

**HOUSE OF REPRESENTATIVES***Wednesday, October 04, 2006*

The House met at 2.00 p.m.

**PRAYERS**[MR. SPEAKER *in the Chair*]**PAPERS LAID**

1. Annual report and audited financial statements of the Regulated Industries Commission for the year ended December 31, 2003. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]
2. Draft Estimates of Expenditure for the financial year 2007. [*Hon. K. Valley*]
3. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2007. [*Hon. K. Valley*]
4. Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the financial year 2007. [*Hon. K. Valley*]
5. Draft Estimates of Development Programme for the financial year 2007. [*Hon. K. Valley*]
6. Draft Estimates of Revenue for the financial year 2007. [*Hon. K. Valley*]
7. Social Sector Investment Programme—2007. [*Hon. K. Valley*]
8. Public Sector Investment Programme—2007. [*Hon. K. Valley*]
9. Public Sector Investment Programme Tobago—2007. [*Hon. K. Valley*]
10. Supplementary Public Sector Investment Programme—2007. [*Hon. K. Valley*]
11. Government at your Service: Highlights of Achievements—2007. [*Hon. K. Valley*]
12. Review of the Economy—2006. [*Hon. K. Valley*]

**DEFINITE URGENT MATTER  
(LEAVE)****Allegations of the use of Excessive Force**

**Mr. Chandresh Sharma** (*Fyzabad*): Thank you very much, Mr. Speaker. In accordance with Standing Order 12 of the House of Representatives, I hereby seek your leave to move the adjournment of this House at today's sitting for the

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purpose of discussing a definite matter of urgent public importance, namely, the allegations of the use of excessive force, intimidation and violence by members of the protective services, including the regiment and police service against citizens of Fyzabad and surrounding areas who have been protesting for better roads and utilities.

The matter is definite as it pertains to specific allegations of the use of excessive force and brutality as having been made by members of the protective services against private citizens accused of being involved in protest action.

**Hon. Members:** [*Inaudible*]

**Mr. C. Sharma:** Put on your mikes, let the country see you on TV. The matter is urgent because since these issues which have prompted these protests have not been addressed by the Government, the residents have indicated an intention to continue said protest actions and continued use of excessive force by the protective services may lead to an unintended escalation of confrontations with the potential for the loss of life and limb.

Mr. Speaker, the matter is of urgent public importance because the use of excessive force against citizens protesting for improved living conditions is a violation of civil liberties, same manifests a major shift in Government's policy in dealing with nationals engaged in legal protest action and would further undermine the public's faith, trust and confidence in the protective services.

**Hon. Member:** Disgrace; disgrace!

**Mr. Speaker:** Hon. Members, this matter does not qualify under this Standing Order.

#### **BANKRUPTCY AND INSOLVENCY (NO. 2) BILL**

Bill to revise the law relating to bankruptcy and insolvency; to make provision for corporate and individual insolvency; to provide for the rehabilitation of the insolvent debtor and to create the office of Supervisor of Insolvency [*The Minister of Trade and Industry*]; read the first time.

#### **MOTOR VEHICLES AND ROAD TRAFFIC (AMDT.) BILL**

Bill to amend the Motor Vehicles and Road Traffic Act, Chap. 48:50 [*The Minister of Works and Transport*]; read the first time.

**APPROPRIATION BILL  
(BUDGET)**

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2007 [*The Prime Minister and Minister of Finance*]; read the first time.

**The Prime Minister and Minister of Finance (Hon. Patrick Manning):**  
Mr. Speaker, I beg to move,

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending September 30, 2007, be now read a second time.

Mr. Speaker, I rise to present to this honourable House and the nation, the Appropriation Bill for fiscal year 2007. For me it is an honour to present this, the fifth budget statement of this People's National Movement administration. [*Desk thumping*]

On behalf of the Government, I wish to thank all the individuals and organizations, in the public and private sectors, as well as the civil society organizations who have contributed to the formulation of this budget. I must pay tribute, Mr. Speaker, to the hardworking and dedicated officers in the public sector who continue to provide exceptional service to all our citizens. The quality of their work is evident in the accompanying documents which form part of the national budget process. These public officers must be commended for their professionalism. [*Desk thumping*]

I must also express my own gratitude to my Cabinet colleagues and other Members of the Government for their contributions and invaluable input.

Mr. Speaker, Trinidad and Tobago is rich in natural resources, specifically oil and natural gas, and the challenge is to ensure that while we build a stronger economy, the gains for some do not come at the expense of others, but all our citizens share in our country's economic success. As a result, we have given priority to the investment of our oil and gas revenues in key public services of education, health, housing and national security. We are also investing in the social services; building stronger communities and upgrading infrastructure. We aim to develop a country that boasts of world-class public services which are easily and readily available to all our citizens.

The current transformation of Trinidad and Tobago is the most ambitious in the history of our nation but we still have much further to travel; with so much untapped potential and so many unsatisfied needs, we owe it to ourselves to build

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on our recent achievements. Our future course of action must accomplish therefore, a proper path towards sustainable, lasting and equitable economic growth—growth that serves broad social objectives over the long term or what I call high quality growth.

Mr. Speaker, in 2001 when this administration re-entered office, we embarked on a journey to make Trinidad and Tobago a developed country in the shortest possible time. We knew, that despite the availability of our financial resources, this journey would not be easy because it meant confronting a sometimes unfriendly international environment; in many cases, changing deeply-entrenched tendencies, dealing with some self-centered agendas and addressing our own perception of ourselves.

Mr. Speaker, for some time this Government has been advocating a foreign policy position which has at its core the protection of Trinidad and Tobago's sovereignty. We have been at the forefront of many international initiatives one of which has been honouring our commitment to the International Criminal Court of Justice. In doing so we have had to reiterate our position even in the face of being denied participation in US military training programmes for the last four years.

However, Mr. Speaker, we remained steadfast in our position and took every opportunity both here and abroad to reaffirm that position. Just last week, on my visit to Washington to address some members of the Congress, I again made the position of Trinidad and Tobago quite clear. Our position on this issue has been vindicated because just day before yesterday, the Government of the United States announced that Trinidad and Tobago is among 21 countries which have now been granted a Presidential waiver of the US requirement for exemption from Article 98 of the International Criminal Court. [*Desk thumping*]

For the last five years, we have journeyed on, facing many setbacks; some of those we anticipated and indeed some new ones that we had not envisaged. But through it all we have stuck to our mission and we have achieved many successes. But the journey is long and we still have far to go; we recognize this and we intend to continue to move ahead. It is for this reason that the Government has chosen as the theme of this year's budget, Vision 2020: Moving Onward.

The strategy employed to achieve Vision 2020 is to use the revenue derived from the high international prices currently being obtained for our energy resources, to develop a non-energy economy that is diversified, dynamic, internationally competitive; one capable of generating self-sustaining growth with high quality jobs and improved services to all our population. We recognized

from the onset, that in order to do this we needed to develop innovative people, to encourage a competitive business climate, upgrade and modernize our physical infrastructure, and to promote effective government to drive the process.

But our Vision 2020 plan mandates even more than that. In particular, Mr. Speaker, for us it implies the nurturing of a caring society that ensures that poverty is rapidly reduced and eliminated; that the foundation of our society continues to be based on the creation of strong families with high moral and ethical values; that all our citizens have access to adequate and affordable housing and first class health-care that enable them to live healthy lifestyles; and that we put in place systems to support the most vulnerable in our society. This budget builds on what we have been doing towards the achievement of these objectives and is designed to guarantee the security of our country's future. This is our vision and this we will achieve.

Mr. Speaker, our exceptional football team, the Soca Warriors has taken the world by storm, and I hasten to add, if they were impressed with us in Germany, then just wait until they see us in South Africa in the year 2010. [*Desk thumping*] Our citizens continue to excel internationally in various areas of sport, culture and academics. Similarly, our economy is buoyant, our energy sector is internationally competitive, our manufacturing sector continues to be the strongest in the Caribbean and our financial sector is poised for take off.

### **2.15 p.m.**

Mr. Speaker, over the last five years, the economy of this country has doubled. In the event that you did not hear it, Mr. Speaker, over the last five years the economy of this country has doubled. [*Desk thumping*] This was achieved through a combination of good policies and favourable commodity prices which have sustained high quality economic growth and have resulted in a low, single digit unemployment rate, the likes of which this country has never experienced. [*Desk thumping*]

This economic expansion has been taking place in the context of an increasingly open economy with a buoyant foreign exchange market; a competitive exchange rate; consistent balance of payment surpluses; a healthy build-up of official reserves; prudent fiscal management; and sustainable debt servicing. Not many developing countries in the world have been able to achieve this economic performance. Not many. Let me therefore share with the nation how we were able to achieve our successes.

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Our strategy had three essential and inter-dependent components. The first component of our strategy was implemented when we liberalized the economy. From the beginning of the 1990s price controls were removed. The trade system was liberalized as import restrictions were eliminated, tariff structures rationalized, and the domestic currency was made fully convertible; an action which, at the time, we were condemned for by some sections of the community, but which today is clearly demonstrated to have been one of the single most important actions taken by the Government at the time. [*Desk thumping*]

Indeed Mr. Speaker, markets and the private sector responded and we have witnessed the solid growth rates associated with financial and economic stability. In short, these measures collectively provided the environment for the vibrant private sector activity that we see today in Trinidad and Tobago.

The second component of our strategy was to stabilize the economy. We made decisive progress towards an environment of low inflation through appropriate fiscal and monetary policies. Our budget and external balances were made sustainable and we have achieved the credibility associated with strong macroeconomic fundamentals.

The third essential component of this strategy was the creation of the institutions and markets that are needed for a competitive economy to function effectively and to serve the broad and higher objective of high quality growth. This is the most complex and time-consuming part of the strategy. It requires a change in our system of delivering services and it is something to which this administration is very committed.

Mr. Speaker, the Government has not forgotten the social implications of economic reform. We have put in place transitional arrangements to help address the social cost of the economic restructuring. Many of our citizens have suffered hardships during the economic restructuring process and we have created mechanisms to assist them in becoming much more able participants in the new economy. Yet, at the same time, we have ensured that the less fortunate in society have the wherewithal to maintain a reasonable standard of living.

Our economic policies have set the stage for an increasingly competitive, flexible and dynamic economy. We have been successful, but the world is ever changing and it is necessary for us to take stock of where we are and determine if we are on the correct path. As we do this, we recognize that we have much further to go, but we are moving onward to developed country status. [*Desk thumping*]

Mr. Speaker, the economic performance of this country over the past decade has been enviable to say the least. But let me emphasize, that while we have had and continue to face several challenges, we can boast of a large number of significant successes. Permit me to catalogue some of the major achievements of the past year.

In 2005, our real gross domestic product (GDP), which is a measure of the goods and services we produce, rose by 8 per cent and is projected to grow by 12 per cent by the end of fiscal 2006, [*Desk thumping*] putting the average increase in real GDP since 2001, at 8.7 per cent. [*Desk thumping*]

Mr. Speaker, that is a very enviable achievement and there are few developing countries in the world that could talk in the way we are talking this afternoon. This means that our GDP per capita which is a crude indicator of average incomes in our society, rose from US \$6,970 in 2001 to US \$13,978 in 2006. [*Desk thumping*] This level puts us among the higher income emerging countries in the world; an achievement of which we are very proud indeed. [*Desk thumping*]

Mr. Speaker, when we came into office in 2001, we made the bold assertion that we would implement measures that would result in the country achieving full employment in five years or before. Those on the other side scoffed at this projection. Indeed, the objective of full employment was made as early as 1995 and I am sure you would recall the vilification to which I was subjected as a result. Those opposed to us felt it was just not possible and of course, what Manning was accused of, was putting his foot in his mouth. You remember that, Mr. Speaker; just look at the record.

It is now my distinct privilege to announce to this honourable House that from October 2005 to June 2006, the economy created 12,700 jobs, reflecting an average unemployment rate over the period of 6.9 per cent and this rate is projected to reach approximately 6 per cent by the end of 2006—[*Desk thumping*] for the first time in the country's history. The accepted international benchmark for full employment is 5 per cent, given some level of frictional unemployment, that is, where people are between jobs. Even so, the signs that we may have already achieved full employment are evident on a daily basis—different in the economy of Trinidad and Tobago.

Mr. Speaker, our external accounts are robust, characterized by a significant current account surplus, sizeable foreign direct investment and a very healthy

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foreign reserve position. The Government has kept public and external indebtedness well under control. In fact, our external debt ratio at 7.8 per cent of GDP is extremely low by international standards.

As you are aware, this administration has pursued a massive programme to provide quality affordable housing to our citizens through the construction of new houses by the Government and the private sector since 2002. We have substantially upgraded our health system. We have introduced modern equipment in our health institutions, severely cut waiting time for surgeries and provided free drugs for many common ailments such as diabetics, hypertension and glaucoma.

Mr. Speaker, to date, over 230,000 persons have accessed the facilities under the Chronic Disease Assistance Programme (CDAP). This is a programme, whereby citizens receive state funded medical drugs and is another way in which this Government is committed to making a difference in the lives of our citizens.

We have achieved universal access to primary and secondary education and are well on the way to achieving universal early childhood education.

We have increased old age pension from \$720 in 2001 to \$1,150 in 2005. We also increased the minimum wage from \$7 per hour in 2001 to \$9 per hour in 2005. Hon. Members opposite would find it tedious to hear. In fact, [*Crosstalk*] we are responding aggressively to the rise in criminal activity. Kidnappings for ransom have declined significantly from a high of 58 in 2005 to eight cases at the end of August this year. From 58 to eight! May I take this opportunity to congratulate our security forces for their efforts in this regard and we make bold to say, that anyone who kidnaps someone for ransom will be caught. [*Desk thumping*]

**Hon. Member:** By whom?

**Hon. P. Manning:** Well, you try it. [*Laughter and desk thumping*] We will take extreme pleasure in catching you for yet another time.

Mr. Speaker, we have had many successes, but we continue to work on providing quality services to the nation. We have listed for the benefit of our citizens some of the results of our policies which are contained in a document laid in Parliament today, called: "Government at your Service: Highlights of Achievements".

Mr. Speaker, I am sure that the nation will appreciate that one of the major challenges we face has been controlling inflation. We have targeted an inflation rate of 7 per cent, but keeping inflation below this target has been difficult and the rate has risen to 9 per cent, year on year, as at the end of August. On analysis, we note that rising inflation has become a global issue largely due to high international oil



and food prices. To preserve the living standards of our citizens, the Government has decided to maintain sizeble subsidies on fuel and electricity to cushion inflationary pressures.

Another contributing factor to the rise of inflation has been lagging agricultural output exacerbated by reduced imports from other countries in the region that have faced natural disasters. A third factor has been higher import costs as a result of the direct impact of international oil prices.

As a result, reducing inflation is a major priority in the coming year. Mr. Speaker, I want to repeat that reducing inflation is a major priority of this Government in the coming year. [*Desk thumping*]

In the last fiscal year, actual revenue was \$38.6 billion, while actual expenditure stood at \$38.1 billion which included a transfer of approximately \$3,159,863,000 to the Interim Revenue Stabilization Fund. This represents the largest annual transfer ever made to the fund and brought its balance to \$8,604,571,812 at the end of fiscal 2006. [*Desk thumping*] In other words, we have saved that amount of money for future generations and for use in the future as it becomes necessary.

Of the total expenditure of \$38.1 billion, we also spent:

- \$4.1 billion on social programmes;
- \$2.9 billion on national security;
- \$2.2 billion on the health sector;
- \$4.9 billion on education which included \$266 million in direct support to persons accessing tertiary education through the Government Assistance for Tuition Expenses (GATE) programme;
- \$5.2 billion for infrastructural investments; and
- \$2.4 billion on interest payments.

When total expenditure is further disaggregated:

- \$5.2 billion was spent on wages and salaries;
- \$1.3 billion to maintain the subsidy on fuel; and
- \$2.2 billion for pensions, including old age pensions.

**2.30 p.m.**

Mr. Speaker, the assumptions we have used for the budget for fiscal year 2007, are based on our understanding of the potential developments in the world economy over the next three years. These assumptions are:

1. The experts expect international oil prices to remain over US \$60 per barrel over the next three to five years. In line with our usual conservative approach, this year's budget is based on an international oil price of \$45 per barrel and a notional netback Henry Hub gas price of US \$3.50 per MMBTU, netback Trinidad. On this basis, we would expect substantial transfers to the Heritage and Stabilization Fund over the next three years.
2. Real gross domestic product (GDP) growth will average 6.2 per cent per year.
3. We will reduce inflation to 7 per cent. This will require a halving of the increase in food prices from between 20 to 25 per cent currently, to 10 to 12 per cent.

**Hon. Member:** We would get to that shortly. [*Interruption*]

**Mr. Singh:** Moving onward.

**Hon. P. Manning:** Mr. Speaker, the energy sector would continue to be the main engine of growth over the next several years with increased production coming from the existing plants. The Government's policy towards the industry is expected to greatly facilitate this process of growth and expansion; in fact, the projection for the doubling of our gross domestic product (GDP) before 2014. We target a doubling of our GDP again by the year 2014.

Firstly, tax incentives will continue to be offered to support an appropriate programme of oil and gas exploration. Secondly, the Government intends to ensure that in future new downstream industries provide significant value added and involve meaningful linkages between the energy sector and the rest of the economy.

The petrochemical sector now comprises 10 ammonia plants; seven methanol plants; three direct reduced iron modules; one hot briquetted iron plant and a gas processing plant. Several additional petrochemical plants are currently under construction. There is also a pipeline of petrochemical projects to come on stream over the next two to three years, which will increase downstream activity significantly as well as generate substantial employment opportunities.

Some of these plants manufacturing mainly ethylene, polyethylene, propylene and polypropylene will now establish the basis for a plastics manufacturing sector. This will complete the raw material base that we have determined to be necessary for the establishment of the modern industrial state of Trinidad and Tobago.

In 1975 it was a dream; as we complete 2006, we now see where it could be properly established and by the year 2009 or 2010 the basis for the budding industrial estate will all be in place for the industrial centre. [*Desk thumping*] This modern industrial estate is happily not only the forte of foreign companies investing in Trinidad and Tobago, but also an area of large investments by local companies and joint venture arrangements between local and foreign companies.

Mr. Speaker, Ansa McAl is currently in the process of establishing a petrochemical complex to produce 300,000 tonnes per annum of urea ammonium nitrate solution. The project will be located at Union Estate, will cost US \$835 million and create 2,000 job opportunities during the construction phase.

Methanol Holdings Limited Clico, is undertaking an ammonia, urea, melamine (AUM) project. The proposed capacity of the plant is 1.4 million tonnes per annum of urea ammonium nitrate and 60,000 tonnes per annum of melamine. Construction of the plant began in May 2006 at the new extension of the industrial estate at Point Lisas. In other words, the Point Lisas Industrial Estate is now full and we have now had to commission an extension; construction is taking place. In addition, there is a proposal for the construction of a new pier to facilitate exports from the proposed plant. This project will cost US \$1.5 billion and employ 2,500 persons during the construction phase.

In April of this year, the Government and WestLake Chemical Corporation of the USA signed a \$1.5 billion memorandum of understanding for the construction of an ethylene complex at Point Lisas. Construction of the plant is scheduled to begin in the fourth quarter of 2007 and is to be completed in 2010. The integrated complex will comprise an ethylene cracker complex and a polyethylene plant complex. The capital cost of the project is estimated at US \$1.5 billion subject to further definition of the venture. Big ones, Mr. Speaker; big ones.

The establishment of a malaeic anhydride processing facility is to be undertaken by ISEGEN PTY Limited, a wholly owned private company incorporated in South Africa. This company is a global manufacturer of chemicals for food additives. The capital cost of the project is US \$64 million and construction is scheduled to commence in the fourth quarter of 2008.

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Both the ethylene complex and the malaeic anhydride processing facility will produce over 5,600 jobs during construction and a total of 540 permanent positions. Most importantly, close to 6,000 sustainable jobs will be generated through the stimulation of new businesses in a wide range of new downstream manufacturing activity. Our policy today is no longer primary production alone, but downstream industries that go with it; so we would take it one step further and increase the local value added.

It is proposed that two aluminium smelter plants will be constructed; one by Alcoa at Cap-de-Ville and the other will be the Alutrint project at Union Industrial Estate in La Brea. [*Desk thumping*] The Government understands the concerns raised by citizens regarding the construction of these smelters; however, I use this opportunity to reassure the national community that both plants will meet the most stringent environmental standards consistent with international practice as determined by the Environmental Management Authority (EMA). These plants will be utilizing the most modern technology to meet the highest international and safety standards.

Additionally, the establishment of aluminium smelters in this country will result in further diversification of the economy. The world market for aluminium is characterized by increased demand due to increased usage. This will impact positively on exports and employment opportunities in high end jobs. These plants would be highly energy efficient due to the utilization of the combined cycle process for electricity generation, which will reduce our natural gas utilization. The price structure of aluminium on the world market when compared with that of oil and natural gas will provide a more predictable source of government revenue.

I wish to point out that aluminum smelters are already established in some developing and developed countries including Australia, New Zealand, Canada, Brazil, Argentina, Venezuela and Mexico. These projects are estimated to create up to 5,000 jobs during construction and, approximately 1,500 permanent jobs on completion. In addition, it is anticipated that over 850 persons will be employed in the downstream industries; very significant interventions in the creation of high quality high paying jobs.

While we have considerable success in extending the frontiers of the energy sector, diversification of the non-energy sector remains an ongoing exercise. The growth in construction activity and distribution services is making a very important contribution to employment generation. While this quota is sustainable over the medium term, we need to set the basis for a more aggressive expansion

or our already robust manufacturing sector for new internationally competitive niche activities and for a greater push into tourism and financial services.

Mr. Speaker, the Government has identified and targeted seven key industries for intensified developmental focus. These industries are yachting, fish and fish processing, merchant marine, music and entertainment, film, food and beverage, and printing and packaging. The Government is now involved in intensive promotional activities to attract investment in these areas.

The policy package for this group of industries includes tax and customs tariff incentives, marketing and promotional assistance, skills training, research and development assistance and productivity enhancement support. In the case of the merchant marine, the Government will update key pieces of relevant legislation and establish a maritime authority to administer the sector.

The Government would also boost the competitiveness of the industrial sector by establishing a National Research and Development Fund to stimulate innovation and investments when the Tamana Technology Park at Wallerfield is complete. This would spearhead technological upgrading in the economy and the modernization of existing industrial parks and the development of new ones.

The establishment of an international financial sector would be another mechanism for broadening our productive base for increasing our foreign exchange earnings and furthering economic diversification. Trinidad and Tobago has already been established as the financial centre of the region. We are the main capital market for regional governments and corporate firms. We have the dominant regional stock exchange, which already boasts a number of regional listings. We are also the home of the regional credit rating agency, CariCRIS.

Experts have confirmed that our strong financial base, our robust balance of payments and our ideal location are significant attractions for international banks and investment firms interested in doing business in the wider Caribbean, Latin America and even further afield. To seize this opportunity, the Government intends to create the Trinidad and Tobago International Financial Centre. We would create a financial park to house local and international financial institutions focusing on investment management, international loan syndication and back office activities.

**Mr. Partap:** That is an old policy. That is a last year promise.

**Hon. P. Manning:** Indeed, we are considering establishing this international financial centre on the waterfront in Port of Spain.

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In addition to the provision of physical infrastructure to facilitate the establishment of the international financial centre, the Government is intensifying efforts to strengthen the regulatory and supervisory framework to encourage the expansion of training in finance and is also taking steps to modernize the technological infrastructure. The expansion in hotel capacity and the new convention centre being built on the waterfront will also add to our attraction as an international financial sector. The establishment of an international financial centre represents a bold new initiative which promises to give Trinidad and Tobago the quantum leap to make this country world class in the provision of financial services. [*Desk thumping*]

The Government has recognized the significant contribution that small and micro enterprises (SMEs) make to employment creation and poverty reduction. As such, the promotion of SMEs has been a main objective of the Government manifested through initiatives such as the establishment of the Business Development Company (BDC), the National Entrepreneurship Development Company (NEDCO) and the Enterprise Development Division of the Ministry of Labour, and Small and Micro Enterprise Development.

**2.45 p.m.**

The BDC will work with stakeholders in developing their new business development facility. This facility will support clients with their businesses from conception through growth to maturity and expansion. At all phases, the BDC will provide relevant services to ensure business escalation by increasing the levels of loan guarantees. This may be considered one of the Government's success stories as to date, NEDCO has provided training in various aspects of small business management to over 5,000 persons and granted over 6,800 loans for the establishment of small and micro enterprises. [*Desk thumping*]

NEDCO's newest initiative, the Entrepreneurial Training Institute Incubation Centres (ETIIC), will further solidify the viability of businesses in this sector. These centres, in a relatively short space of time, have become a valuable resource for many small business operators, providing mentoring and advisory services, information technology support, and training in entrepreneurial development and business enterprise. In addition, the centres facilitate an online marketplace where clients are exposed to buyers from around the world. Several centres already exist in Port of Spain, Barataria and San Fernando and in fiscal 2007, an additional centre will be located in Tobago.

Having outlined our medium term economic framework and identified the sectors that will take us to economic sustainability, I will now like to turn to our main budget priorities for the new fiscal year. These priorities are:

1. Continuing our focus on enhancing educational and training opportunities, improving our health services and reducing the housing deficit;
2. Intensifying our all-out war on crime, lawlessness and deviant behaviour;
3. Modernizing our physical infrastructure;
4. A new and focused emphasis on agricultural development as one mechanism for reducing food prices;
5. Providing further assistance to our senior citizens and increasing the range of support programmes for the vulnerable in our society;
6. Maintaining our efforts at poverty-alleviation; and Mr. Speaker, of utmost importance;
7. Strengthening family life.

I would like to emphasize that all our programmes—in education, health, housing, infrastructure and poverty-alleviation; all our major initiatives have as their ultimate goal, the strengthening of the family, for you cannot improve the welfare of the country until you first strengthen the family.

Permit me to expand on the main initiatives to be implemented in these areas in fiscal 2007.

**Education:** Improving the availability and quality of the education system are keys to the development of an innovative and efficient labour force and enhancing the material well-being of our citizens. Evidence worldwide also suggests that education and training also contribute to building confidence and self-esteem in youth and as such, can help address the current upsurge in youth crime and violence.

The Government's objective is to create a system of seamless education from early childhood through the tertiary level. This includes technical education—Tech/Voc. Government policy is also aimed at creating a culture where our citizens see education as a lifelong pursuit; an opportunity to improve their employment status or simply to expand their horizons.

Currently 72 per cent of children in the 3—4 age cohort are enrolled in 998 Early Childhood Care and Education centres, of which 170 are Government and

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Servol managed. Our goal is to achieve Universal Early Childhood Care and Education by the year 2010. And, incidentally, this represents a very ambitious objective that few countries have achieved. We hope by 2010 to join the ranks of that selected elite group. [*Desk thumping*] This means ensuring that 600 new centres are fully operational to cater to the target population of approximately 30,000 children.

This year, there were unfortunate delays in getting the programme started and work commenced on only 16 Early Childhood Care and Education centres. In fiscal 2007, the programme should develop full steam and it is expected that 80 additional centres will be constructed, each accommodating 50 children.

Our focus at the primary and secondary levels is to achieve improvement in the relevance and the quality of educational programmes so that they better serve our economic and social needs.

During 2006, the Government, in collaboration with stakeholders, continued work on the modernization of the curriculum of our primary schools and on forms 1 to 5 in our secondary schools. Given that curriculum is a key element in quality education, we plan to accelerate this process to quickly devise curricula that are relevant and suited to the dynamics of our rapidly developing society. The Government is in the process of setting up a Quality Assurance Unit to ensure that all schools meet the high standards of accountability, efficiency and performance.

Today, at the secondary level, there is a 40 per cent completion rate among students taking the Caribbean Secondary Education Certificate (CSEC) examinations, that is, students who are certified through the acquisition of 5 or more CXC subjects.

However, currently only an estimated 7.5 per cent of the enrolment in public secondary schools represents the sixth form or the Caribbean Advanced Proficiency Examination (CAPE) group. This equates to approximately 8,025 students out of an overall enrolment of 107,000 students. We need to make sixth form education available to more of our children to make them more suited to a knowledge-based economy and to better prepare them for university education.

The Government's aim is to increase the number of persons accessing sixth form education to 60 per cent of the relevant age cohort; in fact, accessing tertiary education. Achieving this target will involve the construction and upgrading of several secondary schools, as well as the purchase of additional sixth form places from private secondary schools. In this context, sites have already been identified for the construction of two advanced level colleges. Government will also



purchase an additional 800 advanced level places from private secondary schools to add to the 500 places already purchased on an annual basis. *[Interruption]*

**Mr. Speaker:** The hon. Prime Minister is watching the tie you are wearing, so perhaps— *[Laughter]*

**Hon. P. Manning:** I will take a drink on that, Mr. Speaker. *[Laughter]* Complete with black background. It was one that they have condemned all through their career. It has taken them 50 years. *[Laughter]* *[Desk thumping]* Perhaps I should ignore him at this stage. I will leave that for the debate.

Under the Secondary Education Modernization Programme there is a magnet school programme now piloted at 16 secondary schools. This programme allows students to pursue special concentration needs such as Business; Visual and Performing Arts; Science; Information Technology; Physical Education; and Languages. Such training will meet their particular talents and better equip them for the world of work and afford them technological empowerment which is critical in the fast-paced changing global economy.

Given the benefits to be derived through the magnet school programme, it is envisaged that more schools will introduce this programme. The additional specialized teaching resources and specialized equipment which would be required will be made available by the Government.

In keeping with the technological requirements of a knowledge-based workforce, the Government has embarked on an extensive programme to integrate Information and Communications Technology into the primary and secondary schools curricula. In this regard, computer labs will be established on a phased basis in clusters of 60 schools.

The establishment of Homework Centres is another mechanism to help at-risk students optimize their educational opportunities. Homework Centres are designed to assist students who do not have ideal conditions for study at home or who have difficulty coping with the work in the classroom. They are also geared to students at double shift schools who may otherwise use the spare time in non-productive ways.

Six Homework Centres are managed jointly by the Government and the Non-Governmental Organization—the Human Development Foundation—and are co-funded by the J. B. Fernandes Memorial Trust Fund. Two other centres are run jointly by the Government and the National Parent Teacher Association. During 2005/2006 the Centres provided educational support to 140 students.

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I am also happy to report that the Government has been receiving numerous requests from communities throughout the country for the establishment of Centres. I therefore encourage the private sector to partner with the Government in the establishment of Homework Centres. It could be a major new initiative. We invite the private sector to partner with the Government in the establishment of Homework Centres and also to adopt the Homework Centres model at their business places.

The Government is using an integrated multi-disciplinary team approach for the delivery of guidance counselling and social and special education services in schools. This programme is aimed at the early diagnosis of physical difficulties, mental challenges and sensory impairment in children which may result in learning challenges. Students with such challenges are referred to appropriate centres where they will receive the requisite treatment.

Additionally, auditory and visual screenings are available for all primary school students. That was a commitment that we had made in our manifesto. Another one delivered. These Student Support Services are operational in 58 primary schools and 40 secondary schools. [*Desk thumping*]

I should note that the Government's very successful programmes to provide meals, books and transportation to the school population will continue and, in fact, will be expanded. For example, currently, close to 95,000 daily lunches and 40,000 daily breakfast meals are provided. [*Interruption*] Mr. Speaker, I am being tempted, you know. I will resist the temptation. I will leave it for the debate.

In the next fiscal year the programme will be expanded and will also include daily lunches to Early Childhood Care and Education students. The Government will continue to provide safe school transport for students through a contractual arrangement with the Public Transport Service Corporation (PTSC) and via maxi-taxis. During the academic year 2005/2006, the Government purchased over four million seats. This service will be expanded in the next fiscal year to cater to students who are differently-abled so that equity can be sustained among the student population. [*Desk thumping*]

Through the schoolbook loan programme, the Government provides books to students at all levels, including main texts for each subject area. Students of Form 4 enjoy the benefit of receiving eight text books, one for each subject being pursued at examination level. Resources are also provided to assist primary school students to improve literacy and numeracy skills and competencies where necessary.

As part of our goal to improve quality and standards in the education system, we are reforming teacher education by transferring the two Teachers' Colleges from the Ministry of Education to the Ministry of Science, Technology and Tertiary Education. These colleges have been placed under the University of Trinidad and Tobago (UTT). The UTT will offer a four-year degree programme as pre-service preparation (and as a prerequisite) for joining the teaching profession, taking it one step further.

**3.00 p.m.**

For teachers already in the system, the Government will develop professional development programmes which ensure that teachers continue to upgrade their skills to provide excellence in education.

With respect to tertiary education, the establishment of the University of Trinidad and Tobago in 2004, has greatly expanded the opportunities for university education for our citizens and has filled a void in the provision of science and technology training at the tertiary level. During 2006, UTT expanded its capacity by incorporating into its academic programmes:

The John Donaldson Technical Institute;

The San Fernando Technical Institute;

The Valsayn Teachers' College;

The Corinth Teachers' College;

The National Institute of Higher Education, Research, Science and Technology (NIHERST); and

The Eastern Caribbean Institute of Agriculture and Forestry (ECIAF).

A proposal is currently being examined to integrate the Centeno Experiment Station (CES) into the UTT. The proposal recognizes that the Centeno Experiment Station (CES) has a strong research capacity and its institutional emphasis is congruent with the UTT's mandate.

Following this, the integration of the Institute of Marine Affairs, the Caribbean Industrial Research Institute (CARIRI) and specific functions of the Metal Industries Company Limited (MIC) will be considered. In other words, we are rationalizing the system.

With the University of Trinidad and Tobago re-configured, the College of Science, Technology and Applied Arts (COSTAATT) will now focus on areas of

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core competencies in the fields of health sciences, modern studies, arts and culture and languages. In the future, one of COSTAATT's objectives will be to facilitate the transfer of its graduates to the University of Trinidad and Tobago and the University of the West Indies to complete bachelor degree programmes in areas not being offered at COSTAATT.

COSTAATT will become a comprehensive national community college—it is to be renamed the Community College of Trinidad and Tobago and will have a four-fold mission: [*Desk thumping*]

Preparing students for employment at the paraprofessional level, technologist and mid-managerial level in a variety of disciplines, mission no. 1;

Mission no. 2, providing remedial education courses for academically under-prepared students to create a bridge to post secondary programmes;

Mission no. 3, preparing students for future enrolment in undergraduate programmes of study; and

Mission no. 4, offering short-term programmes that meet the needs of the communities it serves.

Mr. Speaker, this year the Government introduced free tertiary education not only at the University of Trinidad and Tobago and all UWI campuses but also at all accredited private institutions in Trinidad and Tobago. In addition to that, a number of scholarships have been awarded to students attending St. Georges University in Grenada (a medical school). Moreover to facilitate those with special financing needs, the Higher Education Loan Programme (HELP) was launched in June of this year. HELP replaces the Students' Revolving Loan Fund and the University Students' Guarantee Loan Fund. Loans under HELP are for a maximum of \$25,000 per year for three years for students studying in Trinidad and Tobago and \$75,000 per year for three years for students pursuing studies within the Caricom region.

It is anticipated that the number of applications for this year would be approximately 2,500 and this figure is expected to increase significantly in the new fiscal year. [*Interruption*] I thought it was you.

Over the past few years we have made significant strides toward improving our health services, both in respect of our health infrastructure and the actual delivery of health care. Through a comprehensive Health Sector Reform Programme we have been systematically building a client-centred environment with a focus on primary health care.

We have also launched a nationwide campaign to encourage people to take responsibility for their own health.

In this coming fiscal year, we will continue to expand primary health care facilities, mainly health centres, while decentralising service delivery and management. Primary health care facilities in San Juan, Barataria, Diego Martin, Carenage, Petit Valley, Morvant, Upper Laventille, Debe, La Romain and Ste. Madeleine are scheduled for completion in 2008, and the construction of the Sangre Grande Enhanced Health Centre and the Toco Maternity Unit are scheduled to commence in 2007.

The Government will also continue to expand and upgrade the country's hospitals.

The construction of the Point Fortin and Scarborough hospitals, as well as a new wing of the San Fernando General Hospital, are projected to be completed in 2007. The construction of the National Health Laboratory will also commence in 2007.

An important element of our health care strategy is the Chronic Disease Assistance Programme (CDAP) through which citizens are provided medical drugs free of charge to treat some common ailments.

In the operation of CDAP, the Government seeks to reduce the burden on hospital dispensaries and patient waiting time at public health institutions by providing additional dispensing facilities right across the country.

In other words, the programme is actively bringing health care services closer to the population. Another aim of the programme is to reduce the cost of health care for all our citizens.

To date, 230,000 citizens benefit from this programme and this number is expected to increase in the coming fiscal year. A total of 240 pharmacies throughout the country participate in this programme.

During the new fiscal year, all the participating private pharmacies will be computerized in order to ensure efficient management of claims, distribution and inventory control.

The information system for the programme, which will be completed shortly, will facilitate real-time management of inventory flows to pharmacies, monitoring of consumption, quick processing of claims and an overall improvement of this service to the public.

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CDAP started off treating three common ailments and has now been expanded to 11 common ailments, [*Desk thumping*] a development of which we are very proud.

With a view to enhancing our health care delivery system, the Government will, this year, launch a Community Care Programme. Community care refers to health and social support in non-institutional settings in the community. It is in fact a multi-partite initiative involving the Government, NGOs, CBOs and the private sector.

The aim of community care is to provide care and assistance to persons who require it in their own homes as far as possible or at least, within their communities. Various models of care will be offered, including home care, day care, respite care and community-based rehabilitation services. Centres will be constructed within communities to house and provide care for persons in need.

The Community Care Programme will increase self-reliance, dignity and independence of vulnerable groups with the aid of the family and the community.

The first phase of the programme will be a pilot project that would provide community-based care options for the elderly and physically and/or mentally disabled children.

It is now widely accepted that it is easier and less costly to seek to prevent certain diseases than to treat them. For this reason, the Government has been putting heavy emphasis on the promotion of healthy lifestyles, through education, good nutrition, sports, moderation in alcohol use and refraining from smoking.

This year's budget has allocated significant resources to promote community and family participation in sports and recreation throughout the country. Also advice on good nutrition and health education will be provided through national and community channels.

The Government is committed to informing the population on the risks posed by tobacco and its impact on the health and well-being of the population. [*Desk thumping*]

Trinidad and Tobago ratified the Framework Convention for Tobacco Control in 2004 and the Government is currently drafting the relevant legislation to give effect to this treaty. [*Desk thumping*]

Steps to protect non-smokers in public offices have already been implemented through the "no smoking in State-owned buildings policy".

The Government proposes to enforce very stringently this ban and to develop a coordinated programme for national tobacco control.

Prevention and Control of Communicable Diseases: The Government is also cognizant of the fact that environmental factors play an important role in determining national health outcomes. Taking steps to prevent and control the spread of communicable diseases is therefore high on our agenda.

With regard to the current strategies to address the disease, particularly expanding access to anti-retroviral and anti-fungal drugs for persons living with HIV/AIDS, are proving successful. Laboratory testing, as well as a programme for voluntary counselling and testing for HIV will be further expanded.

The National HIV Awareness Campaign is being intensified. The objectives of the campaign include voluntary testing, counselling, the promotion of safe and healthy sexual behaviour among the general population; and steps to reduce the rate of mother to child transmission of HIV.

This year, the Government proposes that every community, particularly those in areas where the need is greatest, will be provided with a wide range of quality health services, particularly in relation to sexual and reproductive health with special focus on adolescents.

Accordingly, the Government proposes to partner with the reputable Family Planning Association (FPA) of Trinidad and Tobago, specialist in the field of sexual and reproductive health for 50 years, to bring us closer to our goal of universal access to quality health services. The FPA has demonstrated the ability to meet the health needs of people within their various communities.

We have allocated \$6 million this year to the Family Planning Association to facilitate increased access to sexual health and reproductive health services. [*Desk thumping*]

Trinidad and Tobago is quickly assuming a leadership position within the region in the provision of medical services. In February 2006, we took steps to strengthen that capability to world class standards when the University of Trinidad and Tobago and John Hopkins Medicine International executed a six-year collaboration and services agreement for the provision of advisory services in respect of health sciences for both the University of Trinidad and Tobago and the Government.

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The initiatives relating to the Government would involve infrastructure development. As a priority, the Government will initiate the Port of Spain General Hospital Replacement Facility. I repeat. As a priority, the Government will initiate the Port of Spain General Hospital Replacement Facility and this will become a medical campus which will include the provision of medical education and training and clinical research. It is already on the way.

There would also be a new Central Trinidad Hospital Facility. I repeat for the benefit of hon. Members opposite. There would also be a new Central Trinidad Hospital Facility with inpatient and outpatient capacity to cater to specific medical needs of our citizens in Central Trinidad. In addition, a management review of the San Fernando General Hospital and the Mount Hope Medical Complex is currently being undertaken.

We have had important successes in addressing the recent increase in crime and violence that has plagued our society in the last several years. Nevertheless, we fully recognize that the current level of crime, particularly murder is still unacceptably high.

**3.15 p.m.**

We are committed to reducing crime and lawlessness so that citizens could go about their daily lives in peace and security.

The evidence is clear that the high level of murders in this society is related, in large measure, to the proliferation of gang activity and the drug trade. Too many of our young people are not participating in the numerous opportunities for education and training, sport and culture, provided by this administration and are choosing instead to be involved in self-destructive criminal activity, which holds their community and the entire society to ransom.

The drug trade is another menace which is ripping away at our social fabric. Available statistics suggest that a substantial share of illegal drugs destined to the US and Europe is transshipped through Trinidad and Tobago and the wider Caribbean.

Mr. Speaker, some commentators are preoccupied with the question of who is to blame for the current crime menace. Well, we all must shoulder some of the blame. What is more important, however, is that if we are to effectively address the current challenge and bring crime under control, we all need to play our part. Fighting crime cannot be the responsibility only of the police, even though they certainly have a critical role to play; fighting crime is for all of us. [*Desk thumping*]



The Government's role is to set the strategy, provide the resources and the appropriate legal framework and lead by example. We need to re-establish our traditional family values, and the churches, community groups, NGOs and the business community all need to play a role if we are to eradicate this menace from our society.

Mr. Speaker, over the past 18 months or so, a central part of the Government's strategy to deal with crime has been the efforts to transform the police service. This multi-pronged initiative has included, for instance, the re-establishment and expansion of the Homicide Bureau; increased training for police officers in modern policing techniques; the establishment of an Incident Coordinating Centre, comprised of units from the police service, the defence force and intelligence units of the Ministry of National Security, to deal with kidnappings, and the restructuring of the Police Complaint Unit to ensure accountability and to root out corruption in the Trinidad and Tobago Police Service. The implementation of the transformation programme is being facilitated by hands-on technical assistance from seasoned officers from the United Kingdom.

On the legislative front, with the collaboration of the Opposition, we have been able to secure the passage of some vital pieces of legislation such as the No-bail for Kidnapping Act. Legislation to provide for the establishment of the Special Anti-Crime Unit of Trinidad and Tobago has been drafted and is currently under review. Incidentally, the Special Anti-Crime Unit of Trinidad and Tobago has turned out to be one of the more significant decisions we have made over the last two years in our fight against crime. [*Desk thumping*] The national community will be pleased to know that it is working quite well.

The Government is also reviewing the Proceeds of Crime Act to determine its effectiveness. A Financial Intelligence Unit Bill and Financial Obligations Regulations are being finalized to ensure that banks and other financial institutions are guided on compliance, disclosure and monitoring.

The active involvement of communities all over Trinidad and Tobago is critical to the fight against crime. The 555 Anti-Crime Initiative, launched in May this year, is one component of a comprehensive, multifaceted, anti-crime public education programme, aimed at mobilizing the entire nation in the fight against crime through collaboration with law enforcement agencies. This initiative offers the facility of a toll free number, accessible from any telephone within Trinidad and Tobago, whereby individuals may anonymously furnish information related to crimes of

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any nature. The public interaction in this programme is very important in that it seeks to mobilize the entire national community to see crime prevention and the solving of crimes as their civic responsibility.

We are seeking to get the entire nation to be involved in this Dial 555 Initiative. We would like to see the business sector, the schools, the communities, all social groups involved in mutual understanding and support for law enforcement.

There are several other programmes which are all geared to helping youth at risk in order to promote stable and crime-free communities. The Government and the police have supported communities in East Port of Spain and surrounding areas that were working to eradicate gang violence and encourage youth to live in harmony. The Government is lending support to a very interesting project—the Pride in Gonzales project—which involves the collaboration of a number of government agencies, some NGOs and the private sector, all working to improve the social and physical conditions of the community of Gonzales thereby producing a safer environment.

We urge other communities to adopt this or a similar model of community development in crime prevention. The Government will support all such programmes geared towards the restoration of peace and stability in our society.

Our intelligence tells us that large quantities of illegal drugs are being imported into Trinidad and Tobago for trans-shipment as well as for the domestic market. It is also clear that the vast sums of money involved in the illegal drug trade are helping to finance the importation of the guns which is contributing to the current crime wave.

In these circumstances, the Government's crime fighting strategy includes the acquisition of a sophisticated radar system—which incidentally is 90 per cent in operation at this time—and three offshore patrol vessels to conduct drug interdiction and anti-smuggling operations. Shipbuilding works on the OPVs will commence following the award of the contract which is due to be finalized before the end of the year; in fact, Mr. Speaker, well before the end of the year. A preferred bidder has already been identified and discussions are proceeding with a view to meeting this December 2006 deadline.

The delivery of the first OPV will be within 22 months thereafter. The other OPVs will be delivered within 12 months of the delivery of the first OPV. In the interim, the *SS Cascadura* will be refurbished at a cost of \$29 million as opposed to \$120 million to purchase a similar new vessel. In fact, the *SS Cascadura* will

be sent to the shipyard which built it in the first place, in Karlskrona in Sweden and it should be back here in about seven months time—a completely new boat.

The offshore patrol vessels will be supported by six fast patrol boats and four interceptor boats for both inshore and offshore operations, as well as by four armed helicopters. The offshore patrol vessels will accommodate both interceptors and helicopters.

The purchase of these vessels will be supported by a fully functional and operational training programme for every crew member, as well as a maritime support and maintenance programme that guarantee the availability of each boat operating a minimum of 300 days every year. Just for the record, Mr. Speaker, the radars on all of these vessels will be compatible with each other and, therefore, there is the opportunity for all of this equipment to operate together; that is very important and we have spent a lot of time ensuring that.

Mr. Speaker, since 2002, the Government has embarked on a major action plan for the housing sector in an attempt to increase the supply of quality housing, as well as to improve housing conditions for all citizens. While the primary objective is to construct 10,000 housing units annually, on average, that is 8,000 in the public sector and 2,000 in the private sector, until housing demand is met, the principal challenge continues to be ensuring that housing is affordable by attempting to keep prices low and expanding the accessibility of housing finance.

A mix of single and multi-family units is being constructed on greenfield sites and on vacant sites in existing housing developments. It is anticipated that:

- 8,200 new housing units would have been constructed—8,200—in the public sector during fiscal 2006;

I will repeat that, Mr. Speaker.

- 8,200 new housing units would have been constructed—8,200—in the public sector during fiscal 2006; and [*Desk thumping*]
- 8,000 new public sector housing units will be constructed during fiscal year 2007. [*Desk thumping*]

The Government's announced intention has always been to provide affordable housing and that is exactly what we are committed to doing. Accordingly, Cabinet has taken a decision to increase the mortgage subsidy to ensure that the units constructed as from September 2002 remain within the reach of low and middle income wage earners. [*Desk thumping*]

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The details of the new subsidy scheme will be explained by the Minister of Housing in his contribution to the budget debate. What I would like to say at this stage is that persons earning between \$1,440 per month and \$8,000 per month will continue to be eligible for the houses for which they originally qualified without an increase in monthly payments. These persons will continue to receive a 100 per cent mortgage for 25 years at 2 per cent interest with a cap at \$450,000. [*Desk thumping*]

Mr. Speaker, individuals with an income or joint income of \$4,000 would be eligible, under prevailing mortgage rates, for a loan of \$200,000. However, under the new regime that individual or individuals will now be eligible for a mortgage loan as high as \$315,000. [*Desk thumping*] The increase in the cost will be met by a higher government subsidy. It is estimated that the increase in the subsidy will amount to \$450 million. The Trinidad and Tobago Mortgage Finance Company Limited will administer this portfolio and will be provided with capital to do so. The proposed commencement date for use of the facility is retroactively set to September 2002 when our housing programme starts. [*Desk thumping*]

Another policy initiative to make home ownership more affordable is the increase in the ceiling for the exemption of stamp duty for residential properties from \$350,000 to \$450,000. The rate of stamp duty of 5 per cent will be applicable for the first \$100,000 in excess of \$450,000, 7.5 per cent for the next \$100,000 and 10 per cent for every dollar thereafter. In other words, the first \$450,000 is exempt and after that it would be a graduated scale.

This measure will even benefit homeowners who purchase properties in excess of \$450,000. There are two major innovations of our housing programmes that I would like to note. Firstly, persons in the \$1,440 to \$8,000 income bracket will be given the option to increase the amount of their mortgage to assist in the purchase of household appliances up to a maximum of \$15,000. [*Desk thumping*] In other words, Mr. Speaker, you do not have to pay mortgage and pay Courts, Standards or American Stores at the same time; you will have one debtor. We would make the money available; you buy your appliances and it is taken up under your mortgages and, therefore, you are not exposed to the finance charges. You know that story, Mr. Speaker. [*Laughter*] Sorry, you once knew that story. [*Laughter*]

This amount will be added to the overall principal and incorporated in the monthly mortgage payment. A second feature is that in the event of the death of the mortgagor, the mortgage liability will transfer to his or her estate. This means

that at any time during one's working life, unlike in standard mortgage facilities, one will be eligible for a 25-year mortgage. [*Desk thumping*]

That means, a working man at age 59 years can now qualify for a 25-year mortgage which means that the payments would be within easy reach, and if he or she dies, then the unexpired part of the mortgage goes to the estate and to his beneficiary who would then take it up from there. Transferability of mortgage. [*Desk thumping*] It represents a new innovation in Trinidad and Tobago.

### **3.30 p.m.**

Mr. Speaker, in addition to the programme involving single family homes, the Government is also implementing a rent-to-own programme targeted at individuals who are financially unable to service a mortgage.

Under this programme, individuals will be allowed to enter an agreement to rent for a period of five years with the option to purchase. At the end of the five years, two-thirds of the rental payment will be applied as a deposit towards the purchase of the property and the rental tenancy will be converted into a mortgage. If the tenant is still unable to qualify for a mortgage after five years, the option will be extended for a further three-year period. [*Desk thumping*]

The Government's Home Improvement Programme, which is partly financed by the Inter-American Development Bank, provides a matching grant up to a maximum of \$20,000 for the repair of an existing home. Last year, more than 1,000 low-income homeowners benefited from this programme, and it is projected that 720 home improvement subsidies will be made in fiscal 2007.

The Government will intensify its Urban Renewal Programme in 2007. The programme has already been implemented on a limited scale through the reconstruction of Government-owned apartment complexes in East Port of Spain and San Fernando. This programme is intended to address the housing, social, recreational and community needs of the residents of these inner city areas. Preliminary work on the East Port of Spain Development Plan will commence shortly. In fact, a plan has just been approved between the various stakeholders and the residents of Beetham Gardens, and we will move to expedite the implementation of that plan very quickly.

Caroni (1975) Limited: Mr. Speaker, the Government will also make available a total of 20,254 serviced plots of former Caroni (1975) Limited for residential development. It is lands from Caroni for residential development. Of this amount, former Caroni (1975) Limited workers will be given priority access to 6,755 plots as part of their Voluntary Separation Employee Programme (VSEP) package, while

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the rest would be made available for purchase by the national community. The first 1,900 plots would be delivered at the end of this year, while 4,000 plots are expected to be delivered in 2007.

Mr. Speaker, the Government is very concerned with the sharp rise in construction costs which have been estimated to have been increased by up to 40 per cent over the last two years. Much of this increase has been ascribed to the increase in labour cost and the price of building components. In terms of the increased building component prices, this has been blamed on high international and local demand and the escalation in energy cost related to production and transport.

Even in the wake of these price increases, supplies of essential raw materials such as aggregate and cement have become uncertain in recent times. This means that while the Government may ease the burden in respect of affordability and accessibility, these sporadic shortages continue to slow the pace of construction.

In respect of aggregate, the Government has now expanded the quarrying capacity of the industry by the issuance of new licences to quarry operators. In addition, the Government is also looking at the possibility of sourcing cheaper and more reliable supplies from within the region.

National Quarries Limited, a wholly-owned State enterprise, would be utilized more efficiently and effectively to impact on the domestic demand and supply situation in the construction sector.

Infrastructure: Mr. Speaker, without high quality infrastructure and a well preserved environment, our economic and social progress will be limited and our goal of improving the quality of life of all our citizens will not be achieved. As a result, the Government is committed to providing an efficient and modern infrastructure and public transportation network. It is the Government's responsibility to provide the modern, high quality infrastructure that is demanded by our rapidly industrializing and increasingly sophisticated economy. The Government's objective is simple—the development of “infrastructure that works”.

Mr. Speaker, the Government recognizes that transportation bottlenecks are causing enormous frustration on the part of the travelling public, leading to a significant loss in production and productivity. The plan, therefore, is to adopt some immediate measures to reduce vehicular congestion in the short term, while we formulate a long term strategy to modernize our transportation infrastructure.

The priority agenda for upgrading the country's road infrastructure include:

- Improvements to the East-West and North-South Corridors to improve capacity and safety;
- Expansion of the highway network with the construction of new highways from San Fernando to Point Fortin; San Fernando to Princes Town; Princes Town to Mayaro and the extension of the Churchill Roosevelt Highway to Manzanilla;
- The Port of Spain East-West Corridor Transportation Project which involves the construction of an interchange at the intersection of the Churchill Roosevelt and the Uriah Butler Highways;
- Construction of interchanges or overpasses at key intersections along the East-West Corridor such as Aranguez, El Socorro, Curepe, Macoya and Trincity;
- A Road Construction and Rehabilitation Programme that addresses road improvements, road resurfacing, rehabilitation and development of main roads at a national level, as well as local roads in residential areas, landslip repairs, bridge reconstruction and traffic management measures;
- Dualling of the Diego Martin Highway from Victoria Gardens to Acton Court;
- Improvement to Maraval Access, Saddle Road from Rapsey Street to Valleton Avenue;
- Road Rehabilitation and Bridge Reconstruction being undertaken to the National Highways Programme, and,
- To improve the coordination and effectiveness of the various proposals, we will establish a Roads Authority to manage and maintain all roads.

In addition, Mr. Speaker, to provide further ease to the travelling public, the Public Transportation Service Corporation (PTSC), will be provided with the resources to facilitate safe, reliable and effective transportation services to the various communities across Trinidad and Tobago.

In fiscal 2007, PTSC will acquire 100 new buses for the provision of improved services along the East-West and North-South Corridors, in Port of Spain and San Fernando, and in several rural areas. These buses will include the longer articulated type, the standard 49-seater units and a number of specially built units

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for use in the provision of tours and charters services. Additionally, special consideration will be given to transportation for specially-abled persons.

These new buses will substantially reduce the time spent by commuters in waiting for service at the various destinations. Twenty-five of the buses are expected to be in full operation before the end of this year, with the remaining 75 to be placed into operation during the first quarter of 2007.

Mr. Speaker, in this overall context of curbing the wastage of valuable productive time in traffic gridlock, the Government is currently examining the feasibility of introducing water taxis, having heavy duty vehicles operate outside peak traffic hours, and introducing flexitime working hours within certain areas of the public service. In addition, the Government will be instituting measures to curtail the importation of foreign-used vehicles.

The water taxi service is expected to commence operations in early 2007, plying a North-South route along the west coast of Trinidad. When it is fully operational, we envisage a service that will allow commuters to travel by sea from Point Fortin to Carenage with stops at La Brea, San Fernando, Couva, Chaguanas and Port of Spain, as well as an express service from San Fernando to Port of Spain.

Even while we take these measures, we are undertaking a Comprehensive National Transportation Study to inform our transportation strategy over the medium to long term. The study is expected to be completed by the end of this month.

The main objective of the study is to provide a national transportation sectoral policy that is consistent with other public policies of the Government. The study is also expected to present coordinated national transportation plans for the land, sea and air sectors that will provide the Government with a national, systematic decision-making tool for investment in transportation infrastructure over the next 20 years.

Mr. Speaker, one element of the Government's plan is the Rapid Rail Project which is expected to provide fast and frequent service along the East-West and North-South Corridors—light rail transit systems. Together, the two corridors would traverse over 120 kilometres. The rapid rail system will serve over two-thirds of Trinidad's population and will link our two major cities, Port of Spain and San Fernando, as well as several towns including Arima, Diego Martin and Sangre Grande. The rapid rail system would give our citizens and visitors unparalleled mobility and access to work, school, shopping and more, and would truly be the backbone of Trinidad's transportation system.



It is anticipated that a design build, operate and maintain (DBOM) contract for the Trinidad Rapid Rail Project will be awarded by December 2006—in fact, the bids have already closed—and the system which will be operationalized in phases, will be in full service by the year 2011.

Mr. Speaker, the agencies responsible for the air sector have embarked on a comprehensive programme of works aimed at improving the long term physical infrastructure at the Piarco and Crown Point International Airports. The focus continues to be on establishing modern systems and practices for safety and security of passengers and cargo. This will redound to the users of the services and facilities provided at the airports, and will have a positive impact on the social and economic development of Trinidad and Tobago.

Mr. Speaker, the Port Authority of Trinidad and Tobago will continue its restructuring during fiscal 2007 to improve overall productivity and efficiency. The Port Authority will acquire two modern fast ferries, complete the construction of the Government Shipping Services (GSS) facility; acquire heavy equipment to facilitate more efficient handling of cargo, and implement the International Ship and Port Security Code to improve safety and security at the ports.

Drainage infrastructure: The Government will continue its programmes aimed at regenerating and developing systems to meet ecological requirements, settlement patterns, promote the productive use of storm water and mitigate flooding hazards.

The National Infrastructure Development Company (NIDCO) has been given responsibility for the implementation of the following projects:

- comprehensive drainage development programme;
- major river cleaning programme;
- Infrastructure Rehabilitation and Flood Mitigation Programme;
- flood Mitigation and Erosion Control Programme;
- national programme for the upgrade of drainage channels; and
- comprehensive national drainage study and action plan similar in scope to the comprehensive national transportation plan.

We turn now to the public utilities—Power Generation, the Trinidad and Tobago Electricity Commission.

Mr. Speaker, the Government has recently embarked on a drive to conserve our valuable natural gas resources. A strategy has been developed for the phased

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change of all power generation facilities to combine cycle plants effectively utilizing waste heat from primary generating gas turbines.

A review of the existing power stations at Port of Spain, Point Lisas and Penal revealed that many of the plants are old and need replacement. It is particularly so in Port of Spain. This provides an opportunity to rationalize the generating capacity especially as the Port of Spain power station and a large part of the Point Lisas power station are in need of replacement.

An opportunity therefore presents itself to construct new power generation facilities, taking advantage of economies of scale and also by utilizing modern technology to arrive at a low cost per unit of electricity generated. We envisage that this will be done at Point Lisas; a major new power station facility at Point Lisas. Meanwhile, a task force has been established under the Standing Committee on Energy to develop a strategy in this regard. The task force will report to the Standing Committee in one month.

Mr. Speaker, the Street Lighting Programme initially proposed 82,000 new street lights and 36,000 upgrades over a three-year period at a cost of \$626 million. We are proud to report that this programme has moved faster than anticipated and during this month, we will commission the 75,000th street light—this is less than a year.

We must applaud the Trinidad and Tobago Electricity Commission (T&TEC) for this mammoth achievement—the board of directors, the management and the workers.

### **3.45 p.m.**

Mr. Speaker, two years ago, an initial assessment for the complete replacement of the water pipelines network in the country was estimated at \$27 billion. However, a project of this magnitude will require a major development programme and a review of the existing management structure of the Water and Sewerage Authority. The restructuring of the authority is now under review by the Standing Committee on Energy and decisions in this regard will be made shortly.

The Bi-water Treatment Plant at Laventille was commissioned in August 2004 and presently processes 20 million gallons of treated waste water effluent, which is part of the planned waste water reuse project producing industrial water. It is projected that over the next few years this plant will produce over 20 million gallons of water per day to industrial users, thereby making an equivalent amount available for domestic users.

Trinidad and Tobago has made significant progress in the liberalization of the telecommunications sector. This is critical to our industrial development since telecommunications infrastructure is key to increasing profitability and competitiveness in the global environment.

The Telecommunications Authority of Trinidad and Tobago has made significant advancement in its operations. The Authority has issued two concessions for mobile services and seven concessions for international telecommunications services, fixed wireless access networks and cable television.

Accessibility to the technology for all citizens is a principal objective of our National Telecommunications Plan. This is being achieved in a very significant way through our now liberalized telecommunications sector. Improved service and lower rates in high speed business and residential Internet service are already producing increased usage. Homes with Internet access have risen from 8 per cent to 17 per cent in the past two years and we expect this figure to increase significantly in the near future.

Broadband is a crucial infrastructure for achieving economic, social and scientific goals for the development of a knowledge-based society. Government has an ambitious action plan to provide broadband coverage throughout the country and our aim is to achieve “on demand” availability to at least 80 per cent of our population at the lowest unit cost in the Caribbean region by March 2008—greater access; lower cost; short time.

The broadband services being provided at present in Trinidad and Tobago are very expensive and out of the financial reach of most citizens of our country. Further, the broadband services are not available in all areas across the country. The plan is to provide cheap and easy access to wireless Internet nationwide.

In respect of the environment, the National Environmental Policy was revised in 2006 to take into consideration the rapid industrialization of Trinidad and Tobago with the introduction of new types of industries in our economy, major developments in the housing sector and the significant expansion and upgrading of our infrastructure. The policy recognizes that the environment is an essential mainstay of our economic and social development. It focuses on sustainable management of the economy’s environmental assets and seeks to find a balance between economic development and the environment. The policy is further guided by respect for the community of life; keeping within the country’s carrying capacity; empowering communities to care for their own environment; the polluter pays principle and the precautionary principle.

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A permitting system will be applied to require industries to upgrade pollution control, in the first instance, to the Best Practicable Technology (BPT), significantly upgrade plants to the Best Available Techniques Not Entailing Excessive Cost (BATNEEC) and new plants to Best Available Techniques (BAT). Pollution control will be enforced through a system of permits or licences, which will set pollution limits or performance standards for air, noise, water waste and hazardous substances. The system of permits will also include environmental monitoring and reporting requirements.

There is no doubt that agriculture is a very small but economically and socially important sector. In 2004, primary agriculture provided a little over 1 per cent of the country's GDP and employed 5 per cent of the labour force. However, agro-industries accounted for 3.1 per cent of the GDP and 45 per cent of the manufacturing GDP.

The agricultural sector, if it is to remain competitive, must respond to the external challenges and address structural rigidities limiting performance, increased productivity, profitability and competitiveness.

Mr. Speaker, the agricultural sector requires special attention at this time. With the restructuring of Caroni (1975) Limited, additional lands became available for agriculture. We have decided to do a complete review of traditional arrangements—a complete review—and in this regard will utilize expertise drawn from the very successful energy sector.

To date, field identification exercises have been completed in respect of 6,516 plots of the 7,247 plots allocated to the former employees of Caroni (1975) Limited. Of this amount, an estimated 3,824 or 58.6 per cent has assumed responsibility for their respective plots of which an estimated 382 have begun cultivation. To date, approximately 2,500 former employees have registered as farmers with the Government and the process is ongoing. The total infrastructure development cost for these agricultural estates is \$590 million. [*Desk thumping*]

Mr. Speaker, the Food and Agriculture Organization (FAO) has recommended the creation of eight large scale farms and the Government will be issuing requests for proposals from the private sector for the operationalization of these farms.

The Government also proposes to operate two additional farms in collaboration with the Government of Cuba. Cuba has been successful in the area of agriculture and Trinidad and Tobago stands to benefit from this arrangement. In addition, the Government recognizes that there is need to identify agricultural land and to

ensure such lands are maintained in agriculture over the long term. Any resolution to the issue of agricultural land also must address the issue of farm sizes.

Within this context, it is evident that the thrust now should be on the creation of medium-and large-sized farms and providing the conditions to encourage amalgamation of small plots into larger economic farm units. It is a different approach. We have not tried it before. We are trying a new approach. *[Interruption]* It is going to be a mix. In fact, we will encourage the small man to amalgamate; incorporate if he so wishes. Democracy, “eh”!

As part of the National Agribusiness Development Programme, the Government will be establishing, in the first instance, eight large agricultural estates each comprising at least 100 acres. These estates will facilitate mass agricultural production in Trinidad and Tobago and will be either government owned or joint public-private sector ventures. The locations for the farms have already been identified. A mission from the Food and Agriculture Organization has provided recommendations on the basic features as well as the infrastructural needs of the farms.

Mr. Speaker, these farms will be the catalyst in the Government’s drive to increase the production of food in Trinidad and Tobago. They will become the new food baskets of the country.

We have prioritized several strategic commodities in which this country has, or can develop, international competitiveness. These commodities include, but are not limited to, sweet potato, cassava, yam, dasheen, tomato, ochro, cucumber, melongene, pumpkin, eddoes, cabbage, lettuce, green pigeon peas, carrots and string beans.

**Mr. Partap:** What about bhaji? *[Desk thumping]*

**Hon. P. Manning:** Do you want bhaji? Okay. *[Writes]* *[Laughter]* *[Desk thumping]* And bhaji, Mr. Speaker.

In addition, and I dare say more importantly, the majority of these food crops has been identified as the main suspects in accelerating the food prices in the markets and supermarkets. We expect this trend to be reduced significantly in the shortest possible time, since all the farms are earmarked to begin active cultivation in these “short term” crops within the next three months.

The production of several of these commodities will also facilitate a significant process component. The Government will provide the funding necessary to implement projects associated with each commodity. This will include the cost of the restoration

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of soil fertility where necessary as well as ensuring water availability and access to the land. This commodity approach is a significant development as it will address in a holistic way the challenges faced with providing adequate food production, as well as augment normal production levels in price sensitive commodities.

Production contracts will be awarded to farmers, and given the possibility that the prices of some of the selected commodities can fall to levels that cause harm to non-contracted farmers, the system of contracts will be complemented with guaranteed minimum prices and cover the same selected commodities.

Mr. Speaker, this programme will be structured and operated in a manner that will provide the platform for stimulating the longer term improved productivity of the agriculture sector. The Government will also put measures in place to increase the rate of participation in agriculture by expanding the Youth Apprenticeship Programme in Agriculture (YAPA) and the Eastern Caribbean Institute of Agriculture and Forestry (ECIAF). The Government is also introducing the policy of allocating agricultural lands to graduates of these programmes.

Mr. Speaker, praedial larceny is the number one complaint of farmers and must be aggressively addressed by all parties. Praedial larceny has a disincentive effect on production causing farmers to either cease production or produce commodities less likely to be affected. As a result, the Government will provide funding, manpower, equipment and adequate logistical support for the establishment of a praedial larceny police unit. [*Desk thumping*]

The need to provide good infrastructure to support agricultural production is well recognized. A comprehensive programme will be put in place to provide agricultural access roads, irrigation facilities and systems and flood control infrastructure and marketing facilities. Mr. Speaker, we intend to support our farmers by focusing on this particular challenge. In addition, the Ministry of Agriculture, Land and Marine Resources has embarked on an aggressive support programme aimed at increasing the number of extension officers. This will improve the support offered to farmers at present and ensure that all agricultural lands are put to productive use.

To further enhance the resurgence of the agricultural sector, the Government proposes to inject \$30 million into the Agricultural Development Bank to facilitate additional credit lines to firms and individuals involved in the sector.

Mr. Speaker, while our efforts to promote the resurgence of domestic agriculture would be the centrepiece of our strategy to reduce food prices, it is by no means

the only action that we plan to take. The Government recognizes the pervasive impact of the increases in food prices and the cost of living and on the welfare of families who need to struggle to make ends meet.

Accordingly, the Government plans to reduce import duties on selected basic food items where they still exist. We also plan to work with the National Flour Mills to moderate the prices of certain basic foods. We will also engage in discussions with several stakeholders, including the Supermarkets' Association, in an attempt to reduce margins on certain food items.

**4.00 p.m.**

Mr. Speaker, as tempting as it may seem, the imposition of price controls is not a painless solution and in fact, it could present problems such as shortages and the creation of blackmarkets. The Government will, therefore, only consider price controls, if all else fail. If all else fail, we will consider price controls.

Let us turn our attention to the tourism sector. Tourism is a significant employment generator, foreign exchange earner, and an important contributor to gross domestic product. The tourism sector also has the potential to provide incentives for a range of industry linkages involving agriculture, manufacturing and services.

In 2005, Trinidad and Tobago received 460,195 stopover visitors and 67,196 cruise visitors. In the case of stopover visitors, which generated more than 95 per cent of all tourist spending, this number was 4 per cent higher than in 2004. In the case of cruise visitors, the total figure was some 24 per cent higher than in 2004.

However, the situation in Tobago is not reflective of the national picture. Tobago experienced a substantial drop in tourist traffic from Europe in early 2006. This was due to a combination of circumstances and will need aggressive and well planned marketing efforts as well as new airlifts arrangements to correct these negative trends. The Government will work with the Tobago House of Assembly in this regard.

The lack of high quality rooms in Port of Spain is currently constraining the ability of the industry to expand visitor arrival numbers. This should be addressed somewhat, once the Hilton Hotel and Conference Centre completes its refurbishing programme; the 428-room Hyatt Regency Hotel opens in September 2007; and the 80-room Holiday Inn Express at Trincity is completed. It is under construction right now.

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In order to facilitate increased hotel investment interest in our country, the Government earlier this year amended the Tourism Development Act to make it more attractive for investors to develop the new tourism product. Based on the new incentives in the Act, we expect that over time, more international hotel brands will view Trinidad and Tobago as an ideal location for investment.

The publicity engendered by our Soca Warriors' successful participation in the World Cup, and the efforts made by the Government to enhance that publicity, have both played an enormous role in increasing awareness of Trinidad and Tobago worldwide. Next year's Cricket World Cup also offers an excellent opportunity to further increase this awareness.

How can we take advantage of these opportunities? Firstly, we are taking immediate steps to upgrade our beach facilities at Maracas, Las Cuevas, Vessigny and Manzanilla. [*Interruption*]

**Mr. Partap:** What about Chagville?

**Dr. Rowley:** That is Diego Martin West and there is an MP down there.

**Hon. P. Manning:** This will involve a substantial improvement in the quality of the facilities at the beach to world class standards. To this end, the Tourism Development Company will receive funding from the Infrastructure Development Fund to be utilized specifically for the development of the infrastructure and aesthetics of these and other major sites and attractions in Trinidad and Tobago and it would include Chagville.

Secondly, the recent trade and investment mission to Europe, which uniquely combined investment promotion and culture, which was led by the very distinguished Minister of Trade and Industry, has opened many exciting opportunities for investment in Trinidad and Tobago.

Domestic tourism offers great potential for hotels and guest houses in both Trinidad and Tobago to generate incremental business, particularly at weekends, and to keep valuable foreign exchange in the country.

However, the success of the domestic tourism campaigns will depend heavily upon increased ease of transportation between Trinidad and Tobago and it is the Government's intention to improve the quality of service between the islands, particularly by purchasing two fast ferries, introducing online booking capability for the fast ferry service and by enhancing the air service.



Recognizing our senior citizens and caring for those in need: The Government is committed to nurturing a caring society, that is, a society in which all our citizens, particularly the most vulnerable, are cared for and treated with dignity and respect.

At the core of the Government's social development programme, is the empowerment of the disadvantaged groups in our society. However, we have taken a policy decision to rationalize all our social programmes to maximize their effectiveness. The objective is to provide an enabling environment to facilitate the continuous improvement in the economic and social well-being of traditionally disadvantaged groups.

In respect of the elderly, the Government is fully cognizant of the plight of some of our senior citizens and since we came into office, we have introduced a number of measures and programmes designed to improve their living conditions.

Today, our senior citizens have access to free medical care and drugs, free bus passes and an old age pension of \$1,150, up from \$720 in 2001. We have established two senior citizens centres, one in St. James and the other in Maloney. Two additional centres will be opened shortly in Chaguanas and Rio Claro.

Later in this presentation, I propose, on behalf of the Government, to outline even further measures to alleviate the hardships of our senior citizens.

The Government is also determined to address the scourge of child abuse in our society and to protect those vulnerable children who are most at risk of facing a myriad of negative outcomes including neglect, exploitation, malnutrition and even death.

We also intend to address corruption among politicians too.

We will move decisively to establish the Children's Authority, following the requisite amendments to the legislation. The Children's Authority will, in effect, function as the guardian of all the children of Trinidad and Tobago.

The family, as the core institution in the society, has been singled out for special attention by the Government. The National Family Policy will be a blueprint for creating and promoting a family-friendly society and for mainstreaming family issues in the wider sectoral policies.

In order to ensure the broadest possible consensus on this most fundamental of issues, the draft policy document will be presented to the public at a series of upcoming public consultations.

In July 2005, the Government appointed a Ministerial Subcommittee to develop recommendations for addressing the issue of rising food prices specifically in relation to the more disadvantaged groups among us. As a short term initiative, the committee recommended a targeted conditional cash transfer programme, with the first phase involving a debit card to low income households throughout Trinidad and Tobago. The debit card was launched in July of this year and targets vulnerable persons and families in need. The programme was designed to give recipients the ability to purchase basic food items which are included in pre-approved lists of 40 basic food items.

The second phase of the conditional cash transfer programme will involve the distribution of a smart card and this is expected to be implemented early in the new fiscal year. There is a difference between the debit card and the smart card. What we have now is the debit card, but the smart card is to come.

The Smart Card Programme marks the dawn of a new era in social development assistance, providing for more efficient and flexible administration, and better targeting and tracking of benefits. In the coming fiscal year, the programme will be fully implemented.

More importantly, this programme is a temporary measure and will be operated in tandem with skills training for the recipients to move off the programme. Mr. Speaker, 17,000 households presently benefit from this programme.

Those who have disabilities in our society are more likely to be poor, particularly when they are excluded from full access to education and employment opportunities. The Government's programme for the physically challenged will be one of social inclusion.

We will embark upon a broad-based public awareness campaign on the National Policy on Persons with Disabilities and will conduct sensitization workshops for Government agencies and other key stakeholders. We will also continue to train personal assistants for persons with disabilities and complete the standardization of sign language.

The Government has a wide ranging reform agenda geared to the establishment of a legal and institutional framework for efficient policy implementation. In the coming years, the focus of this agenda will centre on:

- the legislative approval of the Heritage and Stabilization Fund; along with the establishment of a Revenue Authority; and a new procurement regime;
- capital market development;

- upgrading the level of national financial literacy; and
- Special Purpose State Enterprises.

A Bill to establish a Heritage and Stabilisation Fund was presented to this honourable House at the beginning of September this year and we have engaged a number of organizations in discussions as we seek to secure parliamentary passage of the Bill early in the new fiscal year.

The establishment of the Heritage and Stabilisation Fund, which will replace the Interim Stabilization Fund, will provide the Government with an effective vehicle to reduce the vulnerability of fiscal operation, to changes in international energy prices; and to save some of the revenue from the exploitation of the country's depletable resources for future generations.

The mechanism for transfers from the Heritage and Stabilisation Fund will help maintain fiscal discipline by linking the level of Government expenditure to long run, sustainable energy prices. On this basis, a significant share of the revenue to be derived from the high prices expected to prevail over the next few years will be saved and invested abroad in high yielding financial assets.

The management of the Fund will be entrusted to an independent Board of Directors with the investment operations placed in the hands of reputable external fund managers. The proposed legislation places particular emphasis on transparency and accountability and requires that the Minister of Finance report on the operations of the Fund on an annual basis to Parliament.

Following upon the comprehensive tax reforms introduced in the last fiscal year, we are now in the process of transforming the human resource and administrative regimes of our principal revenue collection agencies: the Board of Inland Revenue and the Customs and Excise Division of the Ministry of Finance.

The assumption of the responsibilities of the Customs and Excise and Inland Revenue administrations, under the aegis of a central agency, the Revenue Authority, is an important step in this reform effort.

The Revenue Authority, which is expected to become operational by September 2007, would facilitate improved service and a more client-centered approach to the tax-paying citizens of Trinidad and Tobago; the cross-checking of information, more efficient use of information technology and other resources and improved tax administration.

The establishment of the Revenue Authority would be guided and driven by an advisory committee, which would have broad representation from the public and private sectors, including the Trinidad and Tobago Chamber of Industry and Commerce, the Trinidad and Tobago Manufacturers' Association, the Institute of Chartered Accountants of Trinidad and Tobago and the Public Services Association of Trinidad and Tobago. The Government would insist upon the best practices in the establishment of the Authority.

Over the years, the Government and the Central Bank have always taken the lead in the development of a capital market infrastructure, which currently is the envy of the Caribbean. However, if we are to be a major financial centre, our capital market must continue to evolve in line with international standards.

Since 2005, activity in the stock market has declined and this understandably is a cause of serious concern for investor community, as well as for companies listed on the Stock Exchange.

There is no doubt that an important contributing factor to the current downturn in the stock market has been a declining demand by pension funds, which are restricted by present legislation that limits their holdings of equities to 50 per cent of total assets in the statutory fund. This requirement has been in effect for years and was imposed for prudential purposes since the regulator has a responsibility to ensure the financial health and solvency of pension funds to meet the pension entitlements of the workers.

#### **4.15 p.m.**

The Central Bank is working expeditiously to reform existing legislation governing private pension funds. The reform will reduce dependence on absolute limits on particular asset classes in favour of a more general risk-management approach.

Mr. Speaker, the Government is also considering taking more state corporations to the Stock Exchange. We are discussing with some of the energy companies the feasibility of repackaging and listing their local operations on the domestic stock market, but our local private sector also has to do its part.

This issue brings me to the broader question of the critical need for greater education to help the general public operate in our rapidly evolving environment. Mr. Speaker, rapidly changing lifestyles have forced the bulk of the population to open bank accounts, to use ATMs; to own credit and debit cards and, generally, to participate actively in the formal financial system.

The average consumer is now required to make complex financial decisions such as contracting mortgage and instalment loans, choosing from a range of checking accounts and selecting savings instruments.

In too many cases, these decisions are made on the basis of insufficient knowledge and appreciation for the financial implications. This has been accompanied by a sharp increase in private consumption and rising consumer debt. Personal savings have, in fact, declined and with life expectancy increasing significantly, many workers are ill-prepared for emergencies or retirement. This is not only so in Trinidad and Tobago, but is in fact a worldwide problem. Accordingly, governments in both developed and developing countries are recognizing the need to promote financial literacy programmes to educate individuals to make better financial decisions.

Mr. Speaker, the Government is of the view that it is now critical that we launch a comprehensive National Financial Literacy Programme to help our citizens deal with the basics of everyday financial management. The Government has asked the Central Bank to spearhead this national programme.

In turn, it is expected that the Central Bank will involve the Ministries of Education, Community Development, Culture and Gender Affairs, Legal Affairs, the financial sector, NGOs and a host of people's organizations such as the trade unions and credit union movement. The National Financial Literacy Programme will be formally launched before the end of the year.

Mr. Speaker, you will also recall that in September 2005, the White Paper on the Reform of the Public Sector Procurement Regime was laid in Parliament. The recommendations emanating from this paper, some of which are currently being implemented, aim at ensuring greater flexibility, open competition and ethical and fair dealings in respect of public sector procurement.

The new Public Sector Procurement Regime will be applicable to all government ministries, statutory boards, Regional Health Authorities, regional corporations and state enterprises. We expect the new procurement regime to come into effect early in the next fiscal year.

In respect of the Special Purpose State Enterprises, hon. Members are aware that the importance of infrastructure for rapid economic development as well as for ensuring that our citizens are able to conduct their everyday business in facilities of satisfactory standards cannot be overstated.

In our pursuit therefore to modernize the economy of Trinidad and Tobago, the timely implementation of capital projects became an urgent necessity in

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particular in the areas of education, community development, national infrastructure, road development, sporting infrastructure, tourism and urban development. For that reason, we identified a number of existing state enterprises which had the capacity and created others to develop such capacity to improve implementation effectiveness in the execution of Government's capital expenditure. These enterprises—the Special Purpose State Enterprises—have become in a short space of time and with accountable and transparent procedures, efficient and effective mechanisms for advancing the Government's development agenda and ensuring in the process that the new path we are now charting will bring the greatest good and benefits to the citizens of this country and, importantly, to those in our rural communities.

Culture: Mr. Speaker, Trinidad and Tobago has the potential to become a leader in innovation that is facilitated by the diversity of our culture. There will be a sustained effort toward the promotion of cultural awareness and the preservation of our cultural heritage.

The focus in the new fiscal year will be on the improvement of the infrastructure for performing artistes, the preservation, protection and increased awareness of our heritage, and positioning our culture to be a catalyst for national growth and development.

The Government will pursue an active programme to provide high quality, state-of-the-art facilities for artistes. Construction work will commence shortly on the flagship projects: the National Carnival and Entertainment Centre and the Academies for the Performing Arts in Port of Spain and San Fernando. [*Desk thumping*]

Mr. Speaker, our heritage buildings and sites and the traditional practices of members of our diverse population will also receive attention. Heritage sites across the country will be upgraded and given due recognition.

The power of sport to unite the country and build and transmit positive values and national pride are well established and undeniable. The achievements of our national football team, the Soca Warriors, over the last year attest to this.

The Government's policy in sport is consistent with engendering a basic philosophy which involves the participation of the entire population in some areas of sporting activity. Traditionally excluded groups including, women, children, the elderly and the differently-abled will now become active participants in all our sporting programmes.

The Sport Company of Trinidad and Tobago, one of the newly established special purpose state enterprises, is spearheading this transformation. The company

has mobilized its resources to develop, upgrade and rehabilitate a number of sporting facilities throughout the country. New facilities are being constructed in Diego Martin, Sangre Grande, Toco, Point Fortin, San Fernando, Arima and Santa Cruz. We will also construct a National Cycling Track facility, an Aquatic Centre and a National Tennis Centre.

In the next fiscal year, we expect that these facilities will be completed substantially and we will continue the upgrade and refurbishment of other community recreational facilities.

Mr. Speaker, the Government is of the view that these facilities should be effectively utilized if they are to contribute to the achievement of our efforts at nation building. We will, therefore, continue to provide grants to qualifying sporting organizations and associations for the development of elite programmes in their respective disciplines. This initiative will address the needs of high performance athletes to train and prepare for international competitions and to maintain high performances at international level. The programme in fiscal 2007 will address a wider number of sporting disciplines.

These programmes have proven to be extremely successful as demonstrated by the qualification of the National Netball Team for the World Championships in 2007 and the exceptional achievements of our volleyball, cricket, hockey, track and field and swimming teams to date. [*Desk thumping*] Mr. Speaker, and now I am advised, golf. [*Desk thumping*]

Mr. Speaker, permit me now to turn to Tobago. The people of Tobago will have direct access to budgetary resources in the order of \$2.025 billion for the next fiscal year which represents approximately 5 per cent of the total expenditure. [*Desk thumping*] This sum can be disaggregated as follows: an allocation of \$1,324.4 million to facilitate the recurrent expenditure of the Assembly; \$315.7 million for the regular development programme; and a further \$384.7 million to be provided for under Heads of Expenditure to recurrent and capital expenditure in Tobago.

Mr. Speaker, the Government continues to be impressed by the continuing efforts of the Tobago House of Assembly to transform Tobago and improve the quality of life of Tobagonians. Indeed, over the last five years, the Assembly has made significant strides in ensuring that Tobago moves forward steadfastly. [*Desk thumping*]

As evidence of this, virtually all available social and economic indicators point to the fact that there has been a surge in economic activity in Tobago,

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particularly in the areas of construction and tourism. Mr. Speaker, the unemployment rate in Tobago is presently less than 5 per cent. [*Desk thumping*] In other words, full employment has been achieved in Tobago. [*Desk thumping*] The indicators also point to the fact that the unemployment rate has fallen and the standard of living of the people of Tobago has been improving rapidly.

In addition, crime on the island, a natural fallout of the rapid pace of development, is now very much under control, owing to some innovative steps taken by all levels of Government and, particularly, the Tobago House of Assembly.

Looking ahead, we are once again encouraged by the forward-looking budget proposals emanating from the Tobago House of Assembly for the next fiscal year, and many of these proposals have their genesis in the Comprehensive Economic Development Plan for Tobago; approved by the Assembly.

Mr. Speaker, this year's budget for Tobago includes provisions for:

- the Special Windward Development Programme;
- the construction of the Shaw Park Regional Recreation Ground and Cultural Complex;
- the construction of the Bacolet Aquatic Complex;
- development of Cove Industrial Estate; most important.

Incidentally, that industrial estate will use natural gas that will be piped from one of the offshore gas fields to Tobago.

- support for the domestic airbridge and seabridge;
- assistance to small properties in the tourism industry;
- the HIV/AIDS and Substance Abuse Programme;
- housing projects at Roxborough, Blenheim, Castara, Adventure Estate and Courland;
- the Roxborough town expansion; and
- construction of the UTT Tobago Campus;

The Government remains committed to ensuring adequate funding for the Tobago House of Assembly. [*Desk thumping*] We are also very much committed to working with the Assembly to address the burning issues of the cost of living differential between Tobago and Trinidad, as well as the escalating real estate



prices on the island. I am especially pleased to announce the Government's intention to respond favourable to the Chief Secretary's expressed concerns about foreign ownership of land in Tobago. [*Desk thumping*] The time has come to address that matter.

In addition, we endorse fully the new thrust of the Assembly to strive for quality in all aspects of life and improve the level of productivity on the island.

Mr. Speaker, I now turn to the fiscal measures; Senior Citizens Grant: Hon. Members will recall that effective October 01, 2004, the maximum old age pension was increased from \$1,000 per month to \$1,150 per month. The Government has reviewed the distribution of the old age pension, to be renamed Senior Citizens Grant. It is not a pension at all; it is, in fact, a grant. We now propose the following amendments:

- With effect from October 01, 2006 there will be only one qualifying income ceiling, that is, income not exceeding \$2,150 per month. [*Desk thumping*] The implication of that is that it takes NIS into account now.
- Under the current system, a person whose income exceeds \$100 per month but does not exceed \$1,000 per month receives a basic pension of \$1,050. It is proposed that, with effect from October 01, 2006, this person will now receive a Senior Citizens Grant of \$1,150 per month, an increase of \$100 per month.
- A person whose income is less than \$100 per month is currently paid a monthly pension of \$1,150. This person will continue to receive \$1,150 per month as a Senior Citizens Grant. In addition, this person will be also provided with an additional allowance of \$100.
- The maximum amount paid as Senior Citizens Grant will be \$1,150 per month.
- A pro-rated payment mechanism will be introduced whereby for every dollar of income over \$1,000 per month, the Senior Citizens Grant payment will be reduced by an equivalent amount.

In others words, we were dealing with the sharp fall off, graduated to \$2,150.

#### **4.30 p.m.**

Mr. Speaker, previously, a senior citizen who had other income including an NIS benefit of say \$1,400 would not benefit from the old age pension payment. With the introduction of this measure, this senior citizen will now be eligible for

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senior citizens grant of \$700. In addition, Mr. Speaker, the senior citizen who previously had income of less than \$100 was eligible to receive an old age pension benefit of \$1,150.

With this new measure, this senior citizen will not only receive a grant of \$1,150, but will also receive an additional allowance of \$100, thereby bringing his total benefit to \$1,250. Mr. Speaker, based on the new system all beneficiaries will be better off and in fact an additional 10,000 senior citizens will benefit from this measure. [*Desk thumping*] This measure is estimated to cost \$136 million annually.

May I also say that while this is effective October 01, 2006 it will take us a little while to put the administrative arrangements in place and so we would pay it with effect from January 01, 2007 with a retroactive payment for the three months for the first quarter in fiscal year.

Retired Public Servants: Mr. Speaker, the Government has acknowledged that rising inflation rates have eroded real disposable income in recent years. To alleviate the hardships incurred as a result, the Government proposes to implement a minimum pension payable in respect of service under the Government or other public service at \$1,150 per month. That is the minimum payment, whatever you get now.

The Government continues to recognize the invaluable contribution that physically-challenged individuals make to our society and the special needs and concerns of these individuals. To help alleviate the circumstances of these individuals we propose to increase the Disability Grant from \$800 to \$900. This measure will benefit approximately 14,000 individuals and take effect from October 1, 2006. [*Interruption*] Again, Mr. Speaker, we would effect the payment from January 01, 2007 with a retroactive payment for the first three months of the year.

Small and Micro Enterprises: Mr. Speaker, due to an increase in entrepreneurs in non-traditional business enterprises such as light manufacturing and service based industries and an increase in technology-based enterprises, we propose to increase the entry level funding of NEDCO from \$50,000 to \$100,000. The NEDCO loan goes from \$50,000 to \$100,000. In addition, individuals who have completed the payments on their first loan will be eligible for a second loan of up to \$250,000. [*Desk thumping*] [*Interruption*]

Tertiary Education: Mr. Speaker, with respect to our students studying abroad, the Government proposes to increase the tax allowance from \$18,000 to \$60,000

per household—that is for students studying abroad. [*Desk thumping*] This measure requires amendments to the Income Tax Act and will take effect from January 01, 2007.

Technology: Mr. Speaker, to reduce the cost of broadband service and to make access to the wireless internet cheaper and more widely available nationwide, we propose that telecommunications equipment required for roll out of internet and broadband services be exempted from import duties and VAT for an initial period of two years commencing January 01, 2007. This measure will require amendments to the VAT and Customs Acts. In addition, we propose to exempt from VAT and customs duty all computer peripherals including cables, speakers, mouse pads and anti-glare screens. This measure will come into effect from January 01, 2007 and will require amendments to the VAT Act and Customs Act.

Mr. Speaker, to emphasize further the Government's commitment to promoting healthy lifestyles, an increase is proposed to the excise duty on tobacco products, the import duty on tobacco products of common market origin, and the tobacco tax on extra-regional tobacco products, by 15 per cent respectively. This measure will take place with immediate effect.

We also propose to increase the excise duty on locally manufactured rum, beer and other alcoholic products by 15 per cent, [*Interruption*] while the import duty on rum, beer and other alcoholic products of common market origin will be increased by 15 per cent. Import duties on rum, beer and other alcoholic products from extra-regional sources will be increased by 30 per cent. [*Desk thumping*] This measure will have immediate effect. [*Interruption*]

Next, Mr. Speaker, gambling. [*Interruption*]

**Mr. Speaker:** Order!

**Hon. P. Manning:** The emerging trends in casino-type gambling activities are of great concern to the Government, particularly its rapid spread in urban, rural, and semi-rural communities. The Government is totally against the operation of casinos and all casino-type establishments. The Government is totally against it! [*Desk thumping*]

Global research findings have shown that the gaming industry can destroy the financial security of families, negatively impact marriages, encourage deviant behaviour among children, undermine work ethic, cause increases in crime, including that of money laundering, and give rise to problem gamblers. The Government is strongly against proliferation of these casino-type establishments in Trinidad and Tobago.

**Hon. Member:** Play Whe and lottery; too. [*Inaudible*]

**Mr. Speaker:** Order!

**Hon. P. Manning:** Mr. Speaker, section 11(1) of the Gambling and Betting Act, Chap. 11:19, provides specifically that gambling may be conducted in a private house or a private members' club provided that no money or money's worth put down as stakes, paid by way of losses or exchanged for tokens used in playing a game, is disposed of otherwise than by payment to a player as winnings. In other words, no *casa*. *Casa* is against the law.

As a result, the Government proposes to enforce the law so that Private Members' Clubs must operate within the confines and original intent of the law. In other words, Mr. Speaker, Private Members' Clubs cannot engage in gambling activities that involve payments being made to the house. This law will be reviewed and strengthened to give effect to Government's policy in this regard. We think that the weakness in the past has been in the legislation and we will strengthen it and effect it. We also propose to ban the importation and use of all slot machines. These measures will take place with immediate effect. [*Desk thumping*]

Mr. Speaker, as far as the online gaming system is concerned, there will be no further expansion in the games offered and the Government is moving to eliminate the entire system. [*Interruption*] It is going.

**Hon. Member:** It is going?

**Hon. P. Manning:** Yes. Everything; all those systems. [*Interruption*]

Mr. Speaker, permit me to give a brief analysis of this year's budget.

The budget for fiscal year 2007 provides for total revenue of \$35,125.9 million, which is \$3,561.8 million lower than estimated revenue collections in fiscal year 2006. The main reasons for the shortfall are the lower oil and gas prices used in the revenue calculations for the new fiscal year.

Energy revenue collections in 2006/2007 are budgeted at \$15,239 million or \$2,518 million lower than actual collections last year. This year's budget estimates are based on an average oil price of US \$45 per barrel while the actual average oil price in 2006/2007 was US \$63.30 per barrel.

Non-energy revenues in fiscal year 2007 are budgeted at \$19,887.4 million, which is \$1,044 million lower than actual collections last year. The decrease reflects the completion of further loan repayments from certain state enterprises and lower property income.

Total expenditure in fiscal year 2007 is budgeted at \$38,054 million, which is \$2,206 million less than last year's expenditure. Excluding transfers to the Heritage and Stabilisation Fund of \$3,160 million, total expenditure in fiscal year 2006 is \$37,100 million. This means that the budget for fiscal year 2007 is a mere 2.5 per cent over last year's level.

Mr. Speaker, I would like at this time to outline to this honourable House some important points which are noteworthy:

- In terms of the functional classification, 12.5 per cent of the budget will be spent on education, a similar percentage on social development and poverty alleviation, 8 per cent on national security, 6.5 per cent on health and 6 per cent on infrastructure.
- With the strong private sector demand for labour, the budget provides for a reduction in allocations to URP and CEPEP.
- The allocation for agriculture has been increased by almost 25 per cent to \$750 million.
- There are some significant investment programmes in housing, water and electricity that are financed partly through the budget and partly through direct loan financing. Similarly, the Waterfront Complex is being financed by government-guaranteed loans to UDeCOTT.
- Transfers to the Heritage and Stabilisation Fund only become applicable when the oil price exceeds the notional budget assumption.
- Assuming an average price of US \$60 per barrel—roughly the current level in fiscal year 2006—the minimum transfer to the Heritage and Stabilisation Fund, as required by the proposed legislation, will be \$1,652 million.

Mr. Speaker, the budget documents to be provided to hon. Members at the end of this session will include a number of analytical tables that should help in clarifying the main points of the budget for this fiscal year. Even on the basis of the very conservative notional oil price of US \$45 per barrel, the budget provides for a small overall surplus of \$29 million.

#### **4.45 p.m.**

Mr. Speaker, since Independence, this country has been striving strenuously for development. We have made good progress, but some say the nation could have done much better. That could be true. In human affairs, there is always the possibility for improvement. But it cannot be denied that, as a country, as a

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people, we have always been on the move, on the hunt, in search of the path that would free us completely from the state of under-development that was our legacy when we attained nationhood.

Now is our chance for that complete transformation. Now we can remove all obstacles in our way. It is now or never, Mr. Speaker. For the first time in our history, all the elements have come together. We have the vision and we have the ideas; we have the resources; and we have the will and, most importantly, we have the Government that can do it. [*Desk thumping*]

Now Trinidad and Tobago can make its giant step into the future. This is our chance for unprecedented development. Let us all see the magnificent possibilities that lie before us and let us together grasp this golden opportunity for the sustainable development of our country and the enduring prosperity of all our people.

This budget is another important step towards that goal. It will continue the momentum now visible in every area of national life. It will improve education; health; national security and the physical and social infrastructure. It will make housing accessible to all; provide training for the young and care for the elderly. It will increase opportunity for creativity; investment and entrepreneurship. It will strengthen this country as a regional powerhouse in the global marketplace. It will make our future more secure and better the lives of all our people. It will move this country onwards.

I, therefore, Mr. Speaker, call on all citizens to join the movement forward. Be inspired by what this nation will become. Know the part that you must play. Make use of the many opportunities to improve your lives. Disregard the cynics and doubters. Believe in your nation and yourselves. This country is clearly on the move. The evidence is all around us. Tremendous transformation is at work. We are heading to stand even taller among the nations of the world and we are on the way to becoming a developed nation.

Thank you very much, Mr. Speaker and may God bless the nation. [*Desk thumping*]

Mr. Speaker, I would now like to advise hon. Members that the debate on this budget would continue on Monday, October 09, 2006 at 10.00 a.m.

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*Motion made and question proposed, That the House do no adjourn to Monday, October 09, 2006 at 10.00 a.m. [Hon. K. Valley]*

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 4.49 p.m.*