

HOUSE OF REPRESENTATIVES

Wednesday, September 08, 2010

The House met at 1.30 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

ORAL ANSWER TO QUESTION

Mr. Speaker: Hon. Members, in accordance with the established practice, questions to Ministers will be deferred until the completion of the budget debate.

The following question stood on the Order Paper:

Aluminium Smelter Project**(Decision Whether to Stop)**

1. (a) Could the hon. Minister of Energy and Energy Affairs state whether the Government of Trinidad and Tobago has taken or intends to take a decision to stop the aluminium smelter project?
- (b) If the answer is in the affirmative, could the Minister state when was this decision taken and give the details of the decision?
- (c) Could the Minister further state:
 - (i) what contracts and other agreements will be affected by the decision;
 - (ii) the total estimated financial costs to be incurred by the government as a result of any cessation of the smelter project; and
 - (iii) how the Government proposes to treat with the loss of employment opportunities which will flow from the closure of the project?

[*Dr. K. Rowley*]

Question, by leave, deferred.

PAPERS LAID

1. Draft Estimates of Expenditure for the financial year 2011. [*The Minister of Finance (Hon. Winston Dookeran)*]
2. Draft estimates—Details of Estimates of Recurrent Expenditure for the financial year 2011. [*Hon. W. Dookeran*]
3. Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and the Tobago House of Assembly for the financial year 2011. [*Hon. W. Dookeran*]

4. Draft Estimates of the Development Programme for the financial year 2011. [*Hon. W. Dookeran*]
5. Draft Estimates of Revenue for the financial year 2011. [*Hon. W. Dookeran*]
6. Public Sector Investment Programme, 2011. [*Hon. W. Dookeran*]
7. Social Sector Investment Programme, 2011. [*Hon. W. Dookeran*]
8. Supplementary Public Sector Investment Programme, 2011. [*Hon. W. Dookeran*]
9. Public Sector Investment Programme Tobago, 2011. [*Hon. W. Dookeran*]
10. Review of the Economy 2010. [*Hon. W. Dookeran*]

**APPROPRIATION (FINANCIAL YEAR 2011) BILL
(BUDGET)**

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2011 [*The Minister of Finance*]; read the first time.

The Minister of Finance (Hon. Winston Dookeran): Mr. Speaker, I beg to move,

That a Bill to provide for the Service of Trinidad and Tobago for the financial year ending on the 30th September, 2011, be now read a second time.

Mr. Speaker, on May 24 this year, under 120 days ago, the people overwhelmingly voted for a new mandate. Our people exercised “the right to recall” in the most emphatic manner. They placed their faith and their future in the hands of the People's Partnership. [*Desk thumping*]

It is a privilege to present the first budget of the People's Partnership Government to this honourable House. For this privilege, I thank the hon. Prime Minister, Kamla Persad-Bissessar.

Our Prime Minister has skillfully steered the early transition from a discredited conduct of politics to a new pathway to good governance and inclusive development. [*Desk thumping*]

I acknowledge my Cabinet colleagues. We share responsibility for this document. In our pre-budget interaction, the voices of the young stood out. We need to ensure that in so doing we recognize the spirited conversation we have had with labour, business and civil society. It is their thoughts and inspiration for the future that inform much of what I say today. And so I say thanks to all those who sent their suggestions and to those with whom we consulted directly.

My team at the Ministry of Finance worked diligently and beyond the call of duty. I thank them for meeting tight deadlines and long hours. To them I say: you are true patriots.

We must carefully identify the points of departure and the choices for the future. This is our mandate. The people expect the People's Partnership Government to meet this mandate and we will. [*Desk thumping*]

We must face the issues as we partner with all our citizens to chart a different course and lay a foundation for the future.

We believe that our energy resources are finite. We need to ensure that those resources are efficiently and wisely monetized to provide us with the capital to build an economy that will provide a sustainable future when oil and gas are depleted.

We believe that the natural and mineral resources of this country belong to every citizen. Every citizen must be able to legitimately expect to partake in the opportunities they can provide.

We believe that the best indicator of national development is the fairer distribution of income that ensures that no one is left behind.

We believe that the key role of government is to catalyse economic growth and provide opportunities to allow our people to achieve their maximum potential.

We believe that our people today are constrained by fear. We must continuously converse with them to regain all our freedoms. We must at all times remember whom we work for. We must make Government work for the people and as our Prime Minister says: serve the people; serve the people; serve the people.

This budget statement comes at a time when the people's pains are clear. Chief among these is the national security; the scourge of crime and lawlessness. Thousands of unsolved murders and other crimes have deeply scarred the national psyche. Thousands of families have been torn apart. They will never forget the pain of loved ones lost. It is especially hurtful for them to know that the vast majority of criminals and murderers continue to walk freely without fear of arrest and conviction.

Our citizens have looked on helplessly as countless millions were spent on "pie in the sky" projects while their basic needs were ignored. Infrastructure was neglected at all levels. Not just physical infrastructure, but organizational and institutional infrastructure, without which we cannot possibly function effectively.

Inflation, particularly food price inflation, is another pressing concern. Inflation erodes the purchasing power of those on fixed incomes. Food price inflation is

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particularly dangerous for the poor as many families struggle to provide adequate nutrition for their children.

Health care is another major issue facing our people. While we have made some progress, the State is still way behind in providing adequate and timely health care to most of our people. We are still short of hospitals. The capacity of existing health care is insufficient to meet our people's needs. Waiting times for surgical and testing procedures are still far too long. Even primary health care is insufficient. We must avoid having patients waiting in hospital corridors.

Our mandate not only expresses the people's desire to be heard, but it is also a mandate to change course. We must now usher in a new momentum for growth and a fairer distribution of income and opportunities.

Billions were spent, yet the common man's needs were neglected. Basic needs and issues like shelter, water, decent health care, closing the information gap and our children were cast aside as low priorities. These fundamental needs were sacrificed at the altar of grandiose schemes, including tall buildings and fancy international summits; all of questionable worth to the people's well-being.

Mr. Speaker, gross domestic product tripled from \$56 billion in 2002 to \$171 billion in 2008. Yet in that time the average person was no better off. Many were in fact worse off. The physical security we once took for granted has been lost in a tide of violence, lawlessness and bloodshed the likes of which we have never seen before.

No period in this country's independent history could better exemplify "The Curse of Oil". Corruption, mismanagement and arrogance became the order of the day. It will take time to untangle that mess and bring those responsible to justice. But justice will be served.

Mr. Speaker, we must now face the issues head on, hence the theme of our budget, "Facing the Issues: Turning the Economy Around". We shall do so as we partner with all the people of Trinidad and Tobago.

Our people's well-being and future security are greater than the arithmetic of revenues and expenditures. They are measured by much more than economic indices and incomes. The people's well-being and future prosperity embody development. They embody the enhancement of individuals' abilities to shape their lives. They embody working hand in hand to overcome the challenges facing our nation.

Our budget is driven by the seven pillars of the People's Partnership Manifesto, which has been adopted as Government's policy. Our budget is driven

by the need to fulfil the expectations of the people of Trinidad and Tobago. These are designed to do the following:

- i. foster people-centred development;
- ii. ensure national and personal security;
- iii. entrench good governance;
- iv. steer the country towards a diversified, knowledge-intensive economy;
- v. move towards eradicating poverty and promoting greater social justice;
- vi. present an accommodating foreign policy; and
- vii. expand the use and availability of information and communications technology.

Mr. Speaker, this is the time to change our development path. From an obsession with \$2 million flags and private jets to police on the streets, greenhouses for food production, hospital beds, computers for our children, homes for the elderly and so much more. Our spending priorities must change. Our development process must also be redirected.

It is time to embrace fiscal responsibility and wipe out corruption. [*Desk thumping*] It is time to address the plight of the poor and disadvantaged. It is time to provide a steady hand of leadership as we confront the uncertainties of change.

1.45 p.m.

Our budget comes at a time when we must make clear choices. The choice is to reprioritize spending to better serve the people. The choice is to build a new momentum for our economy's growth and expansion. The choice is to make our regulatory bodies more accountable to the public. The choice is for business leaders to be bold and confident, to take the risk of investment and sacrifice immediate profits with lower incomes for the executives; and the choice for workers to participate in the economic process and improve the future well-being.

This budget is the first step on a new development path for Trinidad and Tobago. Our concept for development is future focused. It is not only built on the existing configuration, but built on a new value, adding activities to expand the range of a country's products and to ensure that we can improve our existing and potential capabilities. Models of economic development, including the highly acclaimed Sir Arthur Lewis model of surplus labour, largely entrepreneurship and the role of individuals in growth. This model ignored the powerful dynamics of

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entrepreneurship in the economic process, and so the thrust of this our first budget is to bring entrepreneurship and development.

We must awaken and harness the vast potential energy of entrepreneurs and focus it on the development of our country. We must establish a new synergy between the State and the private sector. The Government and the people must work together to achieve solutions. This approach involves dialogue and consensus and there must be transparency and openness in such dialogue. The State's role must shift from state control, to being the catalyst and partner to the development of our country.

Mr. Speaker, it is time to clean this slate and find solutions to the persistent problems that have created great uncertainties in our national balance sheet. We must remove those uncertainties before we move forward. We must therefore address the Clico fiasco, the Hindu Credit Union, the public service wage negotiations, Alutrint, rapid rail, contractors' payments and VAT refunds and the financial regulatory system.

The most pressing issue in the financial system is the Clico fiasco. The CL Financial/Clico issue was handled badly by the authorities from the start. This fiasco was a colossal, inexcusable, multi-billion dollar mistake. The fiasco has cost this nation enormously on several levels. The fiasco has put on hold the lives of thousands and endangered their financial future. This fiasco was caused by reckless corporate governance and the glaring failure of our financial regulatory institutions.

In January 2009, the previous government of Trinidad and Tobago entered into a memorandum of understanding with CL Financial to protect the interest of depositors, policyholders and creditors of Clico Investment Bank, Clico and British American Trinidad and Tobago Limited. At the time of this intervention, the authorities assumed that this was a liquidity issue that could be funded temporarily by the government and recovered in the short-to-medium term. This assumption was made without fully ascertaining the financial conditions of the troubled financial institutions. It was a reckless assumption. The impact on Trinidad and Tobago and the Caribbean was grossly underestimated. The intervention has cost the nation significant public funds.

The problem involved more than 10 per cent of the country's gross domestic product. It affects 250,000 of our citizens. This crisis was caused by an absence of risk management, excessive borrowing internally and externally to fund high-risk speculative investments and wrong financial reporting. The failure of both the regulators and the financial regulations resulted in insufficient oversight and investigation into this financial giant.

In addition, the then Minister of Finance, the Central Bank and Clico made numerous public statements assuring depositors that their money was safe and will be protected by the government. Any recovery of money spent by the government will be a long and difficult process. The total funding provided as of May 2010, by the Government and the Central Bank, excluding indemnities and guarantees to First Citizens Bank, amounted to approximately \$7.3 billion.

As at June 2010, Clico and British American combined total liabilities were approximately \$23.8 billion but the total assets were \$16.6 billion. The number of traditional long term policyholders affected by this crisis covering pensions, life and health insurance is around 225,000 persons and accounts for \$6 billion in liabilities.

Clico also sold short term investments, which were in substance, deposit accounts with three to five-year durations and which earned interest rates significantly above market rates. The company also guaranteed the liabilities of a mutual fund, but also paid above market rates, the terms similar to short term investments. There are approximately 25,000 customers holding these short term contracts and the liability of this group is in the region of \$12 billion. It is from these short term contracts that CL Financial financed many of those large acquisitions and speculative investments which have fallen tremendously.

More than 18 months after the previous government invoked section 44D of the Central Bank Act, the People's Partnership Government must now clean up this mess. The People's Partnership Government must find the resources and defend the public interest. As a responsible Government, we must take action now. This is no easy task but we resolve to fix it.

It is against this background that a high level team of experts critically analyzed the situation and advised the Government on a course of action. What we need to do now is:

- i. Stop the drift and indecision;
- ii. Bring order to Clico and British American within the confines of fiscal responsibility; and
- iii. Take immediate action that can drive recovery in a prudent and structured manner.

I now advise this honourable House of our decisions.

1. We will separate the insurance business from short term investment and mutual funds business to protect the insurance policyholders and the obligation to the 225,000 policyholders will be honoured, backed by the statutory fund.

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We will also restructure and merge the traditional insurance business of Clico and British American and prepare this merged business for divestment.

2. To depositors in the short term investment and mutual funds, the Government will make an initial partial payment of a maximum of \$75,000. This is intended to bring relief to the small depositors. This will fully pay off approximately 45 per cent of the 25,000 investors in these products, including more than 140 credit unions and 15 trade unions.
3. The short term investment and mutual fund depositors whose balances exceed \$75,000 will be paid through a Government IOU amortized over 20 years at zero interest. This Government IOU would be structured in such a way that it could be traded on the secondary market, thereby creating a measure of immediate liquidity for the depositors.
4. The Government will conduct a detailed review of CL Financial and its subsidiaries and will introduce measures including the divestment of its assets to reduce CL Financial's debt and recover public funds.
5. The Government will engage a firm with relevant local and global expertise to assist with the restructuring of CL Financial group.

The cost of payment of \$75,000 to all short term investment and mutual fund depositors is estimated at \$1.5 billion over the next four years as payments become due. The Government will also provide a further \$1.8 billion in the next fiscal year to provide a funding mechanism for the 20-year amortization.

To ensure that this does not happen again, we shall strengthen the legislative and regulatory framework governing financial institutions and their holding companies. We shall strengthen the enforcement of regulations through stricter oversight and compliance with the relevant legislation, including the Insurance Act. In addition, we shall amend the Central Bank Act to provide the legal framework to implement an economic solution and to subject our financial institutions to a higher level of control than currently exists.

Furthermore, a legislative framework would introduce changes in the Central Bank powers to take decisive actions to protect Clico's assets and ensure the safe and sound continuation of its legitimate insurance business. Our nation cannot allow a mistake of this magnitude to go without severe consequences. Those responsible for this crisis must be held accountable.

Mr. Speaker, in the case of the Hindu Credit Union, a preliminary assessment by independent auditors in 2008 reported that the Hindu Credit Union was bankrupt. In fact, many of the HCU's real assets were overestimated or encumbered.

The HCU had a large membership which included thousands of small savers. Although the failure of HCU did not carry a systemic risk to the financial system since it represents less than 1 per cent of the total assets of the financial sector, this Government is of the view that these funds of these small investors must be protected. As a consequence, the Government will employ a similar approach to that which has been applied to the Clico fiasco. This includes the following interventions:

- (1) Depositors and shareholders would be entitled to \$75,000 in accordance with the rules of the Deposit Insurance Corporation. Whilst the former government failed and/or neglected to address this issue and protect the small depositors and shareholders, in this Government's thrust to serve the people, we must address the inequity meted out by the former administration to vulnerable shareholders and depositors. The small depositor cannot be held liable for the failure of the past administration to do its duty.

2.00 p.m.

- (2) Depositors above \$75,000 will be paid in equal installments at zero interest rate over 20 years.
- (3) Shareholders receiving these payouts would be required to sign over their rights to HCU assets to the Government.
- (4) The Government will recover the public funds injected from the proceeds from the sale of these assets. This intervention will cost taxpayers an estimated \$300 million and will benefit more than 160,000 people [*Desk thumping*]

Those persons responsible for this crisis must also be held accountable. [*Desk thumping*]

Public Sector Wage Negotiations: Mr. Speaker, the public servants terms of employment have remained unsettled for 2008, 2009 and 2010. This affects some 83,000 persons employed in the civil and teaching services, the protective services and statutory authorities, as well as daily rated employees of the central government and municipal corporations.

This is another part of the previous administration's legacy of neglect which the People's Partnership must now deal with. It is our intention to settle this matter as quickly as possible. We expect to settle this issue by the end of 2010. [*Desk thumping*] This is a challenging task, made even more difficult by the strained finances we have inherited. The Government is exploring the idea of expanding medical coverage to family units on a cost sharing basis, as well as death benefit. We are tackling a difficult situation with a new creativity. [*Desk thumping*]

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The thrust of the new salary negotiation will be to make the civil service attractive to talented people. We will develop a new system in which wage increases will be based on performance. We need to revisit the structures of hiring, assessment and termination and will engage the public sector unions in this national exercise.

Mr. Speaker, the provisions for a new minimum wage will continue to be reviewed.

Alutrint and Rapid Rail: Mr. Speaker, there has been great uncertainty about both the Alutrint and rapid rail projects. There has been much public criticisms of these projects rising from legitimate concerns. In addition to the health and environmental risk, there is also serious concern as to Alutrint's viability and the optimal use of our gas. This project shall cease and an alternative strategy will be put into place for the south-west peninsula. [*Desk thumping*]

The rapid rail project has cost this nation \$565 million to date for a feasibility study and design plans. No viable economic plan has emerged from all this waste. This project, if undertaken, will have an expected capital cost of TT \$22.5 billion. Yes, TT \$22.5 billion. This nation has suffered enough from bad judgment and outrageous spending. [*Desk thumping*]

We will cancel this project and design an alternative transport programme for the nation. [*Desk thumping*] This programme will open up new economic spaces for the expansion of the economy, linking transport to the restructuring of development.

Contractors Payments and VAT Refunds: Mr. Speaker, there is also uncertainty over payments owed to many of our contractors based on contractual agreements with the previous regime. Many of our businesses are experiencing cash flow problems due to delays in VAT refunds from the Board of Inland Revenue. We estimate that the total owed to contractors amounts to approximately \$4 billion, while the total outstanding VAT refunds amount to \$2.8 billion. We have already started putting measures in place to meet these commitments over time.

The Financial Regulatory System: There is also much uncertainty as to the effectiveness of the Central Bank, the Securities and Exchange Commission and the Office of the Commissioner of Co-operatives. Although our financial system has been resilient in stormy waters, our regulatory system is inadequate to meet the challenges of today's financial market.

The Government will create an independent risk committee, which will identify and monitor key risks in the financial and state sectors with the major objective of preventing economic failures which can lead to systemic risk.

Mr. Speaker, I now move to how we shall rebuild confidence. In order to rebuild confidence in the economy and the wider society, we must take the first step to lay the foundation for a new policy direction. Permit me to outline the framework of a new policy direction. Let me at the outset say, that this budget statement of 2010/2011 is located in the wider 3—5 year horizon. A stable society must be based on inclusive development. This development must harvest the creativity of our people, secure their safety and eradicate poverty.

We start, therefore, with security and justice. We have inherited one of the worst periods of crime in our nation's history. The deepest concern of our people is safety. Creating a safe society is this Government's highest priority, backed by our full resolve. This is not only reflected in the budget allocation, but also in recent steps to transform the country's law enforcement agencies. It is a complex problem dealing with underlying issues of social dispossession, lawlessness and the value that the society places on life itself.

To address some of these issues, we are examining proposals to re-integrate ex-prisoners, deportees and delinquent youths into the fabric of the mainstream society. The Government will establish a youth mentoring programme. Grants will be provided to community-based organizations which can run successful mentoring programmes for youths deemed to be at risk, away from crime. We will seek ideas and assistance from successful international mentoring programmes.

We will implement a National Security Operation Centre. This special unit will focus on intelligence gathering through a comprehensive electronic database of all criminal related activities. Officers on mobile patrols will be able to link with the National Security Operation Centre and log on to the information network to ascertain all relevant data on vehicle and individuals through licence plates and driver's permit numbers. [*Desk thumping*]

This centre is expected to lead to a response time of less than 10 minutes to emergency calls in most locations across the country. Additionally, a computerized crime statistics and reporting programme will record daily, all reports of criminal activities to identify hot spots and assist with the effective deployment of protective personnel.

Our police officers are often the unsung heroes of a nation risking their lives and limbs every day. They do so with much too little resources at their disposal. The Government will provide the necessary resources to our police service and other protective services, but we also recognize the rogue elements and inefficient systems must be rooted out if efforts are to be successful.

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But even as we demand and expect so much more from our police officers, we recognize that they must be given incentives to perform. In addition to the many proposals put forward by the Minister of National Security already, we now propose to this honourable House that a monthly special duty allowance of \$1,000 a month be paid to more than 7,000 police officers in the police service, taking effect from October 01 this year. [*Desk thumping*] Taxes on this allowance will be waived in accordance with section 124 of the Income Tax Act. The allowance shall be funded from transfer of funds from within the Ministry of National Security.

Mr. Speaker, Parliament recently agreed to appoint new commissioners in the police service to signal a new determination to introduce fresh ideas in law enforcement, community policing and security intelligence. We must build up the morale of our police force. They work under extreme stress and great expectations from society.

We will inspire our police officers through the establishment of a dedicated national recognition programme that honours those officers who go above and beyond the call of duty. [*Desk thumping*] The details of this proposal will be worked out between the Ministry of National Security and the Police Service Commission. A better equipped police service that is inspired and recognized and given the right leadership will produce the right results.

Mr. Speaker, there has been much talk but little action in the past regarding the return of bike patrols. It is the view of this Government that the introduction of bicycles for the police to conduct patrols in some communities is a sound one, and it is our intention to deploy bicycles into the police service for this purpose. Too many times police stations are bound and unable to effectively patrol areas within the community. To introduce the bicycle patrols will go a long way to create a stronger police presence.

An aggressive recruitment drive for the police service will be introduced as the Government supports the initiative to attract more officers. In addition, as you would already have heard from the Minister of National Security, retired police officers are being recalled for administrative duty which would enable their younger colleagues to assume patrol duties across the island.

We will continue to refurbish and upgrade police stations across the country to improve the working conditions of police who have languished for far too long in old, dilapidated and even uninhabitable structures. We will improve training for the police to better prepare themselves for the tough tasks ahead.

We will also establish a Victims of Crime Support Programme. The victims require so much emotional and psychological help and often have nowhere to turn for ongoing

support. This initiative will be conducted through the Ministry of the People and Social Development in conjunction with the Ministry of National Security.

2.15 p.m.

We will establish a Special Criminal Court to provide swift justice. The court will deal with firearms, kidnapping and narcotics offences, and it is meant to relieve the case burden on the Magistrates' Courts. The construction of the Sangre Grande Magistrates' Court and the Arima Judicial Complex are key priorities. Progress is being made in acquiring the sites for these projects.

As you can see, Mr. Speaker, this Government has taken a holistic approach to tackling crime, examining the issue and creating solutions that are both immediate and long term. We have demonstrated a clear resolve to fix this problem, and fix the problem we shall do. [*Desk thumping*]

Social Safety Net: The annual budget currently supports an extensive social safety net which includes subsidies, national insurance, social assistance through GATE, and the Conditional Cash Transfer Programme; health and nutrition through the School Feeding Programme and CDAP; temporary jobs through URP and a housing subsidy through the Home Improvement Grant Programme. Our approach is to improve in the first instance, the efficiency, effectiveness and relevance of these programmes as we chart a new course of delivery in the future.

Transfer payments and subsidies: Transfer payments comprise one of the largest components of budget spending. These payments, which were around 9 per cent of GDP in 2003, are estimated to reach about 15 per cent of GDP in 2010 and 16 per cent of GDP in 2011. The largest subsidy is on petroleum products, particularly gasoline, which usually represents 1 to 2 per cent of GDP per annum. All of our citizens benefit from this subsidy. It is often difficult to determine whether resources are being used wisely to achieve the intended objectives of subsidies. We are currently reviewing whether alternate options are more efficient.

Poverty reduction: We are reviewing social programmes to reduce the number of poor by 2 per cent each year. To complement this, we have established the Ministry of the People to ensure that our citizens' needs are better analyzed and are meaningfully catered for. [*Desk thumping*]

Mr. Speaker, our newly established Ways and Means Committee will formulate a project to ensure that Government's services are made more accessible to our citizens in Tobago.

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In the coming year, the Government's social development objectives include transforming the social welfare programme; establishing a mechanism for effective collaboration and partnership between the Government and the non-governmental sector; and implementing a monitoring and evaluation policy for social development. We will make a concerted effort to ensure that spending on rehabilitative and development programmes is balanced with significant investments to build social capital.

Mr. Speaker, the Milk Feeding Programme will be introduced to complement the National School Feeding Programme, to ensure that vulnerable groups in the population are provided with the basic nutrition within the homes. [*Desk thumping*] This programme will supply milk to all health centres to nutritionally vulnerable or at-risk persons. Other beneficiaries will include patients of the Child Welfare Clinics and antenatal mothers. [*Desk thumping*]

On the issue of health, elder care, we will lay in Parliament, the "Proclamation of Homes for Older Persons" legislation in the new fiscal year. [*Desk thumping*] Under this legislation, homes for the aged would be required to meet and maintain minimum criteria and standards of care for the residents. The Government will also launch the elderly mobile shuttle service in 2011, which will provide a shuttle service to the elderly. [*Desk thumping*]

Addressing the information gap is important to fighting poverty. We must close that gap. [*Desk thumping*] The Government will provide a laptop to each new secondary school student this month. This will ensure that our children can compete in the world where knowledge is currency. [*Desk thumping*]

Pension: The Government recognizes that increasing longevity and low interest rates are driving up the cost of pension plans. Stakeholders are finding that large index pension starting at an early age is unaffordable. They must plan in advance for their retirement. Citizens of Trinidad and Tobago are not immune to this pressure. We must avoid one generation shouldering the burden of previous generations.

We must never forget that the primary purpose of a pension system is to provide security to members of society who are retired. An effective pension system provides a basic safety net to minimize poverty amongst the elderly. It creates an environment in which all citizens have the ability to maintain a reasonable standard of living in retirement. This policy is to balance the two competing objectives of securing retirement and keeping cost sustainable. The Government will therefore examine the feasibility of moving towards a retirement savings involving:

- A Mandatory Employment-based System: The system would be entirely funded by employers and employees. It would be similar to the current

National Insurance Board pension, but with a distinction that the self-employed will also be included. [*Desk thumping*]

- The Introduction of Individual Savings: We will examine the current system and identify improvements that will encourage saving for retirement, in a tax effective manner that avoids penalizing those who choose to save for retirement. [*Desk thumping*]

Mr. Speaker, this is the first stage in the Government's thrust towards creating a harmonized pension plan that will incorporate public service pensions, the National Insurance Board, and the Senior Citizens' Pensions on which we have already taken decisions.

Housing: Home ownership is the strongest pillar of a stable society and the foundation of a democratic and equitable society. In the short term, we shall increase the Rent-to-Own Programme, whereby tenants will have the opportunity to purchase their homes. [*Desk thumping*] There are many different institutions now engaged in home mortgage financing: the Trinidad and Tobago Mortgage Finance Company, the Home Mortgage Bank, the National Insurance Board, and the Trinidad and Tobago Housing Development Corporation. We will clarify and confirm the mandates of these institutions and create a new holding company so that:

- The TTMF continues to be the lender of choice for financing affordable housing to the lower and middle income groups;
- The Home Mortgage Bank returns to its original mandate as a secondary mortgage financier promoting the development of financing products using mortgages as the underlying security;
- The NIB and HDC transfer their mortgage business for administration by the TTMF as mortgage financing is not their core business; [*Desk thumping*]
- A new holding company, Trinidad and Tobago Mortgage Bank, will be formed, with the TTMF and the Home Mortgage Bank as subsidiaries with the latter being the funding source. The Trinidad and Tobago Mortgage Bank will buy out existing shareholders of the subsidiary companies and offer an initial public offering on the Trinidad and Tobago Stock Exchange, allowing for more extensive ownership of this very important aspect of the nation's financial and social well-being. [*Desk thumping*]

We believe, Mr. Speaker, that the development of this country must be owned by the people of this country. [*Desk thumping*]

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During this fiscal year, over 6,400 persons have sought regularization and these persons will benefit from an Inter-American Development Bank Programme. The Land Settlement Agency will profile squatter sites and study land use plans. In pursuit of more equitable land ownership patterns and the simultaneous eradication of informal settlements, we will intensify relocation and other measures to curb illegal squatting, following legislative amendments to the Land Settlement Agency. [*Desk thumping*]

Gender Equity: We are committed to full gender equity in our society. [*Desk thumping*] This will entail a renewed emphasis on family and labour law, protection against violence and maternal health. The participation of women in all aspects of public life will be encouraged. Immediately steps will be taken to ensure that more women will be included on state boards and statutory bodies. [*Desk thumping*] We believe that it is not solely the State's responsibility to entrench gender equity. It is best that the wider society share and act on this social imperative.

Mr. Speaker, sport is an integral aspect of any society. [*Desk thumping*] The highlight of the Government's Sport Programme is a pathway model that promotes systematic approach to achieving the optimum potential of athletes, coaches, officials and administrators, from amateur to elite levels. We intend to improve the standard of national teams and athletes, increase the number of qualified coaches and sporting professionals, and develop a Life-sport Programme to identify new young talent. [*Desk thumping*]

The Government will also promote sport tourism in Trinidad and Tobago, via introduction of off-season training camps targeting foreign national teams, university teams, professional teams, clubs and high schools to take advantage of our sports facilities. [*Desk thumping*]

Mr. Speaker, I come now to the issue of taxpayers' rights and responsibilities. The Inland Revenue Division and the Customs and Excise Division of the Ministry of Finance, account for the collection of more than 90 per cent of Government's revenue. During the coming fiscal year, we shall concentrate on ensuring that these two agencies operate as efficiently as possible. The fundamental basis for revenue collection to operate effectively is taxpayers' confidence that the system is transparent and equitable.

The Government will establish a covenant with the taxpayers of Trinidad and Tobago with immediate effect. The foundation of this covenant will be that the revenue collection agencies of Trinidad and Tobago will:

- Be open, transparent and accountable;
- Be professional, responsible and fair;

- Take into account taxpayers' circumstances and previous compliance, that is, taxpayers who comply regularly will not be subject to repeated audits;
- Make it as easy as possible for taxpayers to comply with the obligations; and
- Be firm with those who try to avoid their obligations and in effect bring them to account.

In fiscal 2011, the Inland Revenue Department and the Customs and Excise Department will develop a detailed plan to make the system efficient and honour the covenant with the taxpayers.

Efficiency in the Public Service: During our budget interactions we were bombarded with complaints about the quality of service at various Ministries and Government agencies. As a result, the Government will implement measures to improve efficiency, productivity and customer service within the agencies, such as the Board of Inland Revenue, the ports, the Licensing Authority and the Customs and Excise Division. [*Desk thumping*]

Mr. Speaker, I come now to sustaining the future and ensuring a long term growth. Mr. Speaker, to ensure that, we must achieve the following:

- expand the energy sector;
- realign the economy;
- revitalize the agricultural sector;
- expand tourism; and
- standardize our environmental regulations.

2.30 p.m.

Expansion of the Energy Sector: The energy sector remains the main driver of the Government's revenue and export. The expansion of this sector remains critical to ensuring the long-term growth of the Trinidad and Tobago economy. The energy policy framework will try to increase exploration of new oil and gas finds, aggressively support the use of alternative energy and create opportunities for the export of advisory services internationally.

Mr. Speaker, the level of hydrocarbon reserves determined often by the Ryder Scott Report has raised doubts as to this sector's sustainability. Our approach is that the level of hydrocarbon reserves depends, not only on geological factors, but also on the level of exploration and production. It is for this reason that the

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Government has a new fiscal regime and has concluded an agreement with the Government of Venezuela to jointly develop a cross border gas field. Discussions are ongoing for further opportunities in this regard.

We shall explore the development of alternative energy, such as solar and wind energy, and explore the prospect of developing a regional effort for the long-term sustainability of our energy supply. We will provide appropriate incentives to encourage the development of an industry that will provide energy services to the wider world.

The Government will institute a clear structure to develop the entire value chain in the energy sector, from the primary product to finished manufacturing industries. The Government has also mandated the Ministry of Energy and Energy Affairs to promote small energy-based projects and small production firms. This further strengthening of downstream production will allow us to leverage the energy sector. It will forge internal linkages with other sectors in the economy, such as energy services and manufacturing. Using more natural gas greatly benefits the economic mix. It adds yet another layer of industries and contributes to a sustainable petrochemical industrial base.

Mr. Speaker, we recognize the advantages of going further downstream. The Government is evaluating a project to manufacture ammonia and downstream derivatives. We will evaluate this project based on downstream value added and transparent and competitive gas pricing. The new evaluation framework that establishes these criteria will include:

- the extent to which the project maximizes local value and capabilities;
- the drive for energy efficiency;
- protection of the environment; and
- promotion of corporate social responsibility.

In other words, the energy sector must turn inwards to support the development of Trinidad and Tobago. It will also provide long-term revenue and create value for the people of Trinidad and Tobago.

We have a real opportunity to export our energy advisory services to countries like Africa and elsewhere. We shall take steps to facilitate this to enhance our income from abroad. Local value and participation in the energy sector have been identified as critical aspects of the Government's National Energy Policy. We intend to revisit the issue to ensure that the local services sector expands and remains relevant to the

development of Trinidad and Tobago. By developing local content, this country will become a producer and net exporter of energy services for all segments of the energy sector. In this way the country could eventually become a net exporter of intellectual expertise, apart from just energy based commodities. As such, the Government will hold discussions with all stakeholders to make this project happen.

Realigning the Economy: Mr. Speaker, the current development process has not worked for us. Our economy remains disconnected in enclaves. The time has come to integrate the economy and realign small business with the expansion of our entrepreneurial capabilities. This is the heart of the restructuring effort now engaging our Ministry of Planning, Economic and Social Restructuring and Gender Affairs. To facilitate this restructuring, the Government will create a national innovative system that consists of centres of excellence, small and medium enterprises, finance marketing and market development systems.

- a. This realignment will rationalize and rearrange state enterprises mandated to finance small business development, like the National Entrepreneurship Development Company (NEDCO), the Business Development Company, the Agricultural Development Bank and the Development Finance Limited. As presently configured, these institutions perform well below the development requirements for the small business sector. As such, we shall immediately begin rationalizing and fully capitalizing these institutions. Small business development is a high priority in the years ahead.
- b. A well designed business incubator programme will enhance the link between entrepreneurship and small business development. We need a revolution in entrepreneurship, particularly among our young population. We need to create a new breed of entrepreneurs and will encourage the banks to embrace innovative ideas for lending. We shall encourage institutions of higher education to develop active links to foster small business development.
- c. There are also renewed calls for the development of the shipbuilding and repair industry. This industry could create a large amount of skilled and unskilled jobs. We will, therefore, develop a shipbuilding training programme in association with the University of Trinidad and Tobago. It has the potential to earn significant amounts of foreign exchange. We will further explore this potential in the new fiscal year.
- d. The world outsourcing industry is growing at a phenomenal rate in the fields of medicine and education. To align our nation's economy, we will explore such opportunities while becoming an attractive location to

offshore medical and educational programmes. We have already begun discussions on these prospects with the banking and energy firms.

- e. Mr. Speaker, the diversity of our culture is our strength. We must now leverage on our cultural energy to develop a culture based industry for both the local and export markets. We will partner with the Artists Coalition of Trinidad and Tobago and other interest groups to act on a number of projects. Some of these include: additional funding for the music industry; creating a national heroes policy; publishing a book of heroes; restoring and recognizing heritage sites to promote destination tourism, as well as creating a national hall of fame and a hall of music, among other policies. These projects will reflect the rich heritage of our multicultural society.
- f. The international fashion industry is a multibillion dollar business. We must be prepared to enter this market; to do so, we shall encourage our local fashion industry to market its strengths abroad. Trinidad and Tobago is known for creative design expressed in Carnival and other cultural and religious festivals. We must use this strength to build a thriving design industry that can compete internationally. We will support these groups to market their products abroad.
- g. We will review the Trinidad and Tobago Film Company and the Trinidad and Tobago Entertainment Company to ensure that their mandates are consistent with their operations and financial management. We will take steps to ensure that these companies are entrepreneurial and commercial entities, and in addition we shall provide a national arts scholarship programme for the citizens of our country.

Education: Mr. Speaker, tertiary education is a major driver of economic competitiveness in an increasingly knowledge driven economy. We will continue the Government Assistance for Tuition Expenses (GATE) programme. It will be expanded to include vocational degree training, strengthened and made sustainable to increase the participation rate in higher education to 60 per cent. In addition, to avoid and stop the abuse of GATE, we will strictly enforce existing measures.

To sustain in the long run the opportunity for every child to have access to higher education, the Government is examining a proposal to set up a children's educational plan modeled in accordance with proven international standards. We will restructure the On-the-Job Training Programme to expand private sector placement. We will also re-evaluate technical/vocational programmes, such as Multi-sector Skills Training programme and the Helping Youth Prepare for Employment programme to ensure that they achieve their objectives.

Mr. Speaker, the Government is developing a five-year strategic plan on health care. This will focus on improving health care management, meeting the health care needs of the society's vulnerable by supporting patients' rights and services through health policy standards, policies and legislation; addressing chronic diseases and mental health; reducing communicable diseases, including HIV/AIDS and improving public health care facilities and physical infrastructure.

The Government will adopt a two pronged approach to develop health infrastructure. Firstly, we will build facilities to meet the demand of the previously underserved population. Secondly, we shall continuously upgrade and, in some cases, expand existing health facilities, to improve service and access to the wider range of health services. The Point Fortin Hospital is scheduled for completion in 2013. When completed, this 100-bed hospital will bring secondary health care services to the doorstep of the south-west Trinidad, who previously had to travel to the San Fernando General Hospital. The new Point Fortin Hospital will reduce excess demand for patient care, which has contributed to long waits and overcrowding at the San Fernando General Hospital.

Other major infrastructural projects scheduled for the next fiscal year include a new wing at the San Fernando General Hospital, which will house a pharmacy, a laboratory, a critical care unit and a mortuary. We expect this new wing to be completed in 2013. Next year we will finally build on the often promised, but long awaited, National Oncology Centre.

In terms of primary health care facilities, construction on the Sangre Grande enhanced education health facility and the Chaguanas district health facility is scheduled to begin in the next fiscal year.

Mr. Speaker, all abuse and neglect of children is traumatic. The effect of this does not just impact individuals, but also families, communities and the nation, by impeding our national development. As a result, the Government will establish four trauma clinics in association with the Trinidad and Tobago Association of Psychologists, to serve the needs of those in trauma.

I move now to the agricultural sector. Our Government has committed itself to increasing food production and expanding agriculture. Food security is an imperative which for far too long has received much more lip service than actual support. We are determined to give real active support to the agricultural sector.

Our food import bill is too high and is growing. We cannot afford to depend on the food production of other nations to provide for our shortfalls. Climate change and an impending world food shortage make this issue paramount.

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The Government will therefore introduce revised incentives to encourage sustainable development in agriculture. This programme will promote agro-forestry and soil conservation; develop cooperatives; encourage young entrepreneurs in agriculture and further promote the use of local inputs in agro-processing.

Agriculture must be made profitable if it has to be sustainable. [*Desk thumping*] As such, an ambitious infrastructure programme dealing with water resource management, drainage and irrigation is at the core of our Public Sector Investment Programme (PSIP). But we need to do more than that. The Agricultural Development Bank (ADB) must return to its proper mandate: to finance agricultural entrepreneurship. The ADB will be streamlined and its credit policies reviewed. We will also fast-track the transfer of deeds and titles of land to farmers frustrated by insecurity of tenure and the inability to use land as collateral in financial transactions. [*Desk thumping*]

Food sovereignty is a national requirement in today's uncertain world. It demands that we explore a Caribbean framework within which sustainable solutions can be found. Previous attempts have lacked political will. The People's Partnership Government will reflect a new political will in this regard. [*Desk thumping*] We shall confront this issue head on and immediately place on the action agenda of the wider Caribbean, the issue of food sovereignty for the region.

Tourism Expansion: The Government will make tourism an important platform to create sustainable jobs and increase the contribution of tourism to GDP. We will achieve this by expanding the tourism product and by using our festivals and cultural diversity to anchor a significant year-round tourism development.

Trinidad and Tobago's tourism product is very diverse. It contributes to our strength as a destination. The Government will upgrade our sights and attractions to maximize their potential and attractiveness to both local and foreign visitors. We also intend to establish a Sugar Heritage Village and Museum at Sevilla House in Caroni. [*Desk thumping*]

With respect to hotel room stocks, the Government is currently reviewing a proposal for the construction of a 251-room Radisson Hotel at Piarco and another proposal to develop a luxury resort in Tobago.

Airlift is a serious issue facing the worldwide tourism industry. Airlines are looking for routes that will maximize their returns. They are looking for countries with critical mass in terms of quality accommodation that will support a significant

share of their load factor. The Government is exploring the possibility of providing guaranteed seats which will encourage direct flights to Tobago.

The Environment: Environmental issues have surged ahead on the development agenda. New air and noise pollution rules will shortly be laid in Parliament. The Environmental Agency will be given adequate powers to support quick action to enforce existing standards, including a direct attack on littering. As an expression of lawlessness in this country, littering must now be discouraged. [*Desk thumping*]

As part of the focus on sustainable economic development, the Government will examine the feasibility of establishing the recycling industry. Recycling programmes will complement our many green initiatives.

There are several benefits to be derived from the introduction of a waste recycling industry. Manufacturers will benefit from the recycling and reuse of their waste products. In addition, waste can be redirected away from landfills and into productive use and in downstream industries. Recycling projects can give birth to a new category of entrepreneurs. People currently employed or involved in landfills and the waste disposal business can engage in financially viable projects in waste collection and sorting. These projects will be encouraged at the present waste sites.

What I have outlined so far are the directions which shall promote seriously the small business sector in Trinidad and Tobago.

I come now to the issue of our competitive environment. The world competitiveness report has exposed Trinidad and Tobago's ranking on the competitive index as extremely low. How easy is it to do business in Trinidad and Tobago? How competitive are we? The Ease of Doing Business Rankings gives an insight.

- In 2006, we were ranked at 55;
- In 2007, 59;
- In 2008, 78; and
- In 2009, we are ranked at an astonishingly low 81.

The global competitiveness index paints just as bleak a picture.

- In 2006, we were ranked at 66;
- In 2007 we were ranked at 67;
- In 2008 we dramatically fell to 84; and
- Finally, in 2009 we settled at the shockingly low point of 92.

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Mr. Speaker, the time for action to reverse these trends is now. [*Desk thumping*]

To do so, we shall embrace a programme referred to as the Ease of Doing Business Programme. A strong initiative is now required to attract foreign investment into this economy. To this end, we shall build a new capability premised on knocking on the doors of the boardrooms of the world which may have a strategic interest in using the location of Trinidad and Tobago in the Western Hemisphere as an advantage. This will open us up to investments from high performing emerging market like China, India, Brazil, South Africa and Russia.

In order to facilitate new investment, we must secure appropriate bilateral investment agreements, double taxation treaties and reciprocal regulatory agencies arrangements. This will allow us a global reach. We must be prepared. We are therefore in the process of establishing an International Business Centre (IBC) working together with E-teck, the Tourism Development Company and the Ministries of Trade and Industry and Finance to replace the old idea of the International Financial Centre which, at best, was flawed.

This International Business Centre (IBC) is part of the institutional structure of the new thrust in investment promotion and innovation. It is supported by the Economic Development Board and the Competitiveness and Innovation Council. Together these entities will be responsible for an innovation and investment strategy in Trinidad and Tobago. We have already begun discussions with an international financial institution to introduce a programme that will build on our Single Electronic Window Project in the Ministry of Trade and Industry. This will improve our business ranking in previously cited indices.

Public Offerings Programme: We shall widen ownership through public participation and develop the country's capital market to expand the sphere of the private sector and involve the people in development. A programme of public offerings will ensure that our people will participate in the fruits of growth and development. It will further reduce the financial burden on the Treasury.

No coherent, co-ordinated planning or strategy for state enterprises exists. As a result, we have begun to rationalize the state enterprises, including the special purpose companies, which will incorporate a new accountability system that goes beyond the presently operating company ordinances. It is these loopholes in public accountability that resulted in the UDeCOTT scandal. This must never happen again in Trinidad and Tobago. [*Desk thumping*]

We will search for strategic investors to partner with state enterprises to introduce more effective market conduct and economic efficiency. In addition, we

will select enterprises for public offerings with the clear objective of widening ownership to include the citizens of Trinidad and Tobago. The process for this selection is currently in motion.

The domestic capital market has been under great stress as a number of transactions collapsed from 34,946 in 2004 to 9,844 in 2009, as did the market value of the shares traded, from 3 billion in 2004 to merely 1.4 billion in 2009. These have resulted in a drop in the composite index from 1074.6 in 2004 to 756.3 in 2009.

The Government shall now take steps to revitalize this market. Such steps shall include the restructuring of the National Enterprise Limited (NEL) and public offerings of state enterprises. In addition, we are considering a fiscal inducement to increase activity in the stock market. The draft of the Securities Act 2009 will be advanced, to boost domestic capital markets by enabling retail and institutional investors in Trinidad and Tobago to greatly diversify their investment portfolios without having to leave the local capital market. As such, we will facilitate access to the equity of the Royal Bank of Canada and ARCELOR Mittal to the citizens of Trinidad and Tobago.

Through Clico, the Government now has access to a substantial and potentially transformative asset, Methanol Holdings of Trinidad and Tobago Limited. We are exploring the possibility of listing Methanol Holdings as an international stock exchange with a cross listing on the Trinidad and Tobago Stock Exchange. The critical component of such listing will be the distribution of a portion of these shares at a discount to full market value, to a wide cross section of our population. There are highly regarded and successful precedents internationally for such a strategy. Investors will recognize how valuable this methanol stock will be, as the only comparable large company being traded is Canada's Methanex Corporation. Investors will then increasingly recognize the Trinidad and Tobago brand as a stable reliable long term energy producer in the global economy. [*Desk thumping*]

Mr. Speaker, this Government's policy is to strengthen the regulatory framework governing the Trinidad and Tobago Unit Trust Corporation with respect to its core collective investment scheme business. The current statutory arrangements governing the UTC are not consistent with the SEC guidelines for collective investment schemes.

Our policy will ring-fence the Trust's assets from the assets and liabilities of TTUTC. This measure will further enhance the corporations' governance framework and will safeguard its over 500,000 unit holders. Segregated reporting for the collective

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investment schemes will be achieved via the legal separation of the Trustee from the Investment Management and other lines of business, like merchant banking.

Some progress has already been made with the incorporation of UTC Trust Services Limited in June 1999 under the Companies Act. We will also place the UTC under the regulatory oversight of the Central Bank.

Mr. Speaker, the growth strategy outlined in this budget has the following vision for developing the economy:

- Improving the infrastructure;
- Opening new economic space;
- Implementing a growth and investment strategy;
- Effectively managing industrial estates;
- Expanding and improving free trade zones; and
- Developing the economic space of Tobago.

Improving the Infrastructure: Strong infrastructure and efficient public utilities system are critical components of a platform for a growing economy. This is a huge challenge.

3.00 p.m.

We will immediately begin a programme to turn around the utilities of water, sewerage, electricity, telecommunications, ports and airports. The turnaround will focus on operational efficiency, financial management and customer services. It will deal with the expansion of services to meet the unacceptable unfulfilled demand, especially in the case of water.

The water and waste water sectors continue to be plagued by severe deficiencies in the delivery of services. Only about 80 per cent of customers in Trinidad and 41 per cent in Tobago receive a scheduled supply of water ranging from six days a week to less than two days a week.

The services provided by Water and Sewerage Authority are neither reliable nor financially sustainable. The Government recognizes that the immediate challenge is to create access to reliable, sustainable and affordable water service where every citizen can meet their daily need for water. It is in that context we are currently reviewing a new financial arrangement to support the Water and Sewerage Authority.

In the next financial year, Trinidad and Tobago Electricity Commission (T&TEC) will focus on increasing its power generation capacity. The commission

will expand its electricity transmission and sub-transmission systems, upgrade its telecommunications systems and accelerate its advanced metering project.

In the coming fiscal year, we will begin restructuring the internal layout of the Scarborough terminal building to accommodate increased demand in the number of people using the ferry service; demolish and reconstruct the ferry service cargo jetty at Port of Spain and begin constructing a full container terminal in the Port of Port of Spain.

Mr. Speaker, we will establish a motor vehicle authority using the knowledge, experience and practices of Canada to completely transform the Licensing Division by adapting Canada's business processes, service delivery methods, layout of facilities, systems, software and legislation to meet the needs of our citizens. The proposed motor vehicle authority will be established on the Southern Main Road, Frederick Settlement, Caroni.

The Government's proposed food mitigation plan would be guided by a coordinated, integrated water resource management system; protection of the environment and the people's participation. To solve problems with drainage infrastructure, the Government proposes several structural and targeted measures as part of an integrated drainage action plan.

These include: cleaning and desilting rivers, constructing sediment traps and check dams in the upper reaches of the priority watercourses and removing accidental and illegal blockages in watercourses, culverts and bridges. We will prepare a nationwide preventative drainage maintenance programme, including main, secondary and tertiary drains to be implemented in the dry season of 2011; and we shall establish a drainage and irrigation authority for the future.

Mr. Speaker, I now turn to the issue of the opening of new economic space. Trinidad and Tobago needs to expand its economic space both within the economy and outside. Hence, we will develop five poles for expansion in the medium term using a cluster development approach.

The first pole includes what has been referred to as the four Cs, covering Couva, Charlieville, Carapichaima and Chaguanas. This project will be primarily private-sector driven, with Government acting as the catalyst. This partnership will bring communities together to fill the void created by the demise of the sugar industry. It will encourage new investment in these areas. The projects will involve, among other things, the establishment of a port in Felicity, a science park and business incubators. [*Desk thumping*] We have already begun discussions with the relevant Chamber of Commerce in Central Trinidad.

The second pole will focus on developing the south western peninsula of Trinidad and Tobago. Over the past two decades, the roads in this part of the country, particularly Point Fortin, have deteriorated due to wear and tear, age and neglect. The net result is the gradual separation of this area from the country, leading to depressed economic opportunities for its inhabitants. For far too long a new highway from San Fernando to Point Fortin has been promised. We intend to make this a reality. [*Desk thumping*] The area already has power generation plant and port facilities. Building on these advantages, we will construct a new industrial estate that will create jobs in the area.

The third growth pole will be in the East Port of Spain area. The intervention here will also rely heavily on the creation of business incubators, initially targeting the arts, culture and entertainment. We propose to restore East Port of Spain into a heritage city like Old Havana in Cuba or Old San Juan in Puerto Rico. [*Desk thumping*] These measures are expected to reduce the impact of poverty and steadily contribute to the economic health of these communities by optimizing existing entrepreneurial resources. We will establish a special task force, including civil society, the University of Trinidad and Tobago (UTT) and the University of the West Indies (UWI) to develop a creative plan for a new entrepreneurship in small business development, particularly in East Port of Spain.

The fourth growth pole involves developing the North Coast. We all know how difficult it is to access Maracas Bay through the North Coast Road. Currently it takes approximately 45 minutes to get from Santa Cruz to Maracas Bay. Furthermore, landslips on the North Coast Road are a major deterrent to persons wishing to access this scenic route for pleasure or business. As a result, we will do a business plan for what we will describe as a connective development project. This project envisages the creation of an underground tunnel from Tunapuna to Maracas Valley to enable quicker access to the North Coast. [*Desk thumping*] The potential of this project for economic development is huge.

The fifth growth pole is the north-eastern region of Tobago where we will provide incentives for persons who are prepared to establish business enterprises, particularly in St. John's Parish which stretches from King's Bay on the Atlantic side to the other side of the Caribbean coast. Special preferences will be given to persons establishing business in the service sector, including commercial farming. A special financing facility will be established at the Agricultural Development Bank to augment other financial options.

Special fiscal incentives, including the granting of free trade zone status, designating these areas to allow access to agriculture, tourism and manufacturing tax incentives will be given to provide the necessary support to ensure the success of these growth poles.

Looking ahead, we must look for a new development strategy for Tobago that reflects its size and location advantage in the changing global arena. There has been some real concern about the pace of projects implementation in Tobago. We have already begun discussions with the Tobago House of Assembly and intend to further these discussions to accelerate the outstanding projects and bring them to conclusion.

In addition, we will also establish an integrated campus facility to house the campuses of UWI, UTT and COSTAATT. [*Desk thumping*]

The People's Partnership Government will, in the next fiscal year, provide total budgetary resources to the Tobago House of Assembly in the order of \$1.975 billion. In addition, \$460.1million and \$133.2 million will be spent in Tobago by other ministries. This will bring the total sum to be spent for the benefit of the people of Tobago to \$2,568.8 million—in other words, \$2.6 billion or 5.24 per cent of the total government expenditure, significantly higher than 4.03 per cent as required by law. This is based on the premise that the economic potential of Tobago is yet to be realized.

Expanding free trade zones: The Trinidad and Tobago Free Trade Zone Programme was designed to encourage local and foreign investment in export-driven projects that create jobs, develop skills and create external markets for our products. It is administered by the Trinidad and Tobago Free Zones Company under the Free Zones Act, 1988.

Free zone enterprises may be established in any part of this country. They benefit from tax exemptions, including those from customs duties and capital goods, parts and raw materials for use in building and equipping premises, as well as exemptions on import and export duties and associated taxes or licensing requirements.

The present legislation excludes large-scale projects over US \$50 million from benefiting from the free zone status. However, given the passage of time and evolving business environment with new cost structures, we propose that these requirements will be removed to allow increased free trade zone business activity in Trinidad and Tobago.

A new model to manage our industrial estates: We will build new non-energy export platforms through our industrial estates. The primary focus will use our existing industrial parks to build these non-energy export platforms through a programme designed to attract foreign investment in targeted areas. While industrial estates will remain state owned, we will invite private companies to manage these estates along commercial lines similar to the model in the Hyatt Trinidad and in the Dominican Republic. In this way, we hope to expand on industrial sites in Trinidad and Tobago.

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I now come to the financial action plan. After 15 years of positive economic growth, our economy stumbled in 2007, registering fiscal deficits for the last two years and the first balance of payments deficit since the early 1990s was registered in 2010. However, after a significant contraction of the economy of 3.5 per cent in 2009, we have benefited from higher energy prices than expected in 2010 and will be registering a positive economic growth of 2.5 per cent in this year. This fiscal year 2010, we are projected to record a fiscal deficit of 3.5 per cent of the GDP.

Economic growth is based on the rate of capital formation and on the level of investment. The Public Sector Investment Programme is approximately \$7 billion and a similar amount will be spent on the state enterprises Public Sector Investment Programme.

3.15 p.m.

It is expected that the energy investment, based on interest shown so far, could well amount in this fiscal year to over TT \$8 billion. In light of the favourable investment climate and our new development path that we have enunciated carefully here today, we expect private sector investment to reach a figure above TT \$3 billion.

In other words, the potential for investment and capital formation in Trinidad and Tobago could create an amount of \$20 billion in this fiscal year. If realized, this will generate an economic growth rate between 3 to 4 per cent and begin the turning around of the Trinidad and Tobago economy.

The key issue is building the confidence. The People's Partnership Government has started to do so and in less than 120 days in office, we have begun to see a return of confidence in Trinidad and Tobago.

Mr. Speaker, our cash balance moved from \$17.7 billion in 2008 to \$9.7 billion in 2009 and at the time when this Government came into office, it stood at \$5.4 billion. This cash balance at the end of September is estimated at \$4.3 billion.

The balance in the Heritage and Stabilisation Fund as at August 2010, stands at US \$3.3 billion and US \$328 million was deposited in 2010. However, returns on the investment portfolio of the Heritage and Stabilisation Fund, the Unit Trust Corporation (UTC) and the Central Bank did not meet expectations. For instance, profits from the Central Bank declined significantly from \$1.65 billion in 2008, to \$920 million in 2010.

The past regime's borrowing to satisfy this spending saw the net public sector debt increase from 34.1 per cent of GDP in 2008 to 49.4 per cent of GDP by September 2010. The net public sector debt is defined as the total public sector debt less open market

operations, but inclusive of the debt of the Central Government and guaranteed and non-guaranteed debt of state enterprises and statutory authorities. In our fiscal management, we must return to balanced budgets, growing our cash balances while lessening our borrowing, in order to consolidate our fiscal position. This, however, will take some time.

We must do much more than that. Our economic action plan asserts and involves renewed investment in the energy sector, an expansion of the domestic economy, infrastructure development and a sustainable programme for social investment for now and for the future.

The 2011 budget calculation was based on a GDP growth of 2 per cent, an average inflation rate of 7 per cent, an oil price of US \$65 per barrel and a gas price of US \$2.75 per mmbtu. The total revenue is fixed at \$41.3 billion of which the energy sector's revenue is \$15.2 billion and the non-energy revenue is \$26.1 billion, while total expenditure is projected at \$49 billion, resulting in a fiscal deficit of \$7.7 billion or 5.48 per cent of our GDP. However, the debt to GDP ratio has been contained to less than 50 per cent.

Of the total expenditure, education and training will receive \$8,325 million; infrastructure, \$5.918 million including works and transport and public utilities; health, \$4,341 million; national security, \$4,762 million; agriculture, \$1,836 million; and housing, \$1,837 million.

To summarize, total revenue is estimated to be \$41,283.7 million; total expenditure net of capital repayments and Sinking Fund contribution would be \$49,015.9 million for an overall deficit of \$7,732.2 million. The revenue projection comprises \$15.2 billion from the energy sector, as I have said, and \$26.1 billion from the non-energy sources. With respect to the financing of this deficit, we have projected that 30 per cent of the financing requirement will be met by the domestic sources, while the remainder will be sourced from multilateral and other external sources.

I now turn to the fiscal measures that will support the development strategy. Firstly, measures to improve production of oil and gas, the energy tax regime. The present tax on petroleum profits derived from production in deep water blocks includes petroleum profits tax at the rate of 50 per cent. The present rate is inadequate to stimulate activity, given the capital intensive, high-risk nature of deep water exploration and development.

Based on the review of economic viability of potential finds in this area, it was determined that effective tax was too high and needed to be reduced to provide an incentive to companies. Government has agreed that a reduced petroleum profits tax rate of 35 per cent in respect of profits from deep water

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blocks would meet the above requirement. This would bring the tax rate of Trinidad and Tobago in line with competing jurisdictions.

Mr. Speaker, for the period 2000—2010, oil production has fallen by approximately 25 per cent from 138,000 barrels per day to approximately 100,000 barrels per day. There is great need to revitalize activity in this sector. Consequently, we will revise the supplemental petroleum tax regime. Under the new system, base rates and a sliding scale mechanism will be introduced for both marine and land operations.

The Government will implement sustainability incentives for mature marine and small marine oilfields. This incentive will provide for a reduction of 20 per cent on the supplemental petroleum tax for mature and small marine oilfields. An investment tax credit of 20 per cent on qualifying capital expenditure will also be granted in respect of supplemental petroleum tax for the mature oilfields, both land and marine.

We must note that these measures are aimed at increasing oil exploration and production and enhance the prospect of sustainability in the Trinidad and Tobago energy sector. These measures will take effect from January 01, 2011 and will require amendments to the Petroleum Taxes Act. Already, we were advised by the Minister of Energy and Energy Affairs that in the bidding rounds currently underway, there are a number of bidders who are ready to make payments.

Production sharing contracts: Instead of the taxable production sharing contracts that were used for the 2006 competitive bid round, we will return to the conventional production sharing contract of the 1995/1996 competitive bid round modified to accommodate a flexible bidding process. Under this new production sharing model, the contractor will be liable to petroleum profits tax, unemployment levy, supplemental petroleum tax, royalty, oil impost, petroleum production levy, Green Fund withholding tax, stamp duty and any new tax charged on revenues from petroleum operations. However, the liabilities, with the exception of withholding tax and stamp duty, will be met from the Government's share of profits. Both these measures will take effect from January 01, 2011 and will require amendments to the Petroleum Taxes Act.

Measures to support alternative energy use: Compressed natural gas. To ensure that the Compressed Natural Gas Programme gains momentum and achieves its objectives, the Government proposes the following:

- i. To grant wear and tear allowances on 130 per cent of the cost incurred in the acquisition of plant, machinery and equipment, excluding installation costs for the construction of the conversion centre;

- ii. Grant wear and tear allowances on 130 per cent of the cost of kits and cylinders utilized in the conversion of vehicles of fleet operators;
- iii. Removal of customs import duty on both the CNG conversion kits and the CNG cylinders required to convert vehicles from gasoline to CNG;
- iv. A tax credit of 25 per cent to individuals on the cost of CNG kits and cylinders used in the conversion of motor vehicles valued at a maximum of \$10,000;
- v. Motor vehicle tax reduced to zero for a period of five years on imports and factory outfitted private and commercial CNG motor vehicles no older than two years;
- vi. Zero rating for VAT on imports for a period of five years for factory outfitted private and commercial CNG motor vehicles no older than two years.

You will note that this is an aggressive programme of incentives directed at reducing the fuel subsidy that we presently pay in Trinidad and Tobago.

In order to develop renewable energy and energy efficiency initiatives, we propose the following:

In solar water heating:

- Reduce import duty to zero per cent on extra regional imports of solar water heating equipment;
- Zero rating for VAT purposes of solar water heating equipment;
- Tax allowance of 25 per cent of value on solar water heating equipment of a maximum value of \$10,000 acquired for use by the household;
- To grant wear and tear allowance of 150 per cent of cost of solar water heating equipment acquired by commercial enterprises;

Wind Energy:

- Import duty reduced to 0 per cent on imports of wind turbines and supporting equipment;
- Zero rating for VAT purposes on wind turbines;
- To grant wear and tear allowance on 150 per cent of the expenditure incurred in acquiring wind turbines.

These measures will take effect from January 01, 2011 and will require amendments to the Customs Act, Income Tax Act and VAT Act.

Energy Audits:

- Tax allowance on 150 per cent of the cost incurred by companies in the commissioning of energy audits; and
- Accelerated depreciation of 75 per cent in the year of acquisition on the capital incurred by companies in the acquisition of smart energy efficient systems.

Mr. Speaker, I now move to the issue of increases in the growth of the agricultural sector. The authority of the Agricultural Development Bank would be enhanced to provide more holistic financial support to this sector.

- This will include a pilot for a loan default fund to assist farmers who are unable to meet capital and interest payments as a result of natural disasters, including flood, insects and diseases.
- We will reduce the interest rate in the Agricultural Development Bank from the current levels of between 6 to 8 per cent to the levels of between 3 to 5 per cent.
- The Agricultural Development Bank will be allocated \$75 million for the year 2010/2011 with a potential of a further allocation of \$75 million.
- The sum of \$20 million will be designated for lending by the bank for greenhouse agriculture and other similar technologically driven agricultural projects.

3.30 p.m.

Measures to clean up the environment—The Green Fund: Mr. Speaker, in order to optimize the objectives of the Green Fund, the legislation governing the Green Fund will need to be amended to allow non-governmental organizations incorporated under the Companies Act to be incorporated as non-profit companies to be eligible to access the fund.

Additionally, it is proposed that the Green Fund legislation be amended to allow organizations and community groups which include remediation, reforestation and conservation of the environment in their portfolio of projects, to qualify for assistance from the Green Fund. [*Desk Thumping*] It is expected that the proposed recommendations to the Green Fund legislation will facilitate easier access to this fund.

Mr. Speaker, I indicated earlier that we must discourage littering as part of the programme for improving the environment of Trinidad and Tobago. The Litter

Act of 1973 was conceived to protect the environment from the harmful effects of citizens and corporations in the disposal of waste and effluent. Given the new environmental challenges, we will increase the fixed penalties under this Act by 100 per cent as follows:

- i. An individual who deposits litter in a public place the fine will increase from \$1,000 to \$2,000;
- ii. A corporation which deposits litter in a public place the fine will increase from \$2,000 to \$4,000;
- iii. An individual who is responsible for unsecured material falling from a moving vehicle, including the throwing of bottles and fast food boxes from vehicles the fine is increased from \$1,000 to \$2,000;
- iv. A corporation which is responsible for unsecured material falling from a moving vehicle the fine is increased from \$2,000 to \$4,000;
- v. Any person who throws down, drops or otherwise deposits and leaves any litter in or into any premises owned or occupied by another without the consent of the other the fine is increased from \$1,000 to \$2,000;
- vi. Anyone responsible for material deemed a health hazard by local authorities the fine is increased from an initial fine of \$1,000 and \$200 every day thereafter to an initial fine of \$2,000 and \$400 every day thereafter;
- vii. Failure to comply with a clean-up order for unsightly and unkempt premises or deemed to be detrimental to hindering the authorities from entering properties is increased from an initial fine of \$1,000 and \$200 every day thereafter to an initial fine of \$2,000 and \$400 every day thereafter; and
- viii. Any person or corporation responsible for leaving derelict vehicles in a public place, the fine is increased from an initial fine of \$1,000 and \$200 every day thereafter to an initial fine of \$2,000 and \$400 every day thereafter.

These measures will require amendments to the Litter Act and will take place from October 01, 2010. This demonstrates the commitment of the People's Partnership to build a clean and beautiful Trinidad and Tobago. [*Desk thumping*]

I now come to measures to generate new investment. Pension Funds and the Energy Sector: The Government will develop the opportunities for new investment into the energy sector by encouraging the use of pension funds in

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suitable downstream industries, which will be examined in terms of the least risk parameters. This will provide a mechanism for greater capital participation in Trinidad and Tobago. This measure will take effect from January 01, 2011 and will require amendments to the Insurance Act.

The Manufacturing Sector: In order to further stimulate the manufacturing sector, we will amend the Seventh Schedule of the Income Tax Act to change the minimum wear and tear allowance of 10 per cent to 25 per cent, except for buildings. This will assist the self-employed and those in the small business sector to quicker write off assets and place them in a tax beneficial position in start-up operations. This measure is estimated to cost \$10 million and will take effect from January 01, 2011 and will require amendments to the Income Tax Act.

Further Incentives to increase new investment—Interest Rate Policy: The Government will address the inflation challenge. However, we are faced with the challenge of stimulating economic growth through generating productive investment.

The Central Bank, as the State's monetary authority, will continue to be accommodative with its monetary policy to fight inflation. However, in so doing, it is also necessary to encourage new investment from the private sector to generate growth and employment.

Mr. Speaker, the current high levels of inflation are being driven by food prices, and we will put measures in place to increase the aggregate supply by increasing food production. We support the recent decision of the Central Bank to reduce the repo rate to 4.5 per cent, which will lower market interest rates. We recommend that this trend of lowering the repo rate should be continued.

Ploughing Back Profits: The current accelerated depreciation allowance of 90 per cent, as well as the 25 per cent wear and tear allowance will be applied to investment beyond the specific industries named in the Aid to Industries Act to include shipbuilding and recycling, among others.

First Time Homeowners Tax Credit: In light of the continuing challenges facing individuals as they seek affordable housing in a period of already high domestic property values, and given the Government's objective of making housing affordable for all, we propose to offer a tax allowance limited to \$18,000 per household on mortgage interest paid in the year of income for first time homeowners for five years with effect from the date of acquisition. [*Desk thumping*] This measure will generate significant investment in the private sector housing industry. [*Desk thumping*] This measure is estimated to cost \$20 million and will require amendments to the Income Tax Act and will take effect from January 01, 2011.

Employee Share Ownership Plan: Mr. Speaker, the Income Tax Act makes provision for companies to implement Employee Share Ownership Plans (ESOPs), as they are called, on behalf of their employees. The main feature of such a plan is the allocation of shares in the employer company to employee members of the ESOP. ESOP is an attractive vehicle for the promotion of widespread share ownership by employees and for encouraging savings generally. It also reflects greater productivity as it enhances the relationships between employer and employee, and provides a tax advantageous method for employees who opt for benefits in company shares in lieu of cash remuneration.

Mr. Speaker, where shares are withdrawn from the ESOP and transferred to an employee prior to the cessation of his employment due to retirement, ill-health or death, the market value of such shares, at the date of transfer, is deemed to be income and subject to tax at the standard rate of 25 per cent. Prior to 2006, the proceeds of such withdrawal were subject to tax at statutory rates ranging from 5 per cent to 25 per cent.

We will allow the amount of the proceeds that are subject to tax to be limited to the amount of the initial investment only. This approach would also avoid the taxation of any capital gains that may arise from any appreciation of the value of the shares. The legislation currently requires that a minimum of 40 per cent of the annual bonus distribution to employees must be allocated to the ESOP. We will reduce the 40 per cent threshold to 25 per cent in order to make ESOPs more attractive to employees.

In addition, employees of subsidiary companies within a group of companies are not explicitly entitled to the ESOP benefits. We will allow employees of subsidiary companies within the same group of companies to participate in the ESOP of the parent company. This measure is estimated to cost \$20 million and will require amendments to the Income Tax Act and will take effect from January 01, 2011. The intent is to increase share ownership by employees in companies.

Measures to sustain small business development and innovation: Mr. Speaker, to provide the nexus for creativity among our citizens, we will establish a \$10 million innovative financing facility to allow individuals with pioneering business ideas and infrastructure to build on their concepts.

The main criterion for access to the facility is the novelty of the idea whose economic potential must be elaborated. It is not to be judged on its feasibility in the classic sense, because that feasibility may be unknown. Additionally, it should not be judged on traditional credit and business risk criteria.

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Successful applicants will be able to source funding for their ideas at the commercial banks which will provide access to the facility. Feasibility studies will be assessed on criteria to be determined by the Ministry of Trade and Industry. A one year moratorium will be granted for repayment to allow the business idea to flourish.

Mr. Speaker, in our quest to provide opportunities for new investment for the small business sector, we shall also look at the expansion of the research and development facility at the Business Development Company. The research and development facility of the Business Development Company is targeted to those business enterprises that would like to introduce innovation ideas into their businesses in order to improve competitiveness and profitability.

We shall now expand the sales turnover criteria for accessing the facility from its maximum of \$5 million to \$25 million. Additionally, we will increase the grant for single projects from \$100,000 to \$500,000 and for alliance projects from \$200,000 to \$1 million. [*Desk thumping*]

Expansion of the list under the approved manufacturing industries: To further encourage growth in the manufacturing sector, we will expand the list of conditional duty exemptions to allow for the removal of customs duties on equipment and parts imported for use in the manufacturing sector to reduce the capital expenses of manufacturing firms. [*Desk thumping*] This measure will require amendments to the Customs Act and will take effect from January 01, 2011.

Incentives for small business and individuals: Mr. Speaker, a formal customs entry is required for goods valued at \$1,000 or more. As a consequence, all consignments of a lower value were admitted without the requirement for the importer to provide a customs entry. The main consideration at the time included providing a simplified and expedited procedure for the examination and release of low value consignments. We will now increase the value from its present level of \$1,000 to a level of \$20,000 for which no formal customs entry is required. [*Desk thumping*] This measure requires no amendment to the Customs Act.

Measures to promote development poles: The Free Trade Zone excludes large-scale projects over US \$50 million. However, given the passage of time, and the need to encourage new business development with an export bias, we will remove this requirement with no ceiling placed to allow increased free trade zone business activity. This measure will incorporate amendments to the Free Zones Act and will come into effect from January 01, 2011.

Measures to improve tax collection: Mr. Speaker, we will offer an amnesty for tax penalties and interest for late filing of returns and late payment of income,

corporation and value-added taxes, business levy, environmental levy and lands and buildings taxes. This amnesty is proposed, because we expect the tax revenues collected to more than compensate for the revenue foregone. It will also encourage taxpayer compliance. The amnesty will apply to returns, penalties and interest on outstanding tax liabilities for years of income up to 2009.

3.45 p.m.

All individuals and corporations, who have outstanding tax returns or outstanding tax liability and associated interest charges, will have these interest and penalties waived if they comply by May 31, 2011. [*Desk thumping*] After the amnesty period, the State will enforce strict measures to ensure compliance with tax laws, make good on its tax receivables and broaden its tax base. This measure requires amendments to all tax legislation including the Income Tax Act, the Corporation Tax Act, the Petroleum Taxes Act and the Valued Added Tax. This measure will take place with immediate effect and will expire on May 31, 2011.

Repeal of the Property Tax Act and reintroduce of the Lands and Buildings Taxes Act: Mr. Speaker, I now turn to this issue of the Property Tax. We will "Axe the Tax". [*Desk thumping*] The Property Tax will be replaced by the Old Lands and Buildings Taxes regime at the old rates and old values. [*Desk thumping*] There will be a waiver of lands and buildings taxes for the year 2010. [*Desk thumping*]

Measures to Support Social Equity: The Senior Citizens' Pension. As you are aware, we replaced the Senior Citizens' Grant with the Senior Citizens' Pension, and increased the amount available to \$3,000. As outlined in the People's Partnership manifesto, the Government has reviewed the Senior Citizens' Grant and has changed its name to Senior Citizens' Pension, and increased the maximum grant to \$3,000 per month with effect from September 01, 2010. [*Desk thumping*] The additional cost of this proposal is approximately \$972 million and will benefit 75,000 of our nation's citizens. [*Desk thumping*]

In addition, the Government will increase the minimum pension for retired public servants to \$3,000 per month. [*Desk thumping*] This measure will benefit 28,000 people and will cost an additional \$280 million. It will also require amendments to legislation governing such individuals including the Prison Service Act, the Police Service Act and the Teachers' Pension Act.

Tax Allowance for Contributions to the Children's Life Fund: The Children's Life Fund is pivotal to this Government's mandate of caring for our nation's children who are in urgent need of medical finance. Too often it has been too late for this assistance to reach our sick children. To encourage contributions to the Fund, once established,

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we will provide tax incentives to both companies and private individuals who make donations to the Fund. [*Desk thumping*] To encourage contributions to the Fund, once established, it is proposed that an incentive be provided to both companies and private individuals, a tax deduction equal to the amount of that donation, up to a maximum of 15 per cent of the total income in any one year. These incentives will be contained in the legislation establishing a Children's Life Fund Authority and will refer specifically to donations being made to the Children's Life Fund.

Increase in Art and Culture Allowance: We have recognized the invaluable contribution made by the arts and culture society in shaping Trinidad and Tobago's heritage. As a result, the Government will increase the art and culture allowance applicable under the Corporation Tax Act from \$1 million to \$2 million. This measure is estimated to cost \$10 million and will require amendments to the Corporation Tax Act, and will be effective from January 01, 2011.

Mr. Speaker, this budget lays the foundation for a major shift in our developmental approach and adopts a fiscal stance that is stable, people-centred and responsible. It brings us from the edge of a financial collapse to a courageous and steady return to the fiscal consolidation and economic progress. [*Desk thumping*] Our nation can breathe a sigh of relief and once again, rest assured that we are on an even keel and a proper stewardship for a more secure and confident financial future for our nation. This represents the steady hand of the People's Partnership government. We must now stand shoulder to shoulder and work together in search of new heights as we face the issues of today with determination and with the promise of a better tomorrow. [*Desk thumping*]

As we look ahead to a promise of a better tomorrow, we shall expect significant progress on the following projects:

1. The Integrated Tobago Campus;
2. The UWI Southern Campus;
3. The Mamoral Dam;
4. The Navet Trunk Line;
5. The Business Incubators;
6. The Tamana Intech Park;
7. The Establishment of a Recycling Industry;
8. A viable shipbuilding industry;
9. The San Fernando/Point Fortin Highway;

10. The Trauma Clinics;
11. The Scarborough Hospital; and
12. Greenhouse for Food Production.

In the 120 days of the People's Partnership, we have achieved: [*Desk thumping*]

1. Deployed police on the streets, on the beat and increased police presence. Done! [*Desk thumping*]
2. Secured the GATE Programme. Done! [*Desk thumping*]
3. Established the Ministry of The People. Done! [*Desk thumping*]
4. Increased the Senior Citizens' Pension to \$3,000. Done! [*Desk thumping*]
5. Developed one year ministerial action plans. Done! [*Desk thumping*]
6. Established the Economic Development Board. Done! [*Desk thumping*]
7. Established a new legislative agenda for Parliament. Done! [*Desk thumping*]
8. Laid the White Paper on Procurement Legislation in Parliament. Done! [*Desk thumping*]
9. Established a Children's Life Fund. Done! [*Desk thumping*]
10. Formulated project plans for the completion of Scarborough Hospital. Done! [*Desk thumping*]
11. Initiated forensic audit for Petrotrin, UDeCott and UTT. Done! [*Desk thumping*]
12. Provide laptops for secondary schools. Done! [*Desk thumping*]
13. Axed the tax. Done! [*Desk thumping*]

Mr. Speaker, I beg to move and I beg to suggest, that the debate on this budget will resume on Tuesday, September 14, 2010 at 10.00 a.m. [*Desk thumping*]

ADJOURNMENT

The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal): Mr. Speaker—they may need more time—I beg to move that this House do now adjourn to Tuesday, September 14, 2010 at 10.00 a.m.

Mr. Speaker: Hon. Members, before putting the question, I seek your indulgence to permit me to welcome back to this honourable House after his absence on the grounds of illness, the hon. Member for St. Joseph, Herbert Volney. [*Desk thumping*]

Eid Greetings

Mr. Speaker: Could we have some silence, please? Hon. Members as you are all aware Friday, September 10 is Eid. Our Muslim brothers and sisters would have ended their 40 days of fasting and praying. I would like as Speaker of this honourable House, to extend Eid greetings to the Muslim community on the occasion of Eid, Friday, September 10.

Dr. Keith Rowley (Diego Martin West): Thank you very much, Mr. Speaker, for the opportunity to join you in extending to our fellow citizens, those of the Islamic faith who have just gone through the annual ritual of fasting and praying. For those of us who have had the opportunity of breaking the fast of the community, we would have reflected on what the aspects of Islam mean to us as a people. Not just those who are devotees to the faith, but all citizens of Trinidad and Tobago who looked towards the teaching of Islamic about the brotherhood that we can all learn from.

Mr. Speaker, as we look at the news wheels around the world, especially where Islam is concerned, we see in many cases, strike, violence and hope. In Trinidad and Tobago, we should be very proud to be able to say to the world, that in Trinidad and Tobago, those of us who recognize Islam live in an environment where we are one people without that which the rest of the world is experiencing.

Even as I speak to you now, Mr. Speaker, the news item is with respect to what is likely to happen with respect to one small church in Florida treating with the Quran in a certain way, and you ask yourself: How could that happen in 2010? Trinidad and Tobago has a lot to teach the world, some of which we have learnt from the followers of the Islam here in our country.

So on behalf of all of us on this side and those of us who we represent across the country, I say, Eid Mubarak. [*Desk thumping*]

The Prime Minister (Hon. Kamla Persad-Bissessar): Thank you, Mr. Speaker. On behalf of the Government, it is my pleasure to join with you, the Leader of the Opposition and others in this Chamber, to extend Eid Mubarak to the members of our Muslim community. Our brothers and sisters have spent so many days as we approach the end of the holy month of Ramadan during which they have fasted from dawn to dusk, and this I am advised is in fulfilment of one of the injunctions of the holy Quran, and hon. Minister Fazal Karim has passed me the words which says:

“O you who believe, fasting is prescribed for you as it was prescribed for those before you so that you will attain Taqwa.”

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And so during the month of Ramadan, our brothers and sisters abstained from food and drink and other behaviours, practised self-restraint, and at the end of each day as we do know, broke their fast, and thereafter, spent the evening in prayers.

Mr. Speaker, I am sure we all acknowledge and recognize that we value the contribution of our Muslim brothers and sisters, and particularly this demonstration of discipline and increased goodwill and charity for all our citizens. I am aware that we are all looking forward with the Muslim community to sighting the moon which signifies the end of the holy month of Ramadan. We look forward to celebrating Eid with members of the Islamic community on the Eid holiday, and that Eid holiday as you know, my Government has declared as Friday, September 10, 2010. So again, we say Eid Mubarak to all and Assalam-o-alaikum.

Thank you, Mr. Speaker. [*Desk thumping*]

**Soca Princesses Football Team
(Best Wishes)**

The Prime Minister (Hon. Kamla Persad-Bissessar): May I take this opportunity, Sir, with your indulgence to wish the best of luck to our soca princesses tonight in their national game against Nigeria. [*Desk thumping*]

**Budget Packages
(Location of)**

Mr. Speaker: Hon. Members, kindly note that the budget package for Members of this honourable House can be collected in Committee Room No. 2, immediately outside the Chamber; for our Senators, they can collect their package in the Office of the Clerk of the Senate; and for members of the Tobago House of Assembly, your packages are located in Committee Room No. 1 on the ground floor. The media packages can be collected at the Knox Street exit of the Red House. There are personnel stationed in those areas mentioned to provide assistance.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 4.00 p.m.