and who did it benefit? Who did it benefit? 97 SME export manufacturers and that is during the period of 2018 to November 2020. And I can tell you that this Government has recently renewed and given another 100 million US and it is to benefit the small-and medium-sized exporters. And in doing so, it is giving—it is
restoring confidence in the whole question of FX availability, which many people spoke about earlier, particularly on the Opposition today, it is repairing supplier credit relationships and improving inventory stock levels, it is maintaining employment, and it is stabilizing the domestic supply of essentials and assisting with new market entrants.

So the cry about foreign exchange for the SMEs in particular, have been dealt with by the hon. Minister of Finance through the EXIM Bank, ensuring that they have all of their supply of their FX needs to supply their inputs into manufacturing as well. And I can tell you that whilst you know, I am always pleased about the manufacturing sector and the level of exports, it is well known that it is just a few, 30 manufacturing companies that are responsible for 79 per cent of non-energy exports. And again, I say this means, I am not running afoul of the Standing Orders, it is to say that the SMEs are doing well again. A significant number of our exporters of our non-energy exporters, 55 per cent are SMEs and they are generating export sales of $1 million to $5 million per annum. So they are doing well. And in addition to that, the Minister in the budget had announced the $15 million export booster initiative. We are on target with that, just about getting ready to roll out and so you are going to see the effects where we have all of the different instruments in place, where we are going to boost these SME exporters by establishing trade facilitation offices, appointing trade attaches, helping them with their market research during virtual trade missions and developing their sector profiles. So all of the hue and cry about SMEs not being assisted under this Government I want to completely squash that, that is not so. And as I said, the policy framework is in fact there.

So, coming so late in the speaking order today, Madam President, I do not want to run afoul of the Standing Orders so just to again, emphasize that the pieces
Sen. The Hon. P. Gopee-Scoon (cont’d)

of legislation which we are here to amend today, some of them do in fact—would help to promote the SMEs enterprises again, I have said that and of course help to stimulate the economy.

That wear and tear allowance which is for plant machinery and equipment, which is clause 3 of the Bill, amending the Income Tax Act, Chap. 75:01, it is important and someone made the point earlier about the different classes (a) to (d) and so on. But most of it, class (b) is the one that is most used. And I will tell you, this one is not—it is a tax allowance for the deterioration to allow for tax write off for the deterioration in machinery and equipment purchase.

However, it the point I want to make is whilst the manufacturers do in fact benefit from an initial allowance of 90 per cent of capital expenditure on plant and machinery, this one goes wider. And as a matter of fact, I had a look at Chap. 75:01 to see what kinds of businesses were benefiting from that, because the manufacturers do in fact, and this encourages them to make the investment into plant and equipment. And of course when you know when technology advances and so on to go back and renew they planted equipment to ensure that they stay competitive.

This one goes further, yes it is 25 per cent gone to 30 per cent but the point about it covers a range of businesses, many of whom could be small, down to—I mean I am talking about a laundry plants with washing machines, sewing machines, the construction industry, radios and phonographs and phonographs is an old word, it even helps bucket elevators for quarrying, helps with that. It is just a very wide range including engineering works, and so on. Again, so this small as it may seem an increase from 25 to 30 would, in fact assist a wide cross section of businesses. And, so we are very pleased for that and all of these actions really

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attached themselves to diversification. You may seem—because it is encouraging to know that across this wide range of businesses, you do have these advantages.

So for instance, when we go to Clause 4 of the Bill, again, which seeks to increase the tax allowance related to arts and culture, sporting activities, audiovisual and video production, production companies and so on from 6 million to 12 million, this tax allowance is doubled and it is a big deal. It is a big deal because it encourages companies to invest in all of these areas, and you are talking diversification, because you are talking to development of the fashion, music, film, audio visual, animation industries, because of this allowance, so it encourages the private sector to participate. I mean, Government has its own limitations, we cannot support in every which way. And of course, we have to put our social sector, and education and those areas ahead. But the point about it is, this encourages the private sector to spend and it broadens the pool of possible sponsorship and encourages the investment in local talent and content across all of those sectors. And is going to have an impact on the businesses. And when I say so the small businesses that are involved in this industry. And you know, you may ask the question what is happening in these industries, and I have spoken about this you know, at end, but I will just try to justify that you are seeing the difference throughout the last five years when we have been in office—when we speak about our contribution to the creative industries.

So I examine the effect and whether or not it is worth it, you see the trends. And I looked at the increased contribution to GDP, for instance, over the three years with regard to these particular sectors. And when I looked at arts, entertainment and the recreation sector, now for instance that includes that is a little wide, and it includes live performances and so on. But what was heartening is to note that the contribution to GDP is steady, that in 2017 it was .27 per cent of
GDP, 2018 .26, and 2019 it went up to .30. And that means a lot to the persons who are involved in these kinds of businesses.

I looked at the foreign exchange impact and the access to external markets, I looked at film again, in the level of business done in 2017 to 2018 would have been about 500 US. In 2018 to 2019 when we had the filming of “Amazing Race” and “Love and Hip Hop, Atlanta” and “Girls Cruise” and so on, it actually went up to 2,443,000 US and in 2019 to 2020, it lowered again to 346. But the point is the impetus is there, and if we give the support to the sector, you will in fact see the growth.

Madam President: Minister, you have five more minutes.

3.30 p.m.

Sen. The Hon. P. Gopee-Scoon: And so it is as well for music, and so it is for film, in terms of their contribution towards even increasing the employment and our employment opportunities. It is there in the hundreds, and it is really gratifying to see the effect, the impact, on the economy and the impact on these individuals who are self-employed. I am very happy about that.

I would just say, I would support my colleagues, when we speak about all of the other measures which will impact those businesses that are all geared up towards the technology and transformation and innovation, whether they are small, medium or large. I am sure the population is quite pleased with them, and even so for the personal benefits in acquiring some of the items that will now—for instance, where the taxes may be taken off on laptops and tablets and so on. In expressing my support, of course, for the development and the adoption of all of these new and emerging technologies and so on, I do want to say to the public, exercise caution, make sure you understand which items are impacted and which ones are not. And the whole brouhaha about desktops and so on, I think the move
has really been to cellphones and iPads and tablets and laptops. And, I mean, with all of the work from home that people have been doing, they are using these means rather than the desktop which is usually at the office and so on.

I know that a lot of concern would have been raised about the foreign-used-car dealers and the fact that the quota would be reduced by 30 per cent. Again, there was great concern that this was only being levied on the foreign-used-car dealers, but I want to draw reference to the point which the Minister of Finance had made, that the quota system will be introduced for new cars as well. So it is not about picking at or having any unfair situation imposed on the used-car dealers. I think the Minister did express that it will impact—the quota system will now apply to the new cars as well. I think we just have to be very weary, all of us, and understand that we have to control the leakage in foreign exchange. If you could keep your car for an extra year or two, and we should all be trying to do that. There are a number of cars on the road. This country has, I am sure in the region, the most cars on the road and we need to control that and do your part for controlling the FX leakage, and all with one thing in mind, getting this economy back up and running and ensuring that we really do return to some good growth, post-COVID, Madam President.

So this, I do not have any more time, and I just would like to wish all of my colleagues a very happy and holy Christmas and, of course, I would not say a better 2021. I think 2020 has been good in many regards. We have been forced to look at ourselves and examine our consciences and do what is best for us and do what is best for the country. Some of that may be needed in 2021, but I know all of us are patriotic and, therefore, we will do the best for our families, for our country and for generally the people of Trinidad and Tobago. Thank you, Madam President. [Desk thumping]
Sen. Anil Roberts: Thank you, Madam President, as I reread the budget presented by this People’s National Movement Government, as well as the Finance Bill, 2020, which attempts to implement some of the austerity measures implemented by the most painful budget ever presented to the citizens of Trinidad and Tobago, every time I read a page, I could just say to myself, “Oh, good, jed, nutting for we, jed”. “Dem gettin everyting, jed. We really vote for dis, jed?” Because this budget and this Finance Bill, that we present here today, is a road map to poverty for the masses of people in Trinidad and Tobago [Desk thumping] while it is a road map to prosperity for those who are lucky to be elite and chosen.

The hon. Minister of Finance and the Member of Parliament for Diego Martin North/East is an incredibly intelligent, well-planned, well-thought-out gentleman. I told you all that last time. I have made a study of him for many decades, very bright fellow. So when he tells the population, in some drivel that he is too stupid to do this and that, that could never be so. Because when you analyze the policy of the hon. Minister of Finance, you can figure out where he is going like a road map.

He stated on many occasions, in a previous incarnation as the Minister of Works and Transport and now as the Minister of Finance, that the traffic is a bugbear to him, it gives him a headache. He detests traffic so much so that the former Minister in the Ministry of Finance in the previous government who is now the hon. Minister of Public Administration and Digital Transformation, in her budget contribution, alluded to the fact that she did not want traffic after COVID. And right here in my hands with clauses 2 and 6, we see the final nail in the coffin and the presentation of the PNM's anti-traffic plan, which is the anti-Basdeo Panday plan, which is the anti-Kamla plan, which is the anti-people plan, which means only rich people could drive on the roads of Trinidad and Tobago. [Desk
All middle- and lower-class people get off the road and start to walk. Get a bike. This is the policy of the PNM.

It was Basdeo Panday who brought foreign used vehicles to Trinidad and Tobago in ’90s to allow those with lower incomes to have the luxury of driving, the safety of owning a vehicle, the ability to manage time for their children to study and be brighter. It took Basdeo Panday and Kamla Persad-Bissessar, Jearlean John and Wade Mark to bring that [Desk thumping] and now in 2020, as we stand here to approve a Finance Bill in which clause 2 and clause 6 now make it nearly impossible for people of middle to low income to afford to drive a car.

First and foremost, the plan implemented by the hon. Minister of Finance, five years ago, was to remove the gas subsidy, bit by bit. We remember his speech as he rocked back in a leather chair and said, “I removed it once, twice, three times and they did not riot yet, so I will remove it again”. Well, he has now totally and completely removed it. When the globe comes back—as we have heard today, vaccines are being given out across the globe. So it is expected within five to seven months, the aggregate demand in the world will return to pre-COVID levels. This would mean that the price of oil may rise and the price of fuel will rise to let us, for example, say, November 2019 figures, which would mean that people who are currently paying TT $800 per month in gas to drive around, will have to somehow find upwards of $2,000 to drive the same amount of kilometres or curtail their activity, thereby reducing traffic on the road.

Clauses 2 and 6 of this Bill, they continue, we can see that we continue to assist those in big business. So we are continuing the exemptions on CNG and electric cars for commercial use, but we are making those private users even more expensive for them to get involved in the economics or the environmental benefits of driving electric cars or hybrid or CNG cars. How did we change our direction so
fast? We were trying to encourage people to get away from gas, from fossil fuel and now here in this Bill, we are making it prohibitive for middle- and lower-income earners to drive and afford these cars.

An electric car in the USA is US $19,000 more expensive than a regular gas car. That is approximately TT $133,000 before any tax, and this PNM Government now wants to put tax on top of that for people to be unable to move into the 2030 vision for developed country status by not being able to drive an environmentally friendly car. On top of that, we have, since 2015 to 2019, because of the removal of the gas subsidy, over 40,000 cars have come off the roads. The poorer people with their older B13s, the “wet man” Tiida and so on, are now parked up because they could not afford to fill it with gas. A tank of gas under Kamla Persad-Bissessar in 2014, 2015, you could have spent TT 200 and fill a tank of gas that would last you six days. Under this Minister of Finance, in the previous regime and now, again, that went up to a prohibitive $400 for the same six days, thereby not enabling people to continue to drive. This is the traffic plan.

So with the advent of these clauses, clauses 2 and 6, we will now see, along with the privatization in the budget that was read in just a month and a half ago, the privatization of gas stations where concessionaires are being given a preferential treatment to bid on gas stations; the liberalization and privatization of the gas market with profit margins that could be applied, depending on competition in areas. So country areas with one gas station, an owner could have the entire population at their mercy and increase their profit margins as they wish.

Furthermore, we hear about forex leakage but it only appears that the world “leakage” applies to poor people. So when poor people want US to get money to buy a foreign used car, that is a leakage. But if someone wants to buy a $2 million Benz for the third time, in six years, that is not leakage. We are hearing the hon.
Minister talking about a quota will come for new cars, but the quota is here for poor people and foreign used cars. [Desk thumping] They then take an added cost. It is such diabolical plan, bit by bit, you then take away a year, and—I am sorry, it is just coincidence as I used that word the Minister of Finance comes in to sit down. You take away a year of value. A year may seem like not much—a year from four years to three years for foreign used, will increase the cost of a foreign used car by something approaching $6,000, thereby pushing it out of the income bracket for certain people. When you add that to the removal of the gas subsidy, when you add that to the increase in taxes, now you have to pay—if you want an electric car or a CNG car—taxes on top of that. It makes buying a car, owning a car and using it prohibitive.

This Finance Bill could be better named the ox-cart Bill, the donkey-cart Bill or the clear-the-road Bill. Is this Bill, when I look at my Minister of Finance, we must recall, as intelligent as he is, this is going to create chaos in the public sector transport system. We are all aware, we are hearing PH. So PH, it exists because of a need but there are dangers to it. So we are hearing that PH will be dealt with. This will put an added burden on the public transport system.

Our bus, PTSC system is not an enhanced developed country transportation network. The buses—rain falling outside and inside the bus. Buses are breaking down. The bus drivers do not want to drive them. They are not efficient, they are not on time. Any time it drizzles down at City Gate, it floods. Now you are going to add another 200,000 people on to a public transportation system that is already maxed-out and inefficient and ineffective. Is this the plan to bring back the rapid rail?

We once heard of a consortium called “Trini Train”. If you think back to a previous PNM regime, there was a tender and a competition between Bombardier
and “Trini Train”, and there was someone who was a Minister of Works and Transport and then all of a sudden we heard that in the tender, Bombardier technology of dual propulsion, electric and diesel, would not qualify, thereby, “Trini Train” ascending to victory.

Simultaneously, we saw a Prime Minister previously, flying on the front page—we never knew our journalists could be so good—that a Prime Minister and his beautiful wife went on a trip on a private jet and the next day on the front page, I see the Minister of Energy and Energy Industries looking on, because he was not in government at that time because somebody had told untruths about him, and he had to go and come back. But he remembers reading that Express and they told us where the hon. Prime Minister flew, what they had to eat and so on, and it happened to be a Bombardier jet, another spoke in the wheel of Bombardier. We then saw that somebody got $481 million for a feasibility study for a rapid rail for some pieces of paper like that. So, I ask you here: Is this Finance Bill the final nail in the coffin to create a transportation deficit and an emergency to bring back the rapid rail for those who are ready to bring it. [Desk thumping]

Madam President: Sen. Roberts, you are starting to raise your voice a little too much, so could you just keep that under control.

Sen. A. Roberts: Thank you, Ma’am. Standing Order 61, I will whisper. So we are moving on. We see that the hon. Minister of Finance in his budget and, most likely when he was wrapping up, boasting that he is giving the population a gift, a total gift of about approximately $750 million by raising the exemption, the income tax exemption from 72,000 to 84,000. There is one problem with that calculation. Those who were making 6,000 a month were already paying no tax. If you raise it to 7,000 a month, the only exemption that is going to exist is from those who are making 6,000 to 7,000. That cannot calculate to $750 million, could
never. Out of that $12,000, 3,000 is taxed. If those middle-income people—and the hon. Minister referred to them as low-income or low-wage earners, not understanding that there are people in this country who earn $1,400 a month and less—when you take out your pensions, annuities and your deductions, you may get a tax break from that great gift of $2,000.

We have already showed that for the year you are going to spend more than $10,000 in extra gas if you drive the same amount of distance. We have not even calculated the property tax that is due to come, which on average will be between 3,000 to 7,000 per annum which already negates that so-called gift of 2,000. So you give 2,000 and you take back 5, and they say, “Woe is me, give me a clap, Merry Christmas”. I say bah humbug, the Grinch is here in the PNM. [Desk thumping]

Clause 4, clearly in the Bill we see tax breaks again. It must be good to be friendly with the People’s National Movement. We see tax breaks for friends and family and financiers. Sen. Wade Mark already told about the ANSA and the connection and the SMEs and the stock exchange. Sen. Jearlean John spoke about the lack of liquidity in the stock market, locally, that up to now even the Express newspaper and OCM have to be wondering who is trying to manipulate the stock price to take over their media house. But why all of these huge tax breaks for investors? I love to listen to the hon. Minister of Trade and Industry. When she speaks, sometimes I feel like I am not in Trinidad and Tobago, and I do not live here and wake up every morning and eat doubles here, because she speaks and you would swear that business is booming—

Madam President: Sen. Roberts, you have five more minutes.

booming, job creation is going, the crime situation is under control, the borders are locked-down, there is not an illegal immigrant problem, we have not dropped in the competitive index, the ease of doing business is smooth, businesses can get foreign exchange and “Tanty doh have to go by de bank” 32 days to get US $1,600 because they are only giving her US $50 per time. That does not exist in Trinidad and Tobago when I listen to the hon. Minister of Trade and Industry. But here in Trinidad and Tobago, I ask: Why all these incentives? If things are nice like the Minister of Trade and Industry says, then people will want to invest. People will be rushing to the hon. Minister of Finance and his InvesTT board and so on, to come with their money because things are nice. So why do we have to create all of these sweeteners? Why do we have to put strawberry and grapes—well, we cannot even get that now, because you want to tax that.

Let me deal quickly, sport and culture. I just heard a Minister say it is great incentive—it is a big deal that we increase the tax break or the ability to get 150 per cent up to 12 million of investment in sport or culture. There is one major problem. I would love—as the Minister of Finance or someone—another Minister is wrapping up—for them to tell me one company in Trinidad and Tobago in the last 10 years, who has spent more than $3 million investing in sport or sponsoring sport. Name one! So telling the country that you carry an exemption up to 12 million, when nobody even spent 3 million yet, is like saying here is some oxygen, Merry Christmas. It does not exist.

Some of the major sponsors in sport and culture in Trinidad and Tobago—First Citizens Bank with the half marathon, Digicel across the board, Republic Bank with the junior football and cricket and so on, Carib, Bmobile, Massy, Beacon Insurance and Atlantic—none of these companies—even WITCO, back in the day when they could have sponsored 20 years ago, WITCO Desperados and so
on, never crossed this 12 million figure. Where did you get it from? Tell us how who many companies crossed that 6 million mark to benefit from the 9 million tax break that was possible that would have instructed the Government to increase it to 12 million? It just does not exist.

I have to move up. Fyodor Dostoevsky, Russian novelist and philosopher—as I wrap up here—stated:

“A man who lies to himself, and believes his own lies, becomes unable to recognize truth, either in himself or in anyone else, and he ends up losing respect for himself and for others. When he has no respect for anyone, he can no longer love”—and in order to divert himself, having no love in him—“he yields to his impulses, indulges in the lowest form of pleasure, and behaves in the end like an animal…And it all comes from lying—to others and to yourself.”

The Rowley PNM is clearly unable to recognize truth. They have lost respect for themselves and our citizens. Love is lost. Care has become a scarce commodity and all that is left is greed. This is the Government of the Government. This is not the Government of Trinidad and Tobago, as illustrated by these Finance Bills where every exemption, every tax break—as my colleague said, you lift up a stone and you see friend, family, financiers, wife and Ministers, all underneath waiting to benefit while the people suffer.

This is what happens when you elect people who become inaccessible. They changed cell numbers. Even Cro Cro cannot wish them Merry Christmas. Only 25 citizens see a PNM MP on an office day. You are going to a “zesser” party, while “dem going to wedding”. The one going in the wedding benefits, the one who goes in the zess party, “dem get lock up”. These laws, these policies are determined by the “who have access”. The citizens jump from the pot into the KFC fryer.
Madam President: Sen. Roberts, your time is up. Minister of Finance.

Sen. A. Roberts: Finished? Oh, thank you very much. [Desk thumping]

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker, Madam President, sorry. Madam President, I have listened very carefully to contributions from Members opposite. I must say, after so many years, it is becoming very tiring to listen to Sen. Mark [ Interruption and laughter] because on every single occasion that Sen. Mark speaks, at least from my experience, he utters inaccuracies and untruths. And what I think the Opposition does not understand is that kind of rhetoric is what is responsible for the UNC losing two elections back to back. [Desk thumping] That is what the UNC does not understand.

I do not think there is any point in responding to anything Sen. Mark said, except, except, that the measures with respect to the stock exchange are intended to benefit new listings and I would have thought that was self-evident. The measures cannot possibly be extended to old listings. And, therefore, that company that Sen. Mark was screaming about, which listed two years ago and which is a regional company listed on the stock exchange in Jamaica and in Trinidad and Tobago, dealing with clean energy solutions, cannot possibly benefit from measures that are for new listings on the stock exchange. But Sen. Mark is good at these conspiracy theories.

Let me move now to the comments of the last speaker. The fact of the matter is, Madam President, that there are over a million cars on the roads in Trinidad and Tobago today, a million. There are less than a million driver’s permits issued to people who are alive in Trinidad and Tobago today. What this means, is that there are more cars than people with driver’s permits. The original thought, prior to the 2021 budget, was because there are these million cars, we were actually contemplating—and you may have heard some other Members of the Government
speak to this—a total ban on the importation of private motor cars for at least a period of one year because there are sufficient cars in Trinidad and Tobago. And, in fact, if that had been done, what you would have seen is a new growth industry emerging, which would have been the repair and maintenance of existing vehicles.

The fact of the matter is, Madam President, there are so many cars on the roads that there is no requirement for persons to avail themselves of cars on a regular basis. There is no requirement for that. These measures will not prevent persons from accessing financing for affordable cars. All these measures will do, is suppress demand for cars, hopefully, reduce the leakage of foreign exchange, and also reduce some congestion on the roads.

Perhaps people may now drive more than one person in a car. I remember years ago, looking very carefully at the entry of cars into Port of Spain and at least half of them—and at that time, 250,000 cars came into Port of Spain on a daily basis, 250,000 cars, and the research showed that at least half of them had one person in them. Just the driver alone, nobody else. So, hopefully, as we make adjustments we can influence behaviours. Hopefully, it will prevent leakage of foreign exchange and, hopefully, people may keep their cars a little longer.

But with respect to the measures relating to exemptions for digital and mobile equipment, I want to thank Sen. Deonarine, and I just want to point out now, the situation as it exists with respect to current exemptions for digital and mobile equipment. I am not accusing Sen. Deonarine of this, because it is clear to me that the hon. Senator did her research, but a lot of people are not aware in Trinidad and Tobago that there are many items that are already duty-free and I will just list some of them: a computer terminal, a docking station, a keyboard, a monitor, a barcode reader, a blue ray disc, a brain computer interface, CD-ROM drive, CDs, central processing unit, a CPU, a computer case, computer tape
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Hon. C. Imbert (cont’d)

recorder, disk array controller, diskettes—it is a very, very long list. I am reading out a list of computer peripherals and computer accessories. It is a very, very long list—graphics cards, internal multi-card reader, memory sticks and so on, Madam President. All of these things are already exempt from duty.

4.00 p.m.

The things that are not exempted from duty at this time are a particular type of monitor, CRT monitor and audio compact disc, a type of DVD, an external multi-card reader, a filter for a monitor screen, headsets, joysticks for video games, microphones and a few other accessories and peripherals. But when I looked at the list that the Customs and Excise Division has sent me of items that are described in the customs classification as digital equipment, software, accessories and peripherals, there are almost 100 different types of classification of which at least 80 are free of duty. So what we have decided to do since the intention is to exempt a particular group of devices which have a broad classification in the Bill, and I would read the broad classification now, and we are talking about, Madam President, mobile and digital equipment, cell phones, software, accessories and peripherals. And it is not our intention, for example, for items such as joysticks for video games to be exempted from duties and taxes.

What our policy is informed by is the need for the waiver of taxation for matters relating to education, matters relating to business, essential business equipment, and so on, and therefore what we are going do as an interim measure is utilize various sections of the income tax laws to deal with particular peripherals and particular accessories so that most of the computer parts will be duty free and tax fee but not all of them. And I can tell you off the bat that we certainly would not be exempting PlayStations and joysticks for video games and joystick controllers, and all that sort of thing from duty and taxes. That is not the intention
in moving towards a digital society. But certainly things like monitors, parts, CD-ROM drive, central processing units, and all of the other essential components of digital devices will be exempted. So we will use in the interim a combination of orders using the various tax laws that are on the books.

At this time there are provisions within the tax laws to exempt from tax, all of these things and I will be utilizing that. So that I want to thank Sen. Deonarine for drawing to our attention that the customs classification code did not include all of the items, but we will use other measures and other means very selectively to ensure that the appropriate peripherals and accessories and equipment are exempted from duty. We do not think that we should do all either so we decided to stop at mobile devices. We did not think at this point in time we wanted to exempt desktops because that takes you into a whole other realm in terms of the definition of what is a desktop and what it is used for and whether this is the kind of revenue we could give up at this point in time.

So this is going to be a staged process over the next two years in our manifesto and in the Roadmap to Recovery we have a time frame to seek to make Trinidad and Tobago a digital economy and a digital society within a two-year time frame. So we will systematically look at various exemptions for various digital and mobile devices, peripherals and accessories as we go along. But by the appointed date which is the 1st of January, the vast majority of peripherals, accessories, software, et cetera, will be exempted by way of various orders in combination, working in tandem with the Bill before the Senate.

I also listened to what Sen. Richards had to say and other Members. Some of the contributions were more expansive dealing with the economy at large rather than the fiscal measures in the Bill itself, and I want to give Senators an assurance that we have listened and we have taken note of the points made. We have taken
note of the points made about we have to do more than simply exempting equipment and accessories from duty. There is much more, there is requirement for public education; there is a requirement to assist people to become computer literate and to take full advantage of the reduction in prices that we expect to occur after this legislation is passed and the various orders which I will sign between now and the end of December are in place.

With respect to the other incentives, just let me go through them because, as I said, it is becoming really tiring listening to the Opposition, they are just—I “doh” know, Madam President, it is like a stuck record. But let me go through the actual measures and I can tell you the purpose of the measures and why we on this side are proud to do what we are doing. The first measure is the motor car measure, but the next measure that seems to have earned the wrath of the Members opposite is the incentives for construction, and what I do not understand is that we are all capable of accessing information. If one goes to the Review of the Economy or goes to the CSO website one can check on the labour force by industry and employment status, and if the Members of the Opposition had bothered to do that what they would have seen is that construction and the transportation associated with construction accounts for the employment of almost 120,000 people in Trinidad and Tobago today. It is one of the main areas for employment for our citizens in Trinidad and Tobago today.

Anybody who has a smattering of knowledge about construction would also be aware that construction is one of the easiest and quickest ways of increasing the numbers of employed people. And there is a network of distribution that comes from construction in the supply of construction materials, in the manufacturing of construction materials, in the transportation, in the storage of construction materials, in the provision of equipment for the construction industry, in the
provision of services for the construction industry. There is a network that flows from any construction activity, Madam President, a network. And I dare say, every single one of the six UNC Opposition Senators are aware of that. They are aware of it because when the UNC was in Government they too introduced incentives to stimulate the construction sector because they knew, and they still know that construction is one of the easiest and the quickest way to boost employment.

And in addition, Madam President, what is so good about construction is a lot of unskilled labour, people who are not academically qualified, people at the lowest end of the spectrum can be easily employed and quickly employed in the construction sector. They know that so why are they against incentives that would stimulate the employment of people especially at the lowest end of the income spectrum in the construction sector? [Crosstalk] Why are they against it, Madam President? Why are they against it? And, Madam President, some of the arguments are so puerile. Again from Sen. Mark, “The incentives are for a class and for a group of activities, they are not intended to benefit an individual.” So if, Madam President, if the wear and tear on equipment, the allowance for wear and tear on equipment is increased from 20 per cent to 30 per cent, as the case may be, that benefits every single manufacturer in Trinidad and Tobago; every single one. [Desk thumping] Everybody who has a piece of equipment is involved in stimulating the economic activity and employing people; especially poor people will benefit from increased allowances for wear and tear on equipment.

Why are they against it? Everybody who is involved in the construction industry who employs people, who employs truck drivers, labourers, masons, welders, electricians, plumbers, painters, all of them will benefit from stimulating the construction sector; all of our people, especially the people at the lower end of the scale. So why are they coming here with these puerile arguments that these
things are intended to only assist—[Crosstalk]

Madam President: Minister. Sen. Nakhid, please, please control yourself and control the comments that you are making. Minister, continue.

Hon. C. Imbert: Yes, Madam President, these are the puerile comments I am talking about. The only way people can be employed is if there are somebody to employ them and therefore the people who are willing to invest in economic activity are the people who will employ people. We do not have an advanced society where the people in factories and the people in construction sites are robots, they are human beings. So that all of these incentives are designed to help people, to employ people, Madam President. [Crosstalk]

Madam President: Sen. Mark, you made a comment once, I allowed it to pass; you made it again, I allowed it. This is the last time. Okay? Continue, Minister.

Hon. C. Imbert: Thank you. I know they cannot handle it, you know. It is not easy to lose two elections back-to-back, I know, depression come, sets in. And, Madam President, who could be against increasing the personal allowance for 250,000 taxpayers? [Desk thumping] Who could be against that, 250,000 taxpayers, Madam President? That is how you get the $750million because the tax foregone is $3,000. Who could be against that, only crazy people? And we are happy on this side, we are pleased to take the risk to give up $750million of tax revenue to put $250 every month in the pockets of 250,000 ordinary people in Trinidad and Tobago. We are glad to do that. We are happy to do that and we are proud to do that, Madam President. They could make as much noise as they want; that is why they are in Opposition because they have become stale. They are out of date. They are obsolete. [Desk thumping] They are like the dinosaurs. It is as if a new ice age has hit the UNC. They have become extinct.

So, Madam President, when I look at the measures that we are enacting
today, every single measure is designed to do something positive for the people of Trinidad and Tobago—every single one. And I want to thank the Independents who made very cogent, important, interesting, intelligent, incisive, useful comments. I particularly want to thank Sen. Deonarine for looking at that question of the customs tariff number. Thank you very much for that. I want to thank Sen. Richards for his contribution. I want to thank Sen. Seepersad for her contribution and all the Independents who spoke. [Desk thumping] Thank you very much. You make the difference for me when I come in this place because if I have to listen to Wade Mark and his clones—Sen. Wade Mark and his clones, Sen. Roberts and Sen. Lyder. I will have to walk with a pack of Panadol very time I come inside of here. [Desk thumping] So thank you Opposition Senators, thank you for remaining in Opposition, and thank you, Independent Senators, for helping me to have a nice day. I beg to move. [Desk thumping]

*Question put and agreed to.*

*Bill accordingly read a second time.*

**Hon. Imbert:** Thank you very much, Madam President. In accordance with Standing Order 57(2), I beg to move that the Bill not be committed to a committee of the whole Senate.

*Question put and agreed to.*

*Question put:* That the Bill be now read a third time.

**Sen. Mark:** Division.

*The Senate divided:* Ayes 23

AYES

Khan, Hon. F.

Gopee-Scoon, Hon. P.

Rambharat, Hon. C.
The following Senators abstained: Mr. W. Mark, Ms. J. John, Mr. D. Nakhid, Mr. D. Lyder, Mr. A. Roberts, Mr. E. Zakour, Ms. A. Deonarine.

Question agreed to.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin
Khan): Thank you very much, Madam President. Madam President, I beg to move that this Senate do now adjourn to a date to be fixed.

Madam President: Hon. Senators, before I put the question on the adjournment leave has been granted for one matter to be raised. Sen Mark. [Desk thumping]

Suspension of CET (Pasta/Macaroni)

Sen. Wade Mark: Thank you, Madam President. Madam President, we have observed a trend in our country where the prices of basic commodities just keep rising and rising and, Madam President, what is even more alarming is that when you go to the supermarket or markets there is this continuous rise in the prices of basic food stuff. It has been drawn to my attention that this particular escalation in food prices for ordinary people seems to be continuing uninterrupted with the full support of the PNM Government. Madam President, I have in my hands a document from the Ministry of Trade and Industry dated November the 24th, 2020, in which the Ministry is advising that it intends to propose the suspension of the CET on pasta, which is macaroni, from 20 per cent—20 per cent comes to a rate of duty of 60 per cent for a period of one year commencing in January 01—1st of January to December 31, 2020. And this is supposed to be considered at the fiftieth meeting or the fifty-first meeting of COTED scheduled—well, in fact it was held on the 26th and 27th of November, 2020.

Madam President, this Government in the back pocket of big business has in fact imposed increased duties on pasta from 20 per cent to 40 per cent in January of 2020; this is what happened. Madam President, the document that we have before us that I just read misled the population by indicating that the Government intends to raise the duty from 20 to 60 per cent, but the Government had already increased the duties on macaroni and pasta from 20 to 40 per cent and they are now...
bent on going from 40 per cent to 60 per cent. Madam President, we know that the advisor, one of the advisors to the Prime Minister is a very prominent businessman and that businessman is involved in controlling 70 per cent of the local market for pasta and macaroni products. What has happened, that businessman apparently must have advised or, I assume, advised the Government that he wants to get more profits at the expense of the people of a staple commodity, food commodity; in this instance macaroni or what is called pasta. Call it what you will, pasta, macaroni, Madam President.

So what is being proposed by the Ministry of Trade and Industry, obviously acting on instructions, is that they are going to increase the price of macaroni products to 60 per cent on the 1st of January. I would like the Minister to deny that it is not the intention of the Government to increase macaroni products from the 1st of January, 2021. [Desk thumping] Madam President, as you know this is a staple food product for the average man in our country, why are we targeting this food product only among hundreds of other products? Madam President, we are seeing in the budget—or we saw in the budget where the Minister of Finance talked about increasing the prices of what, duties on apples and grapes and other luxury food products like salmon and lobster. Nothing has been done yet the first product that the Government is seeking to increase duties on is a basic average man staple food commodity called macaroni. [Desk thumping] Why? Why, Madam President?

Is it to protect this senior Government advisor who is in charge of KFC, who owns Vemco, who is in charge of Hand Arnold? We would like to know, Madam President. They want to have a monopoly. He already controls 70 per cent of the market and he now wants, Madam President, to run out South Africa, run out Turkey that are importing. They are in fact on the market and that is why the price of macaroni has been kept low because Turkey is here and South Africa is here. So
the Government acting as an agent on behalf of the owner of KFC has decided to increase duties to 60 per cent so that macaroni will become more expensive in terms of the importation from South Africa and Turkey, so that poor people will have to pay more for macaroni so that Mr. Christian Mouttet can make more profits in Trinidad and Tobago. [Desk thumping] Madam President, that is wrong and we do not support this.

Madam President, as I said, most of the pasta comes from Turkey and South Africa, I would like to ask the Minister when she gets up to reply whether we are in breach of the WTO rules. I remember looking at the same gentleman when they had the spotlight on the economy on the 28\textsuperscript{th} of September, telling the country that we have to do something about foreign exchange and preserve foreign exchange and cut products but I did not know they were going to cut macaroni. That is an important food for the people. So, Madam President, we are saying that if the Government allows Christian Mouttet, who is the owner of Vemco, who owns Swiss and Catelli and those are macaroni products, if they allow these duties to increase on the 1\textsuperscript{st} of January we will be witnessing an increase in the price of macaroni between 20 and 30 per cent on the supermarket shelves.

Madam President, no worker has gotten an increase of 20 per cent since this PNM came into power so we would like to know, Madam President, why the Government is allowing this monopoly of have this kind of power. And, Madam President, we would like—we are seeing a trend, Madam President, where monopolies are growing more and more powerful in our country and all the Government allies and their financiers, they are becoming more and more greedy and they want more and more control so they can get more and more profits because they want to increase the prices over and over. So, Madam President, the PNM Government is about control and their allies are also about control.
They want to control the price of pasta. They want a monopoly rather so that they can determine what the price of pasta would be at any time. Madam President, as you know, they want to also control the Central Bank by appointing a former Permanent Secretary, Vishnu Dhanpaul, as the next Governor of the Central Bank. That is what they want to do so that the Ministry of Finance will now have effective control over both monetary and fiscal policy.

**Madam President:** Sen. Mark—Sen. Mark, you have gone off of your Motion and you have a few seconds.

**Sen. W. Mark:**—Madam President, so the point I am making is that we never expected in our wildest dreams that a Government would move so swiftly and quickly to implement, Madam President, this kind of increase. Imagine the Minister of Trade and Industry—

**Madam President:** Sen. Mark, your time is up. [Desk thumping] Minister of Trade and Industry. [Crosstalk] Sen. Mark, your time—Sen. Mark, your time is up.

**Sen. W. Mark:** Okay, Madam President. Thank you very greatly. [Desk thumping] 4.30 p.m.

**The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon):** Thank you, Madam President. It is really awful how the Opposition jokes at serious business. Let me say up front that there will be no increase in the price of pasta on the shelf in Trinidad and Tobago come January 1st.

Sen. Mark, instead of coming up here and naming a businessman, you should call out the 84 people who are employed in the pasta plant who are likely to lose their jobs, because you in the Opposition are favouring foreign goods instead of our locally manufactured goods. You should call out the 84 names. You should call out the other 254 names who are indirectly employed. I am talking about the truckers, the people involved in distribution, maybe Sen. Lyder as well, I am not
sure, he might be distributing macaroni too. It is very clear that the Opposition favours foreign goods to locally manufactured goods. I will end with the continuous—so-called continuous rise in basic food prices. There is nothing like that.

Let me inform the population what has been happening with pasta. It is over the last few years there has been a surge in imported pasta into this country; a surge. I say a surge, the data would say that from 2018, there is now a 25 per cent increase in imported pasta, of course, coming in extra-regionally. A 25 per cent increase of pasta, not extra-regionally, coming in from all foreign countries. It is that in this country we are spending TT $51 million on imported pasta. We convert that, that is about 7.7 million, close to US $8 million on imported pasta, when we could be making that in Trinidad and Tobago. [Desk thumping] In fact, we are making it in Trinidad and Tobago. So let me go to the facts.

Let me tell you, there is no monopoly. There is no monopoly. There is no monopoly or anything like that, and I will explain. There will be no one pasta maker or pasta with no competition at all existing in Trinidad and Tobago. That is not happening.

What has happened is, I can tell you that there are about 10 countries that pasta is coming in from. The United States brings in about 11.9 per cent of it. Two countries I am going to single out: Turkey and Mexico, they bring in together 18 per cent of pasta. Costa Rica brings in an 8.5. Here in the region, Guyana brings in 4.5, and then there are smaller amounts coming in from Italy and China and Colombia, and so on.

But what is happening is, as I said, the pasta plant which exists in Trinidad, and there are two of them, there is a very large one, there is a smaller one, and there is another investor in pasta as well. So we are going to be doing more pasta.
What we recognize is that the prices of pasta coming in from Turkey and from Mexico were in fact reducing—not the prices sorry, the landed costs were going down. The reason for that is that both of these currencies have been depreciating substantially. I will tell you, recent devaluations in currency in Mexico and Turkey have caused this price flexibility, and the Mexican peso was devalued by 14 per cent, and the Turkish lira devalued by 30 per cent for 2020 alone, thus far.

I can tell you, looking at over the last few years, from about 2018 or so, the Turkish lira has been devalued almost by 500 per cent. So that the landed price has been going down, and not necessarily the price on the shelf. So the consumer may not have even been benefiting because I can tell you, our consumer affairs department, they are looking after—looking and closely monitoring all of these prices.

So initially, what we did was to institute what is called an increase in the CET, the common external tariff, which is a mechanism used in Caricom. And I will tell you that we have the approval from Caricom to increase it to 40 per cent in the first case and then to 60 per cent in the second case. We have the approval. We will explain the circumstances.

We are aware of the devaluations and what it would do to the current plants. The large plant in Trinidad is operating at only a 55 per cent capacity. They are barely making it because they still have their administrative costs, they still have their operational costs, they are just about breaking even, and if we do not stem the tide, 85 people are going to go home, and 245 other people involved indirectly are going to be affected as well.

Initially, what we did is to increase the CET with the approval from Caricom, from 20 to 40 per cent. We realized that it had no impact. Why? Because
of the continuing devaluation in Mexico and in Turkey. So, despite the fact that the CET went up from 20 to 40 per cent, the landed price actually dropped. So pasta coming in from Mexico went down on an average landed about eight cents. Pasta coming in from Turkey, by 40 cents, and of course, it is not reflected on the shelf.

So what we are doing here is we are supporting local manufacturers, and what we are saying is that you would see no change in prices on the shelf. I will tell you why as well, because pasta will continue to come in from Costa Rica tariff-free, no duty, because of a trade agreement between Costa Rica and the Caricom region. Also Guyana, pasta is going to continue to come in from Guyana tariff-free as well, because it is coming from the region. So there is no monopoly. There will be continued competition from Costa Rica and from Guyana, and even from Turkey and Mexico because of the continuing devaluation.

Sen. Mark, you have to try to get this under your belt and understand the CET mechanism and how it is used in support of local manufacturers.

You see, Sen. Mark, this continuous rise in basic food prices, continued interruption that you are talking about, that is so untrue. I just looked at the Central Bank of Trinidad and Tobago Monetary Policy Report, November 2020, and I looked at Trinidad and Tobago, some economic indicators for 2018 to 2020. I can tell you, Sen. Mark, looking at headline inflation for instance, over the past four years, headline inflation decreased from 1.1 per cent to 0.5 per cent, and that is comparing periods in 2019 to 2020.

Compare the 5 per cent headline inflation with 4.7 per cent in 2015 under the UNC, and an average of 6.7 per cent over the 2010 to 2015 period under the UNC. Madam President, 6.7 per cent on average under the UNC; 0.5 per cent today under this PNM Government.

When I look at food inflation, Madam President, in 2016, food inflation was
Suspension of CET (Pasta/Macaroni)  
Sen. The Hon. P. Gopee-Scoon (cont’d)

7.5 per cent. It went down to 2.9 per cent in 2017. It went down to 1.1 per cent in 2018. It went down in 2019 to 0.6 per cent, under 1 per cent. In fact, Trinidad and Tobago is among countries in the world with the lowest inflation, but I would admit to you that our food price inflation has increased marginally from 0.9 per cent to 2.4 per cent, and we are watching that. Our Consumer Affairs Division members are out in the field monitoring supermarkets, monitoring prices. We are putting them on Facebook, and of course, at quarterly, we are publishing them in the national newspaper as well.

When I look at core inflation, which is the underlying trend in inflation, it is often used by policymakers to determine their strategies for the economy, I can tell you 2017, 1.6; 2018, 1.0; 2019, 1.1; January to October, 2019, 1.2; January to October 2020, a very marginal 0.1 per cent. So there is no continuous inflation in Trinidad and Tobago. I can give the population the assurance, despite the fact that the Opposition is supporting foreign imported pasta, the local imported pasta would be on the shelf, and the prices will not be increased, as Sen. Mark is proposing, come 2021. Thank you, Madam President. [Desk thumping]

Madam President: Hon. Senators, at this juncture, I will now invite Senators to bring greetings as we celebrate Christmas.

Christmas Greetings

The Minister of Social Development and Family Services (Sen. The Hon. Donna Cox): Thank you, Madam President. It brings me great joy to be able to offer Christmas greetings to the national community on behalf of the Government of Trinidad and Tobago.

There is no doubt that Christmas 2020 will be different from all Christmases we have celebrated before. The communal joy of paranging from house to house, the Christmas parties that allow us to see our colleagues in a completely different
light from the normal work routine, and the family gatherings that speak to the true meaning of Christmas have all been affected by the presence of COVID-19 and the requirements that would keep us safe and alive.

But, Madam President, it is precisely into such a world that the infant Jesus made his entrance. It was a world marked with uncertainty, where people were living in the hope for the Messiah that was to come. It was a world of despair where persons were forced to journey for many miles in search of accommodation. It was a world in which those in positions of authority used their power to destroy rather than build, to divide rather than unite, and where thousands awaited a time of peace, security and prosperity.

The true power of the Christmas story though lies in us understanding that the light of Christ is far greater than the darkness residing in human hearts. While we acknowledge the struggle, we will not be discouraged. That our Saviour took on human form like us should give us cause to think of how best we can respect and honour each other.

No more has this been better demonstrated than in the thousands of health care workers, in our teachers, members of the protective services, social workers and all other frontline workers who are the true heroes of 2020. They have demonstrated what it means to be light in darkness, what it means to provide hope to the hopeless, and be bearers of good news to those in despair. On behalf of a grateful nation, I wish to place this Government’s deepest appreciation to all of them.

The truth is that when our men and women answer the call to serve, their families serve to, and as long as that service keeps the rest of us safe, protected, informed and alive, their sacrifices should also be our own. This is why I also want to seize this opportunity to encourage everyone to continue to follow the guidelines
by the Ministry of Health during this Christmas season.

As we celebrate Christmas 2020 with a difference, perhaps we will come to better appreciate that the gift of Christmas is really the gift of the presence of Jesus for all of us, and therefore, the greatest gift we could possibly give to our families this year then is the gift of our own presence. It is a gift that costs nothing, but the effects are invaluable, especially to those who receive it.

In this world of ours, we could do well to stop, slow down and accept that our separate stories are all really interwoven into one great story. Now more than ever, we need to be angels for each other, to give each other strength and consolation, to announce news of great joy, to bring messages of hope.

Colleagues, citizens, this Christmas let us be the angels singing to Trinidad and Tobago a message of peace, justice and love. Let us be the Christmas star, lighting the way for others with joy, patience and generosity. Let us be the Christmas card, with words of kindness and love written on our hearts and demonstrated through our actions.

This Christmas, let us be the Christmas gift as we remember the true reason for the season, and most importantly, let us certainly remember to pray for our nation. I thank you. [Desk thumping]

**Madam President:** Sen. John.

**Sen. Jearlean John:** Madam President, hon. Senators, I thank you for the opportunity for bringing Christmas greetings on behalf of the Opposition Bench.

As we celebrate this holiday season, we must remember that for many of our citizens, the struggles of daily life continue, whether it is finding a new job, an affordable place to call home for their family or choosing between filling their fridge or filling the prescriptions. We must remember them and work hard in assisting to find the solutions needed.

**UNREVISED**
Madam President, in the cut and thrust of politics, it is times such as this which remind us of the teachings of Jesus Christ and his message of compassion, courage and empathy. If I am allowed, my hon. colleague on the other side, the Minister of Agriculture, Land and Fisheries and I fought a bruising battle this year, and we did not win, but we decided that we do not want to be the biggest losers, so we walked the Lady Chancellor. Sometimes we pass each other on the road in the dark, because we tend to walk very early. So I know if anything happens to him on that hill, I will be the first to run, and I am hoping in the spirit of Christmas, should he have two good doubles, he will share one with me over the Christmas season. [Laughter]

So, on behalf of the United National Congress, I want to wish all our senatorial colleagues and their families, peace, joy and happiness during this wonderful season of goodwill. I thank you.

**Madam President:** Sen. Thompson-Ahye.

**Sen. Hazel Thompson-Ahye:** Madam President, on behalf of this Independent Bench of nine, I bring Christmas greetings in an acrostic rhyme.

I, stands for Independent, we make up our own minds. N, no Santa’s gifts in donkey cart sleigh, our conscience is bind. D, drink ponche de crème, sorrel, ginger beer, just a little rum. E, enjoy your Christmas and have clean, wholesome fun. P, parang home, eat your pastel and delicious Trini black cake. E, ever mindful of social distancing for our health’s sake. N, never forget to wash your hand and put on your mask or D, Deyalsingh, “de Minister”, will take you to task. E, everyone who serves in this hallowed Chamber. N, not forgetting families and significant others. T, to them all, Independent Senators say happy Christmas and a prosperous new year, and remind them that the birth of Jesus brings hope, so we should have no fear. To all the national community, happy Christmas and a
prosperous new year. “Ayee! Ayee! Ayee!” [Desk thumping and laughter]

**Madam President**: Hon. Senators, it is always difficult coming after Sen. Hazel Thompson-Ahye. But delivering Christmas greetings this year is a difficult balancing act. On the one hand, one tries to convey in one’s greetings the joy and festivity of the occasion, while on the other hand, one is mindful of the distressing devastation and dislocation that the COVID-19 pandemic has caused to so many lives.

Indeed, if we are to believe the reports we are getting from out of the United States and Europe, the devastation wrought by the COVID-19 pandemic is probably worse this December than it has been in recent times. Still, Christmas is about hope. It is out of that hope the joy and the festivities that usually characterize the season are born.

For Christians, that hope arises from the birth of a Saviour, from the birth of a heavenly king. This year and at this time, I believe that our challenge is first to find and then to feel, and ultimately, to believe in the hope of better things to come.

“So little cause for carolings”— the poet, Thomas Hardy wrote

“Of such ecstatic sound
Was written on terrestrial things
Afar or nigh around,”

Well might we all feel that poet’s despondency this season. But even as we acknowledge the difficulties of the present time, let us also focus on the fact that there are initial vaccinations going on internationally, that locally our infection numbers have been holding steady of late, and that we are, as Archbishop Desmond Tutu reminded us so many years ago, truly a rainbow people. These realities are cause for hope.

And so my wish for you and your families and for our country this
Christmas season, is that we might rekindle and hold on to a hope for a better tomorrow, and that we too might share in Thomas Hardy’s eventual declaration, paraphrasing him slightly, that there trembles through that happy good night air, a blessed hope whereof all know and we are all aware.

Merry Christmas to everyone and a happy New Year. [Desk thumping]

It is remiss of me though to just say thanks, on everyone’s behalf here, to the staff of the Parliament. [Desk thumping] Around this time last year, when we were taking a break for Christmas, they were involved in the move to this the Red House, and they have been working and supporting all of us in our duties throughout the entire year. So we say thank you to all of them. [Desk thumping]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 4.53 p.m.