

HOUSE OF REPRESENTATIVES

Monday, October 07, 2019

The House met at 1.30 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

PAPERS LAID

1. Companies (Amendment) Regulations, 2019. [*The Attorney General (Hon. Faris Al-Rawi)*]
2. Civil Aviation [(No. 1) General Application and Personnel Licensing] (Amendment) Regulations, 2019. [*The Minister of Planning and Development (Hon. Camille Robinson-Regis)*]
3. Civil Aviation [(No. 2) Operations] (Amendment) Regulations, 2019. [*Hon. C. Robinson-Regis*]
4. Civil Aviation [(No. 3) Air Operator Certification and Administration] (Amendment) Regulations, 2019. [*Hon. C. Robinson-Regis*]
5. Civil Aviation [(No. 5) Airworthiness] (Amendment) Regulations, 2019. [*Hon. C. Robinson-Regis*]
6. Civil Aviation [(No. 6) Approved Maintenance and Organisation] (Amendment) Regulations, 2019. [*Hon. C. Robinson-Regis*]
7. Civil Aviation [(No. 7) Instrument and Equipment] (Amendment) Regulations, 2019. [*Hon. C. Robinson-Regis*]
8. Draft Estimates of Expenditure for the financial year 2020. [*The Minister of Finance (Hon. Colm Imbert)*]
9. Draft Estimates – Details of Estimates of Recurrent Expenditure for the financial year 2020. [*Hon. C. Imbert*]

UNREVISED

10. Draft Estimates of Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the financial year 2020. [*Hon. C. Imbert*]
11. Draft Estimates of the Development Programme for the financial year 2020. [*Hon. C. Imbert*]
12. Draft Estimates of the Revenue for the financial year 2020. [*Hon. C. Imbert*]
13. Social Sector Investment Programme 2020. [*Hon. C. Imbert*]
14. Public Sector Investment Programme - Trinidad 2020. [*Hon. C. Imbert*]
15. Public Sector Investment Programme - Tobago 2020. [*Hon. C. Imbert*]
16. State Enterprises Investment Programme 2020. [*Hon. C. Imbert*]
17. Review of the Economy 2019. [*Hon. C. Imbert*]
18. Vision 2030 – Achievement Report - 2018 - 2019. [*Hon. C. Imbert*]

APPROPRIATION (FINANCIAL YEAR – 2020) BILL, 2019

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2020 [*The Minister of Finance*]; read the first time.

The Minister of Finance (Hon. Colm Imbert): Madam 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 day of September, 2020, be read a second time.

Madam Speaker, four years ago our Prime Minister, Dr. The Hon. Keith Rowley, afforded me the opportunity to present to this honourable House the first budget of this People's National Movement administration. Since then, I have had the distinct privilege to present four budget statements which gave us the opportunity to share with the citizens of Trinidad and Tobago the manner in which the assets of the country are being managed. This 2020 budget is the fifth budget of this PNM

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

administration. [*Desk thumping*] Madam Speaker, for the past four years, this administration has been leading a transformational effort to rebuild our economy and to restore a system of good values and faith in our public institutions. We recognize that while our current resources are inadequate to meet all of the urgent needs and demands of our citizens, we are confident that collectively and with appropriate sacrifice we are achieving the desired results and we are putting our country on a path of economic growth and human development. Madam Speaker, this country has demonstrated time and time again that when it is under pressure, it rallies and overcomes its problems however insurmountable they may appear. In this context, former British Prime Minister Winston Churchill is credited for having said:

“Never let a good crisis go to waste.”

Churchill was using the phrase in a wartime context but what he meant was that a crisis can bring out the best in us. Our Government can truly testify to this. [*Desk thumping*]

We met a serious crisis when we took office in September 2015, a crisis spawned by a combination of a number of external and domestic factors. The sudden collapse of global oil and gas prices in the period of 2014 to 2015 was a major exogenous shock which triggered a sudden and drastic decline in Government revenue. This could only have had a domino effect throughout the economy. The management of the economy also had to take into account the negative consequences of some irresponsible and reckless economic policies pursued by the previous administration over the period 2010 to 2015, the effects of which are still with us as we toil steadfastly to right the ship of state.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Madam Speaker, the assignment of the new Government that assumed office in 2015 was and is clear. We were and are required to stabilize a dangerously slipping country and provide the country with an honest, clean and transparent administration, revitalize an economy after several years of economic stagnation and repair the fiscal accounts which were seriously damaged by wasteful expenditure, even as revenues deteriorated as a result of adverse commodity price shocks. We were also mandated by the people of Trinidad and Tobago to re-establish confidence and trust in the management of the country's business. Madam Speaker, the journey was as challenging as it was rewarding. We have shown by our plans, our deeds and action-oriented programmes that our mandate has been appropriately discharged. In fact, corruption is no longer a feature of public transactions as it was prior to September 2015. [*Desk thumping*]

Madam Speaker, the theme for the 2020 budget is “Stability, Strength and Growth”. Before I begin with the details of the budget I wish to acknowledge the representations made to the Ministry of Finance by the major stakeholders in the society, including the business and labour organizations. As usual, I have found their recommendations to be particularly relevant to our circumstances and many of them have assisted us in preparing our budget agenda. Once again, the public officials in the Ministry of Finance and other Ministries and agencies, whose responsibility and deep sense of public duty remain key attributes of our technocratic structure, have risen to the task of budget preparation. I take this opportunity to commend them.

Madam Speaker, the combined efforts of my colleagues and the public officials in the various Ministries have once again produced technically sound reviews and assessments of the domestic economy, as well as our upcoming plans

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

and programmes. These are all incorporated in 11 comprehensive documents which I have today laid in Parliament. Members will find them extremely helpful in informing their interventions in the parliamentary debate on this 2020 Budget.

Madam Speaker, our adherence to the National Development Strategy as outlined in our *Vision 2030* document is driving the economy on its recovery path and we are making great strides. The nine areas of public economic policy require repetition:

1. Expanding exports and increasing foreign exchange earnings and employment.
2. Suppressing crime.
3. Reversing non-progressive values, attitudes and behaviours such as low productivity and poor work ethos.
4. Undertaking constitutional and institutional reform.
5. Addressing the impact of shale gas on our market and lower gas reserves on production.
6. Discouraging the culture of irresponsibility and dampening unreasonable expectations.
7. Ensuring effective and efficient public service delivery and implementation of development interventions and measurement of results.
8. Protecting and sustainably using our environmental resources.

These are essential attributes of our development strategy, and we are already witnessing some benefits from the sustained interactive process of development. On this foundation, the economy is being rebalanced with revenue and expenditure levels significantly lower than they were in 2015, and strengthened with

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

appropriate reforms and policies. This has resulted in unemployment remaining at low levels, thus maintaining social and economic stability and inclusiveness.

[*Desk thumping*]

I turn now to the global economy. As a small open and developing economy, Trinidad and Tobago cannot escape the price changes and developments in the global economy whether positive or negative. In 2017, economic activity was accelerating in almost all regions of the world. However, by the second half of 2018 this broad-based upswing in growth which had lasted nearly two years began to decelerate. A great deal has changed. US/China trade tensions are escalating. Brexit uncertainty is mystifyingly continuing and rising geopolitical tensions have been keeping energy prices in a volatile state. Credit conditions have been tightened and policies in the larger advanced countries are under stress.

Madam Speaker, these factors have all contributed to a significantly weakened global expansion, especially in the second half of 2018. The World Bank in its June 2019 *Global Economic Prospects* has estimated softer global growth in 2018, 3 per cent down from an original projection of 3.8 per cent, reflecting subdued global growth in the second half of 2018. This downward revision has continued in 2019, with an estimate of 2.6 per cent. In its January 2019 publication, the World Bank had this to say:

“...the outlook for the global economy has darkened...global financing conditions have tightened, industrial production has moderated, trade tensions”—remain elevated—“and some large emerging markets and developing economies have experienced significant financial market stress.”

The World Bank is estimating that global growth will pick up slowly by 2021, to 2.8 per cent. However, as the quote above illustrates, there are significant

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

downside risks to the global growth projections, and this will continue to impact economic conditions in Trinidad and Tobago. I share these realities with the House, Madam Speaker, so that we will all understand the economic turbulence of today's world, since Trinidad and Tobago has not escaped the negative impact of this global slowdown.

I turn now to the domestic economy. Early evidence in 2019 suggests that the slowdown in the world economy has impacted our economic recovery. The Central Statistical Office, the official authority on annual GDP data in Trinidad and Tobago, is now estimating flat growth in 2018 with the economy stabilizing in the second half of the year. Notwithstanding this, growth estimates for the first quarter of 2019 from the CSO show a rebound in the economy of 1.7 per cent. Taken over the last three years, the growth rates reflect an improving domestic economy recovering from negative growth rates of 6.3 per cent in 2016 and 2.3 per cent in 2017, now into positive territory.

As a small island energy exporting democracy we have few equals in the world. However, it was inevitable that Trinidad and Tobago would have been impacted by the deceleration in global growth and the associated volatility in commodity prices. In fact, oil prices which averaged \$95 per barrel in the period 2011 to 2014, began a severe decline from mid-2014, reaching a low of US \$26 in 2016—'17, sorry. That should be '16. While there has been a modest recovery in prices since 2017 with oil prices reaching an average of \$65 in 2018, oil prices dropped again in 2019 to an average of just \$57 for the year so far.

Madam Speaker, it was in this fragile economic environment that the new Rowley administration put in place in 2016 a strategy of development, including a carefully sequenced programme of macroeconomic adjustments and reform.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Notably, the creation of credible and confidence-inducing conditions for eliciting savings and investments require the adoption of a stable exchange rate supported by an appropriate use of foreign exchange reserves as the country transitions to a lower horizon of growth and prosperity in the context of lower revenue.

Madam Speaker, expenditure peaked in 2014 at a record \$62.8 billion. However, while expenditure reached this unsustainable level, revenues were seen to be declining as a result of collapsing oil and gas prices and declining production of these commodities. This decline continued until 2017 when revenues—Government revenues—dropped to \$36.1 billion, after which revenues recovered and are now expected to reach \$46.6 billion in 2019. This reality demanded an expenditure reduction of substantial proportion from \$62.8 billion in 2014 to \$50.5 billion in 2019, or a 20 per cent reduction. That is \$12 billion less to spend to satisfy the expectations of our population. This disciplined fiscal stance is one of the commendable features of this Government's fiscal policy framework and has successfully brought expenditure broadly in line with revenue potential.

The expenditure-reduction and revenue-enhancement programmes represented a challenging policy agenda. Implementation is never an easy task, yet we kept the programme firmly on track. We acted swiftly and decisively to adapt and to strengthen policies as events unfolded. We curtailed unproductive spending and embarked on continued improvement in the efficiency of operations of the public sector. We have now determined that through a managed adjustment programme, expenditure and revenue estimates should be in the range of \$50 billion to \$53 billion, even in a year with three approaching elections.

Madam Speaker, we are a responsible Government, [*Desk thumping*] managing during a protracted period of widespread difficulty.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Madam Speaker, our financial year 2019 budget estimates reflected the results of our sustained and disciplined fiscal strategy embedded in our economic and transformational agenda. When an oil price assumption of US \$65 per barrel and a gas price of US \$2.75 million Btu, we had budgeted for revenue of \$47.72 billion and an expenditure of \$51.77 billion supported by deficit financing of \$4.05 billion or 2.4 per cent of GDP.

At the mid-year review in May 2019 these figures were adjusted to \$52.07 billion in expenditure and \$47.50 billion in revenue, with a resultant overall fiscal deficit of \$4.57 billion or 2.8 per cent of GDP. I am pleased to report that our revised 2019 fiscal accounts are moving in the direction of fiscal sustainability. The revised estimates for 2019 indicate that total expenditure for the year is now estimated at \$50.5 billion, a decrease of approximately \$1.27 billion from the originally budgeted expenditure of \$51.77 billion for 2019. In addition, as a result of a further lowering of oil and gas prices, compensated for significantly by the recent success of the 2019 tax amnesty, which I will speak about later, revenue in 2019 is now projected to reach \$46.56 billion.

1.50 p.m.

The overall fiscal deficit in fiscal 2019 will therefore be lowered to \$3.94 billion or 2.38 per cent of GDP compared with the originally anticipated deficit of \$4.57 billion or 2.85 per cent of GDP that was projected after mid-year. That is the kind of performance you have come to expect from this Government. [*Desk thumping*]

Madam Speaker, the budget finances were in crisis in 2014, which were in crisis in 2015, are now more manageable, an objective which we established for ourselves in office without intervention from any external agency. As I have said it

UNREVISED

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

before, “we did it our way”. It is a clear indication of our prudent management of the fiscal accounts, which is now establishing macroeconomic stability. [*Desk thumping*]

Our record for promoting macroeconomic stability, strength and growth is illustrative. By way of example, we have achieved a long period of exchange rate stability as well as stable and low interest rates, with regular injections of foreign exchange by the Government through the Central Bank, which have facilitated private sector investment decisions, development and growth. Indeed, over the period of October 2018 to September 2019, sales of foreign exchange by authorized dealers to the public amounted to US \$6.08 billion, 11.4 per cent higher than the US \$5.46 billion sold in the same period one year earlier.

Secondly, stabilization of public sector debt levels within internationally recognized benchmarks. In September 2017, the net public sector debt to GDP ratio leveled off at 62.1 per cent and has remained remarkably stable since then. In fact, notwithstanding the significant budget deficit financing that was required over the last two years and billions of dollars in loan guarantees for the old Petrotrin, our debt to GDP ratio stood at 62.0 per cent of GDP as of the end of September 2019, effectively unchanged from two years ago.

Thirdly, recovery in the current accounts of the balance of payments which has moved from a deficit in 2016 to surpluses in 2017, 2018 and 2019, averaging 5 per cent over the last three years.

Fourthly, increase in the value of the Heritage and Stabilisation Fund: Despite two withdrawals over the last four years from the Heritage and Stabilisation Fund totalling US \$637 million to support our economic adjustment programme, the net asset value of the fund is now US \$6.25 billion or US \$600

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

million more than it was in September 2015.

Maintenance of significant financial buffers: The total of our foreign reserves and assets in the HSF remain very substantial at US \$13.25 billion at the end of September 2019.

Maintenance of positive ratings by the international rating agencies, ensuring that the country remains attractive to investors.

And now, Madam Speaker, expansion of private sector credit from \$51.99 billion in September 2015 to \$59.57 billion in September 2018, an increase of \$7.58 billion or 14.5 per cent. This expansion in credit is consistent with improving domestic economic conditions and increasing public confidence, despite unsubstantiated talk from some experts, and is being supported by neutral monetary policy of the Central Bank.

Another indicator, Madam Speaker, rally of the local stock exchange: The domestic stock market posted a substantial improvement over the finance year ending September 2019. The composite price index increased by a notable 14.9 per cent while total stock market capitalization in Trinidad and Tobago gained 14.8 per cent to the end of September 2019 at \$136.1 billion. [*Desk thumping*]

Tight control of inflationary pressures: In 2018, headline inflation reached its lowest level since 1964, slowing to 0.9 per cent from 1.9 per cent in 2017. This trend continued in 2019 with headline inflation at 1.2 per cent in August 2019. Due to our prudent fiscal and monetary policy, our inflation rate is now among the lowest in the world. [*Desk thumping*]

Another indicator, Madam Speaker, boost in productivity—and these are CSO figures: The productivity of all workers in all manufacturing industries in Trinidad and Tobago increased by 6.3 per cent in fiscal 2018 from 1.8 per cent in

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

fiscal 2017. And during the January to March 2019 period, productivity expanded by 7 per cent. I go now to the medium term outlook: Madam Speaker, the macroeconomic stability and revival of growth in Trinidad and Tobago under this PNM Government has been anchored on an economic reform programme designed within a medium-term framework.

In the context of external volatility in oil and gas prices, we have found that the establishment of a consistent set of economic parameters and assumptions, including the main fiscal aggregates with the best professional estimates, has been critical to the tracking of progress in our plans and programmes. Indeed, in the case of adverse risks, we have taken steps to align resources with priorities and to protect the integrity of the medium-term framework. Following the decision of the Central Statistical Office to stop making provisional estimates of future growth in accordance with international best practice, economic growth for the whole of the 2019 calendar year is now projected at 0.9 per cent using the latest World Bank estimate. We are now tracking progress within a 2020 to 2022 medium-term horizon in which growth estimates are forecasted for 2020, 2021 and 2022 at 1.9 per cent, 4.1 per cent and 3.6 per cent respectively. The return to growth reflects an improving global economic environment and an expansion in the production of oil and gas.

Energy revenues are expected to increase incrementally during the forecast period from \$16.23 billion in 2020 to \$19.53 billion in 2022 with the increase being driven by moderate increases in oil and gas prices and a greater degree of clarity and certainty in energy agreements with the up-streamers and down-streamers with the associated production uptakes. Non-energy sector revenue will increase moderately in the context of growth revival, moving from \$30.2 billion in

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

2020 to \$32.8 billion in 2022.

Over the medium term, the fiscal balance will continue to improve, with a surplus being generated in 2022 as revenue and expenditure estimates become increasingly aligned. Madam Speaker, over the medium term we expect that public sector debt will remain stabilized in the vicinity of 65 per cent of GDP, well within international standards. We are currently at 62 per cent and the current account of the balance of payments will continue to improve over the forecast period with a deceleration in the rate of the reduction of foreign reserves as the foreign inflows from the energy sector and the non-energy sector continue to improve.

Madam Speaker, the medium-term framework tool has been guiding our ongoing fiscal adjustment. We have been consolidating the framework with a clear, consistent, and reliable forecasting process, including macro-fiscal and growth projections and debt dynamics. We now have a basis upon which fiscal performance is transparently assessed and projections and assumptions continuously refined and improved.

Importantly, we have lengthened the horizon of decision-making beyond the budget year and there is now a connection between the annual budget and medium-term planning, thereby embedding fiscal responsibility and fiscal sustainability as medium-term anchors.

Let me move now to institutions. Madam Speaker, we will be designing and constructing institutions to ensure that the economy remains resilient in the context of adverse spillovers from external shocks. We are doing this through a thorough and meticulous process. The Trinidad and Tobago Revenue Authority will strengthen tax administration by improving collection. The Gambling and Gaming Commission will provide a consistent flow of taxes as illegitimate gambling

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

becomes regulated and property taxes will generate a steady flow of financing for regional governmental services. Let me share with this House the status of our work with respect to these three institutions.

The Trinidad and Tobago Revenue Authority Bill: Madam Speaker, for close to two decades, we have been seeking to establish the right governance model to achieve an appropriately high level of taxpayer-compliance within the top tax and customs administration. The substantial and increasing differences between potential and actual revenues have been constraining our ability to put our fiscal finances on a sustainable basis. This tax gap has been estimated to be in the vicinity of approximately \$5 billion per year or approximately 10 per cent of public revenue. We can ill-afford to have our two major tax collecting agencies under-performing and under-resourced.

Madam Speaker, as a preliminary step, we are strengthening the tax administration system, consequent on the results of the Tax Administration Diagnostic Assessment Tool Report undertaken by the International Monetary Fund in 2017. Another TADAT review is currently in progress, following up on the improvements made since the 2017 Mission and we continue to address the range of weaknesses and deficiencies in the system identified in the 2017 report.

We have spent time, effort, and resources on the design of a viable model to efficient tax administration. The policy framework informing the Trinidad and Tobago Revenue Authority Bill, which will soon be re-laid in Parliament, is consistent with the revenue authority model which is geared towards improving taxpayer compliance and minimizing the tax gap. An autonomous Revenue Authority, unfettered by the strictures of bureaucracy, will have the flexibility to manage its affairs in a more businesslike way and to recruit and maintain high

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

levels of staff and compensate them with better remuneration packages. It is designed to provide a significant increase in revenue collection to any administration in Government.

Madam Speaker, the enabling revenue authority legislation has already been subject to a report by the Joint Select Committee of Parliament and this administration expects that with the required majority parliamentary support, the Trinidad and Tobago Revenue Authority will become a reality and fully operational in fiscal 2020. This new institution will build on the already in place institutional strengthening of the Board of Inland Revenue and will therefore facilitate a much more rapid balancing of our fiscal finances. Madam Speaker, to illustrate the dire need for an improved revenue collection agency, I am pleased to report that the additional tax collection arising out of our three-and-a-half-month tax amnesty amounted to a welcome \$2.382 billion. [*Desk thumping*] Let me repeat that, \$2.382 billion from the 2019 tax amnesty, almost five times the original estimate of \$500 million.

This provides ample evidence of the need for the Revenue Authority. We were surprised but not entirely shocked at the \$2.382 billion in additional revenue collected in the 2019 tax amnesty given our knowledge of the tax gap which currently exists.

Before I proceed, Madam Speaker, I wish to congratulate and thank the staff of the Inland Revenue Division and other revenue collection agencies who worked tirelessly over the last three and half months to make the collection in this year's tax amnesty the largest ever in the history of Trinidad and Tobago. Indeed, the amazing success of this year's tax amnesty has consigned to the dustbin the uninformed commentary and unfounded predictions of some of the experts who

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

confidently predicted that we would fail to meet our target of \$500 million.

Let me repeat. We collected \$2.4 billion in our tax amnesty. [*Desk thumping*]

2.05 p.m.

Gambling (Gaming and Betting): Madam Speaker, the Joint Select Committee of Parliament has made significant progress with respect to its review of the Gambling (Gaming and Betting) Control Bill, 2016. We remain concerned with the increasing incidence in the non-enforcement of the existing legal framework. We have been actively seeking to improve the rate of compliance with respect to the remittance of taxes from members' clubs and amusement gaming operators. We believe that the early passage of the relevant legislation together with the establishment of a Gambling Control Commission are critical necessities for bringing order to an unregulated gambling sector, and for ensuring that the sector plays a key and legitimate role in fostering economic growth including the generation of foreign exchange and good quality jobs.

Madam Speaker, having completed the examination of the Gambling (Gaming and Betting) Control Bill in the Joint Select Committee of Parliament, all that is left to be done is a review by our international consultants of the regulations, and final examination of same by a Joint Select Committee to allow passage and implementation of the new law. This review is almost complete and we expect with bipartisan parliamentary support that the proposed Gambling Control Commission could be established within the next three to six months, thereby bringing to an end an unregulated gambling sector.

Property Tax: Madam Speaker, although slowed down by aggressive litigation instigated by the other side, we have been building the infrastructure to

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

inform the implementation of the Property Tax Act, 2009 as amended. We continue to build capacity at the Evaluation Division at the Ministry of Finance, and trained assessors are now in the field generating a valuation roll. Despite the legal constraints imposed on us by those opposed to this measure, the voluntary basis of the system has already delivered close to 60,000 valuation return forms for residential properties. This represents 15 per cent of residential households so far as we move towards the prescribed level of compliance of 50 per cent to create an assessment roll.

Madam Speaker, we at the Ministry of Finance will continue to work assiduously to accelerate this process with recently recruited additional field assessors, to achieve, as soon as we can, the 50 per cent target of 200,000 households for the commencement of residential property taxation. It is to be noted that the collection of property tax for residential properties is a fundamental pillar of the local government reform process so that municipal corporations can be assured of a sustainable revenue stream to finance their development programmes. Constrained as we are by the litigation inspired by those opposite however, it is not feasible to expect that the assessment roll for residential properties will be completed before 2020, after which assessment will start for other categories of property.

However, we trust that in 2020 there will be a speedy resolution of the outstanding court matter currently under appeal so that the process of assessment of properties can be accelerated.

Procurement: Madam Speaker, the Office of Procurement Regulator is now fully staffed with the establishment of a comprehensive database on public procurement, including information on tenders received, and the award and value

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

of contracts. We are advised that the procurement depository will be accessible shortly, and we have been advancing the capacity building and technical work relating to the establishment of procurement units in relevant Ministries and agencies as required by the procurement legislation. Procuring units across the state sector will soon be provided with guidance handbooks. Discussions and consultations with the Office of Procurement Regulation have continued throughout 2019, and the procurement regulations are soon to be laid in Parliament.

Further, we have received recommendations from the Regulator regarding the appropriate treatment of public private partnerships and government to government arrangements, which we intend to adopt. Accordingly, with the soon to be proclaimed sections of the procurement Act, and the issuance of the associated regulations with an appropriate six-month transition period as requested by the Regulator, we expect to be in a position to fully implement the new procurement arrangements in 2020.

National Investment Fund: Madam Speaker, the National Investment Fund has been a resounding success. [*Desk thumping*] The three fixed-rate bond series, 4.5 per cent for five years, 5.7 per cent for 12 years, and 6.6 per cent for 20 years were heavily oversubscribed eliciting 8,103 applications valued at \$7.349 billion. That is 1.8 times the \$4 billion offer.

Indeed, so attractive are the NIF bonds that they are currently trading on the stock exchange at levels above par, ensuring a profit for those who, for one reason or another, wish to sell their bonds, a far cry from the mischievous and unfounded categorization of NIF as a Ponzi scheme by those opposite. With these additional instruments, the capital market has been widened and strengthened with investors

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

receiving a steady flow of income through the required semi-annual distributions of \$112 million in both February and August 2019. The companies that comprise the asset base of NIF are also doing well, and growing in value.

It is not to be overlooked that this NIF came about as a result of our hard work in recovering taxpayers' money owed from the Clico bailout in 2009. Once again, the detractors said it could not be done. We did it. [*Desk thumping*] NIF has thus delivered \$224 million in dividend income into the pockets of thousands of members of the public in a single year, which will continue for the next 19 years. [*Desk thumping*] NIF is a signature achievement of this PNM Government, giving back to taxpayers as we promised significant returns on public funds used in the bailout of Clico.

Madam Speaker, we will continue to use this vehicle as a mechanism for monetizing major state assets, including those assets transferred to the Government for repayment of the cost of the CL Financial Clico bailout. Barring unforeseen circumstances, I propose to introduce in fiscal 2020 a second National Investment Fund bond issue, which will be based among other things on the proceeds from the sale of certain shares held by Clico that are currently valued at \$2.6 billion. We will maintain the current ratio of 2:1 relating to the assets and the corporate bonds issued by the first National Investment Fund.

I turn now to Clico and CL Financial. Madam Speaker, a full decade after the collapse of CL Financial and the Colonial Life Insurance Company (Trinidad and Tobago) Limited, and approximately \$23 billion later, we are finally reaching a conclusion. Upon our assumption of office in September 2015, we found the CL Financial/Clico arrangement in disarray with the shareholders and Government in conflict, and without any clear sight of a resolution.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Further, in 2011 an arbitration caused by the then Government's arbitrary transfer of shares in Methanol Holdings Trinidad Limited to Clico, without first offering the shares to the minority shareholder concluded with the sale of the asset at a price significantly lower than market, losing \$3 billion in value in the process. In addition, following 17 extensions of the original 2009 shareholders agreement, without any clear repayment plan, we had to act quickly when the former shareholders made a grab for CL Financial.

In the interest of taxpayers who had pumped billions of dollars into the Clico bailout, we had no alternative but to apply to the High Court to liquidate the company, and on September 15, 2017, the High Court ruled that the operations of CL Financial should be fully placed in the hands of liquidators appointed in July 2017. This liquidation process is ongoing in the context of an orderly settlement of the debt owed by CL Financial to the people of Trinidad and Tobago, and we expect the exercise to be completed in 2020.

In parallel, the Deposit Insurance Corporation, the liquidator of Clico Investment Bank (CIB), after many false starts in the pre-2015 period has almost completed its assignment with a substantial proportion of the debt being settled, allowing substantial shareholdings in blue chip companies such as Republic Bank to be transferred to the State. Further, the Central Bank of Trinidad and Tobago recently announced the commencement of the final stages of the Clico resolution, with the sale of Clico's traditional insurance portfolio to a well-capitalized local insurance company.

Madam Speaker, as a result of decisive intervention by this Government, Clico has now settled approximately \$15 billion of its debt to taxpayers. [*Desk thumping*] This excludes the funds which will be received from the sale of the

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

traditional portfolio. We are now in the process of analyzing the remaining debt to be repaid by Clico and CL Financial.

Value added tax: Madam Speaker, the introduction of the value added tax regime some three decades ago represented a significant component in the modernization of our taxation system. We have found the value added tax regime to be suitably effective and efficient given that it is much easier to track being levied at each step of production to the point of sale. Manufacturers are therefore required to be refunded with value added taxes as they emerge along the value added chain.

Unfortunately, because of the huge arrears of VAT totalling \$4.5 billion as at September 2015, the Board of Inland Revenue has simply been unable to refund those taxes on a regular and consistent basis, and as such, the Government continues to owe considerable sums of money in the manufacturing sector among others. This has denied them regular cash flows to conduct their businesses. However, the Government simply does not have the free cash flow to address this very serious problem which has been allowed to grow and fester over the years. Madam Speaker, this situation cannot be allowed to continue. It is not fair to all concerned and we have a solution to this long outstanding problem, which I will address in the fiscal measures.

Now turn to economic resiliency. Infrastructure: San Fernando to Point Fortin Highway. Madam Speaker, the 35-kilometer Solomon Hochoy Highway to Point Fortin project which was in abandonment and in the hands of a bankrupt contractor, was restarted after we came into office and is scheduled to be completed at the end of 2020 under this PNM Government. [*Desk thumping*] This long awaited highway on which \$5.1 billion had been [*Interruption*] originally

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

spent by the previous government on land acquisition, utility—

Madam Speaker: Member for Princess Town, “doh” let me rise again please.
Minister of Finance.

Hon. C. Imbert: Thank you, Madam Speaker. [*Desk thumping*] I had better restart the paragraph.

San Fernando/Point Fortin Highway: Madam Speaker, the 35-kilometer Solomon Hochoy Highway to Point Fortin project which was in abandonment, and in the hands of a bankrupt contractor, was restarted after we came into office and is scheduled to be completed at the end of 2020 under this PNM Government. [*Desk thumping*]

This long awaited highway on which \$5.1 billion had been originally spent by the previous government on land acquisition, utility relocation, construction and supervision, will soon be completed at a further cost of \$2.3 billion. When completed this highway with appropriate interchanges will traverse the southwestern areas of Trinidad, providing connectivity to several major communities from San Fernando to Point Fortin including Dumfries and Mon Desir, a segment from Mon Desir to Point Fortin via La Brea, and a connection from Mon Desir back to Fyzabad.

Importantly, by the end of October 2020, this month, the Mosquito Creek elevated roadway—sorry, end of October 2020, the Mosquito Creek elevated roadway segment would be open for vehicular traffic thereby bringing to an end the perennial traffic nightmare and flooding in that area. [*Desk thumping*] It is noteworthy that under the previous Government the work on Mosquito Creek failed to meet the required engineering specifications and that portion of the highway project was abandoned.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

We have solved that problem and this section of the highway is now being protected from the sea by andesite boulders supplied from the THA quarry in Tobago. [*Desk thumping*]

2.20 p.m.

The existing lower road can now be reconstructed into an elevated four-lane roadway. The new two-lane segment would be assessed from the two main thoroughfares in the vicinity of Paria Suites and the Mon Desir interchange. The major coastal protection works along the 2.5-kilometre sea wall will be completed by August 2020—the same date for the opening of the new four-lane highway in Mosquito Creek, built by this PNM Government. [*Desk thumping*]

Madam Speaker, the construction cost for this 35-kilometre highway is now approximately \$7.4 billion or \$210 million per kilometre. Suffice it to say that this PNM Government has rescued that project from almost certain disaster [*Desk thumping*] at tremendous cost saving to the public without a hint of the malfeasance of the past experience. [*Desk thumping*]

Valencia to Toco roadways: We are now changing the outlook for the Sangre Grande region which stretches from Valencia in the west to Matelot in the north. The 40-kilometre Valencia to Toco roadway upgrade is now under construction. When completed, it will vastly improve access to the entire eastern seaboard of Trinidad, bringing business opportunities including residential and tourism investments and prosperity to the communities of Valencia, Sangre Grande, Matura, Salybia, Rampanalgas, Cumana, San Souci, Toco, Grande Riviere and Matelot. We are advancing this project in phases with completion carded for 2021.

The Churchill Roosevelt Highway extension to Manzanilla: Madam

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Speaker, the 33-kilometre Churchill Roosevelt Highway extension to Manzanilla is also under construction. This project, like the Valencia/Toco roadway, will open up east Trinidad to increased economic and social development to an underserved area with great potential, encouraging and stimulating agriculture, tourism and other growth activities in Cumuto, Manzanilla and Sangre Grande, and Mayaro to Guayaguayare. [*Desk thumping*]

The Curepe Interchange: Madam Speaker, the Curepe Interchange is being constructed at a cost of \$221.6 million, less than half the projected cost of the project under the previous Government. [*Desk thumping*] Let me repeat that. The Curepe Interchange is being constructed at a cost of \$221.6 million, less than half the projected cost of the project under the previous Government. [*Desk thumping*] We envisage full commissioning of this important project by March 2020. All motorists proceeding along the Churchill Roosevelt Highway, both eastbound and westbound in the vicinity of north and south Valsayn, Curepe, and St. Augustine, will now experience significantly less traffic congestion with the removal of traffic lights at Valpark, Valsayn and the Churchill Roosevelt Highway/Southern Main Road intersection. Traffic lights along the Churchill Roosevelt Highway are now being progressively removed under this PNM Government, continuing the work of previous PNM Governments to allow for the free flow of traffic and to enhance road safety. Other flyovers and/or overpasses at UWI, Macoya, Trincity and the Golden Grove/Piarco Junction are already on the drawing board.

Licensing: Madam Speaker, we have been modernizing the Licensing Divisions, in particular at Port of Spain, Arima, St. James and San Fernando. These modernized offices with improved business atmospheres are expected to provide by the end of December 2019 full eight-hour digitized services to the

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

public. When fully operational, the newly installed technology will improve the way of doing business including capture of traffic offences by the Trinidad and Tobago Police Service, faster online payment for ticket offences through the TTPost, access to licensing information, online certified copy requests and pick-up, new cash register system for faster processing of payments by the public and automatic speed and red light enforcement. In parallel with these improvements, this quantum leap in managing the nation's transport system would facilitate a dramatic reduction in the corruption in the system that we have been forced to live with for far too long.

We are putting in place by March 2020 a secured motor vehicle number plate system aimed at improving vehicle registered and removing all illegal license plates. We are starting this process in March 2020 with a three-year period for the change-out of existing plates. We are also putting in place a parking meter system in Port of Spain and San Fernando in 2020.

Madam Speaker, we are supporting these initiatives by legislation through the proclamation by December 2019 of the Motor Vehicles and Road Traffic (Amdt.) Act, 2017. With this proclamation, we will be able to implement several far-reaching technological advances to enhance our ability to identify and to prosecute errant motorists including the use of speed spot cameras, red light cameras, law enforcement officers using handheld devices to issue electronic tickets, to pay traffic tickets through TTPost, and to utilize an online payment system with penalties for late payment tickets and demerit points. We are freeing up the courts of the burden of dealing with traffic ticket fines. I wish to caution that with the modernization of the system, breaches of various traffic offences can now lead to the suspension of driver's permits, fixed penalty ticketing, a system of

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

demerit points, and red light camera enforcement.

Public transportation: Madam Speaker, our public transportation service remains the backbone of transportation for our citizens, especially those in underserved and unserved communities. In 2018, we purchased 18 buses and a further 25 will be on our roads by December 2019. Importantly, these buses will be assessable to disabled persons and will be powered by compressed natural gas consistent with our obligation to reduce carbon emissions. We are also putting in place a procurement framework to acquire an additional 300 buses, most of which would be assessable to disabled persons and with climate change requirements.

San Fernando Waterfront: Madam Speaker, finally, the San Fernando Waterfront project is advancing with the [*Desk thumping*] process in train for securing a private-public partnership which will be responsible for undertaking the work aimed at reviving the economic vitality of the City of San Fernando and environs. Upon completion at a cost of \$1 billion, the area will become the commercial core of the City of San Fernando with increased opportunities for income generating activities as well as improved living conditions. The surrounding communities including Hatters' Bay, Embacadere, Vistabella and Marabella will benefit from short, medium-term, and long-term employment during the project lifecycle. [*Desk thumping*]

Coastal protection: Madam Speaker, coastal protection work in several areas is re-establishing coastal communities as models for sustainable development. At Quinam, the beach was reopened to the public in December 2018; at Manzanilla, the Cocos Bay stabilization works are at an advanced stage of completion and so is the San Souci shoreline; the Cap-de-Ville shoreline will be completed in 2020; the construction of a breakwater system at the Magdalena Grand Golf & Beach Resort

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

is expected to be completed, as well as the Matelot to Grand Riviere works. In this regard, we are receiving technical assistance from the Development Bank of Latin America (CAF) in both Trinidad and in Tobago for rehabilitation of our coastlines affected by climate change.

Flood alleviation: Madam Speaker, we have put in place a comprehensive strategy for treating with drainage and flooding throughout the country. We are targeting 369 active desilting projects surpassing our targets in 2017 and 2018. By mid-2019, we had completed 219 projects in our recurrent maintenance strategy which is an essential component in our—*[Interruption]*

Madam Speaker, we have put in place a comprehensive strategy for treating with drainage and flooding throughout the country. We are targeting 369 active desilting projects surpassing our targets in 2017 and 2018. By mid-2019, we had completed 219 projects in our recurrent maintenance strategy which is an essential component in our management of the draining capacity of the country. We have now in place 150 active desilting projects. We are investing resources to protect communities which are most vulnerable to flooding, in particular in the Caroni district where existing embankments and berms are being rehabilitated. Evidence of the work we have done was demonstrated by the fact—let me repeat that. Evidence of the work we have done was demonstrated by the fact that neither the Greenvale nor Oropune Housing Developments suffered flooding during the recent passage of Tropical Storm Karen. *[Desk thumping]*

In Port of Spain where drainage channels are not capturing water flow from the bottom of Charlotte Street, the Broadway intersection, and the area around the lighthouse, a detention pond has been constructed. We are outfitting the detention pond flap gates and pumps to control the flow and removal of water based on tide

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

levels. This should go a long way to alleviating the perennial problem of flooding in our capital city.

Police stations: Madam Speaker, the new Carenage Police Station will be commissioned in September 2020. The Shirvan Police Station in Tobago has been completed. [*Desk thumping*] The Police Administration Building now under construction in St. Clair will be completed in 2020.

I turn now to heritage buildings: Madam Speaker, we are nearing the final stages with the rehabilitation of our Magnificent Seven heritage buildings which are of significant importance to our history and legacy: [*Desk thumping*]

- The Stollmeyer's Castle was opened to the public in 2018. [*Desk thumping*]
- Whitehall has been restored and outfitted at a cost of \$33 billion. [*Desk thumping*] On September 04, 2009 the Office of the Prime Minister returned to Whitehall after an absence of 10 years. [*Desk thumping*]
- The Red House is nearing completion at a cost of \$441 million, and upon commissioning in January 2020 the traditional seat of Parliament will return to St. Vincent Street [*Desk thumping*] from where it was relocated in 2011 to Tower D in the Port of Spain International Waterfront Centre. The 11 floors of Tower D which Parliament now occupies will be converted into a suite of civil courts, thereby freeing up space in the Hall of Justice which will now focus on overseeing criminal cases. [*Desk thumping*] A major initiative.
- The comprehensive restoration of President's House is nearing completion and this historic building will soon be occupied by Her

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Excellency the President. [*Desk thumping*]

- Mille Fleurs with restoration aided by engineers from Cuba is progressing satisfactorily.

Additionally, Madam Speaker, the construction of an official residence of the Prime Minister in Tobago is completed. Outfitting works are in progress and the building will be available for use by the end of this year. [*Desk thumping*]

I turn now to economic activity, the energy sector, Petroleum Company of Trinidad and Tobago, also known as Petrotrin: Madam Speaker, we have completed the first phase in our reform of Petrotrin. Trinidad Petroleum Holdings Limited, a holding company, will now be responsible for three functional divisions and one legacy subsidiary. With the recent reform of the governance arrangements, we are ensuring that these companies with their respective business models discharge their mandates in an efficient and effective manner. By 2018, the story of Petrotrin was \$15 billion in accumulated losses and projected losses of \$2 billion a year going forward. This situation was not only unsustainable, but posed a serious threat to the country's financial system. This Government thus did what had to be done. We closed the refinery and restructured the company.

Madam Speaker, the Heritage Petroleum Company Limited, a new exploration and production company, has already achieved profitability and is contributing to public revenue. [*Desk thumping*] The company has succeeded in achieving growth in its quarterly production levels both offshore and on land, and has generated the revenue—this is a company less than a year old, Madam Speaker—of \$3.287 billion in its first three quarters of operation, leading the company to register a net profit of \$543.5 million. The company is consolidating our energy security and indeed our national security.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

2.35 p.m.

With increased workover and drilling activity onshore and in shallow water, the company is expected to ramp up production from a projected annual average of 35,000 barrels per day in 2019 to just over 40,000 barrels per day in 2022. The company has increased production from 31,760 barrels per day in December 2018 to 33,549 barrels per day in June 2019. Inadequate investment in exploration, production and infrastructure for many years is now therefore being reversed.

Facilitating this process of recovery is the recently executed memorandum of understanding between Heritage and Shell TT. This partnership will provide the technical and cash investment needed to develop Heritage's undeveloped offshore acreages and in the process, put crude oil production on a path of sustained growth. Paria Fuel Trading Company, another subsidiary, has been importing finished crude products to make national and regional needs as appropriate.

Madam Speaker, the Guaracara Refining Company Limited, into which the refining assets of Petrotrin were placed, is now in an advanced sale process with a broad-based evaluation team now negotiating with the preferred bidder, Patriotic Energies and Technologies Company Limited, a company which is wholly owned by the Oilfield Workers' Trade Union. The negotiations would also involve acceptable agreements for national fuel security and supply through Paria Fuel Trading Company given that the operator of the refinery will need access to Paria's terminal to bring crude into Trinidad and Tobago and re-export the finished products.

Madam Speaker, since it became public knowledge that Patriotic Energies and Technologies was selected as the preferred bidder by the Government, there have been many uninformed experts clamouring for the Government to be

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

transparent about the selection process and for the Government to come straight and clean about how the preferred bidder was selected. It is as if they are opposed to the very idea of a trade union getting involved in industry and commerce and all of this unwarranted scaremongering is after I made a clear statement on the matter to this honourable House on September 20, 2019 and conducted a live press conference on the issue on September 25, 2019. Nevertheless, these are the facts. The selection process was as extensive as it was efficient. There was a two-stage process for the offer for sale or lease of the refinery and associated fuel trading facilities.

Madam Speaker, the first stage attracted 77 expressions of interest of which 25 elected to sign non-disclosure agreements. Of these, eight submitted non-binding offers. After technical and financial evaluations, five bidders were identified for further evaluation namely: Beowulf Energy, Glencore Limited, Edgewood Holdings, Klesch, and Patriotic Energies and Technologies Company Limited. At closure of the bid process on August 20, 2019, three of these five companies submitted compliant binding offers for the purchase or lease of the company: Beowulf Energy, Klesch and Patriotic Energies and Technologies Company Limited.

Madam Speaker, the evaluation committee reviewed the proposals in the context of 12 specifically selected criteria which included among other things: upfront consideration, financial capability, history of refining and marketing experience, refinery restart time, proposed crude slate, exclusivity period, lease/sale arrangements, sale and purchase agreement comments, social and economic aspects, bidder's equity, an approximate time for the start of the preparation for the ultra-low sulphur diesel plant, and union involvement.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

The evaluation committee presented the three final bids to Cabinet with a comparative matrix identifying the advantages and disadvantages of the three final bidders. Based on the information presented, the Government took the decision that the proposals of Klesch and Beowulf Energy were not superior to that of Patriotic Energies and Technologies Company Limited which offered upfront cash of US \$700 million for the refinery assets. Beowulf Energy offered no upfront cash consideration but instead proposed a lease payment of US \$42,000 per month over a 15-year initial term and a future 50:50 profit-sharing contingent on Beowulf recovering its capital investment and achieving a 15 per cent internal rate of return. And Klesch offered only payments to the Government through taxes, meaning they essentially wanted the refinery for free.

Madam Speaker, on the basis of clear evidence that it had submitted the best proposal, both in the public interest and financially, the Government took the decision that Patriotic Energies and Technologies Company Limited should be deemed the preferred bidder for the Guaracara Refining Company Limited and Paria Fuel Trading Company Limited. It is in this context, it is noteworthy that Patriotic's offer of US \$700 million for the purchase of the refinery was by far the best. However, in order to facilitate the successful restart of the refinery as soon as possible, the Government made a conscious decision to initially forego the upfront payment and substitute a payment structure which entails granting the company a three-year moratorium on all payments of principal and interest towards the purchase of the refinery and a further 10 years at a fair market interest rate to complete the payment. Again, it is noteworthy that the net present value of these payment terms far exceeds the value of offers made by the other two bidders. Let me repeat that. The net present value of these payment terms far exceeds the value

of offers made by the other two bidders.

Madam Speaker, Cabinet has requested the evaluation committee, which has been reconstituted, to submit within a period of 45 days a firm recommendation with respect to the conclusion of negotiations with Patriotic Energies and Technologies Company Limited, with the conditions of sale being:

1. Confirmation of its ability to finance the purchase and operation of the refinery.
2. Establishment of a draft sales and purchase agreement and various other commercial agreements inclusive of crude handling, domestic fuel supply, natural gas supply, product offtake and transition support.
3. Finalization of a business plan which addresses other key deliverables inclusive of the provision of a guaranteed reliable and seamless supply of refined petroleum products to Trinidad and Tobago and the Caribbean region ensuring long-term viability of the refinery and reducing its carbon footprint.
4. Requirement of any fiscal incentives or tax concessions required from the Government of Trinidad and Tobago.
5. Adoption of any approach to any historical environmental liabilities.
6. Establishment of a refinery start-up plan which involves any necessary additional work inclusive of the refinery refurbishment plan and the terminal start-up plan.
7. Design of a plan for the supply of petroleum products during the transition to full operations by Patriotic Energies and Technologies Company Limited of the refinery inclusive of the finalization of a MoU with Trafigura PTE Limited.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

8. Design of a suitable staffing plan inclusive of senior management.
9. Indication of proof of qualification to engender the start-up and in performance enhancement processes for the new business as well as the evaluation of growth opportunities which integrate information analytics and insight to solve client challenges at all points along the energy value chain.
10. And finally, approval from the board of directors of Patriotic Energies and Technologies Company Limited for the definitive terms and conditions of their proposed transactions.

Madam Speaker, the Government is happy that a company owned by the Oilfield Workers' Trade Union and more importantly the only local bidder is the preferred bidder for the refinery and terminal assets. [*Desk thumping*] We remain confident that if the union does its homework and puts its shoulder to the wheel, this strategic and national asset could be brought into operation in the shortest possible time, but it is now up to the OWTU to transition from a proposal to confirmation of its ability to deliver what it has proposed.

The benefits of the restart of the refinery for the communities of Marabella, Pointe-a-Pierre, San Fernando and Gasparillo are obvious and we are infused at the expected economic revitalization of these fence line communities. We look forward to working with Patriotic Energies and Technologies to bring about the objective of a different and successful operation. However, we expect that Patriotic will take its assignment seriously and work assiduously to meet the Government's conditions and timelines for submission of additional information and supporting documentation and a workable plan to finance the necessary preparatory work and get the refinery restarted.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

And for those who wish to undermine this important paradigm shift with political red herrings and mischievous distractions, I wish to emphasize that this is still an on-going process, which if successful, will lead to the award of the contract to Patriotic for the purchase of the refinery. Madam Speaker, we wish the Oilfield Workers' Trade Union all the best in this endeavour and look forward to working with them in the national interest. [*Desk thumping*]

Natural gas and crude oil: Madam Speaker, oil and more recently gas revenues have always accounted for a substantial proportion of our total export revenue. The receipt of steady and reasonable levels of those revenues has been of substantial benefit to our citizens. We have utilized those revenues to develop and support the diversification of our economy. We have done so by investing heavily in fiscal, social, and economic infrastructure and this has generated through knock-on effects, the expansion of our non-oil sector and its diversified activities. With confidence in Trinidad and Tobago as an oil and gas province, investors are showing renewed interest in the oil and gas sector. A smooth transition to sustainable development in the future is assured.

Madam Speaker, with expiring contracts, a Cabinet-appointed empowered negotiating team is at an advanced stage of negotiations with major energy companies. They have already secured better terms and conditions for our oil and gas output, including a new gas pricing regime with upstream companies and new gas supply contracts with some downstream companies have been put in place. Secondly, liquefied natural gas cargoes have been assigned to the National Gas Company for the first time. [*Desk thumping*] Thirdly, a new pricing formula has been set for Train 1 as well as for the regasification and shipping costs and once gas can be found for this Train, the new formula will benefit the people of Trinidad

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

and Tobago.

Fourthly, the South-East Coast Galeota licence for bpTT has been extended, thereby allowing for the sanctioning of Cassia Compression Project which is now maximizing low pressure gas reserves from currently producing fields. And finally, the legacy royalty gas issue has been settled. bpTT made a payment of approximately \$1 billion in 2019 as settlement of the legacy issue of royalty gas [*Desk thumping*] and an initial payment to the NGC on its domestic gas shortfall. Shell has also made a payment of US \$282 million in 2019 or \$1.9 billion as settlement of royalty arrears and legacy payments. [*Desk thumping*]

At this stage, Madam Speaker, it would be remiss of me not to thank and congratulate the hon. Prime Minister, Dr Keith Rowley [*Desk thumping*] for his foresight, perseverance and drive in conducting far-reaching and productive discussions in meetings with the leaders of the global oil and gas industry all over the world, in Houston, London, and Amsterdam for the benefit of the country and people of Trinidad and Tobago. Because of his effort and the efforts of the team led by the Prime Minister, this country is now in a much better place with respect to revenues from petroleum [*Desk thumping*] and foreign direct investment in our oil and gas sector. And just let me repeat. We received \$1 billion from bp and \$1.9 billion from Shell arising from the work of the team. [*Desk thumping*]

2.50 p.m.

Madam Speaker, the energy sector has had its challenges, but it is steadily turning around. We have created the right environment for accelerating investment in this sector.

Gas production which had reached a low point in August 2016 averaging 2.76 billion standard cubic feet per day for the month, is on the rise. We have had

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

significant gas finds in our deep water blocks, and in the not too distant future, commercial production will commence. As such, natural gas production has been increasing, reaching in 2018 an average of 3.63 billion standard cubic feet per day, an 8 per cent increase over the 2017 average of 3.36 billion standard cubic feet per day. Significantly, natural gas production has continued this upward trend and is projected to reach an average of 3.8 billion standard cubic feet per day in 2019, thereby bringing natural gas supply closer to the peak demand of 3.9 to 4 billion standard cubic feet per day, the level of supply to keep our petrochemical plants and LNG Trains at optimum operational proficiency.

In 2017, and in the context of the Ryder Scott 2017 reserves audit, our natural gas reserves reversed the downward trend which began in 2003. Proven reserves of gas have increased from 9.92 trillion cubic feet in 2016, to 10.52 trillion cubic feet in 2017, thereby extending the life of our natural gas reserve pool to 14.6 years.

Madam Speaker, oil production had been on the decline, but after stabilizing in 2019, production is projected to increase to 59,200 barrels per day in 2020 as production from operating companies, including Heritage Petroleum Company Limited, has been expanding. Oil production is said to get a major boost from our east coast area, and Gulf of Paria, in particular from the Ruby Field, which has been sanctioned for a significant investment by BHP Billiton. Madam Speaker, let me digress. I have been told that once the Ruby Field comes on stream, this should increase oil production by at least 15,000 barrels a day. [*Desk thumping*]

Madam Speaker, we have begun an audit of the country's crude oil reserves at the end of 2018. The last audit, which took place in 2011, showed that unrisks proved reserves of crude oil and concentrate were estimated at 243 million barrels.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

We expect to receive the audit shortly.

As part of our strategy to keep Trinidad and Tobago as a strategic location for the natural gas business, we recently executed a memorandum of understanding with Barbados to address hydrocarbon exploration within that country's maritime jurisdiction. Very importantly, this MOU could lead to an agreement and to a treaty for attracting foreign direct investment in new acreage and for monetizing such discovered gas deposits at our facilities.

Energy conservation: Madam Speaker, we are taking the lead to adopt and implement a sustainable energy roadmap for Trinidad and Tobago as we integrate energy conservation, energy efficiency and renewable energy as key pillars of a sustainable energy transition over the next four years through the promotion of energy reduction in the residential sector. We are undertaking an energy audit of all buildings occupied by Ministries and state agencies with a view to controlling lighting, air conditioning and computer usage at nights, public holidays and on weekends. We are beginning the project with Tower C at the Waterfront. We are encouraging all high-energy intensity users in industry to establish the levels of greenhouse gas emissions and their level of efficiency of natural gas.

Madam Speaker, we also intend to launch in 2020 a major programme of replacement of all antiquated incandescent bulbs currently used in the 400,000 households in Trinidad and Tobago with modern energy efficient LED bulbs. This will be done by the Government free of charge to households as a public service and will be a major boost to national energy conservation. [*Desk thumping*]

Madam Speaker, we are reducing energy usage at 800 government primary and secondary schools. In addition, 30 primary and 30 secondary schools have been identified as part of phase one. [*Crosstalk*]

Madam Speaker: Minister, one minute. Could we just have a little silence so that we can hear the Minister? I am really being disturbed. Member for Couva South. Member for Couva South, I am also addressing you directly. Minister of Finance.

Hon. C. Imbert: Thank you, Madam Speaker. [*Desk thumping*] We are reducing energy usage at 800 government primary and secondary schools. In addition, 30 primary and 30 secondary schools have been identified as part of phase one for an energy auditing and retrofitting exercise. In addition, we will collaborate with the private sector, academia and international organizations to explore different applications of hydrogen within the local economy.

We are transitioning to more energy-efficient vehicles, installing solar water heaters on all new housing developments under the Government housing programme, and moving to convert the major city centres into smart cities, and support the Tobago House of Assembly-led energy conservation and energy programmes and initiatives in Tobago. The Minister of Public Utilities will expand on these initiatives.

Non-energy Sector: Madam Speaker, in the context of our stabilizing efforts, the manufacturing sector returned to positive growth of 4.9 per cent in the first quarter of 2019 after a number of years of negative growth. We expect this sector to continue to grow at just under 2 per cent per annum as consumer confidence continues to improve. Public sector construction activity gains traction and economic activity in the manufacturing sector strengthens.

Let me deal now in more detail with manufacturing. The Government is supporting the manufacturing sector in the drive established by the Trinidad and Tobago Manufacturers Association to double manufacturing output over the period 2019 to 2024. This sector has been streamlining its cost and has been seeking out

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

new markets. We are facilitating this initiative through Government-led strategic trade missions and by building technical capacity programmes among exporters. We are creating an enabling environment for business to develop and to flourish. We are also penetrating markets with trade agreements, including the soon-to-be executed Partial Scope Trade Agreement with Chile. Given the UK's impending exit from the European Union which is targeted for 2019 we recently executed an Economic Partnership Agreement with the United Kingdom to preserve our preferential trading relationship with that country.

Special Economic Zones: Madam Speaker, we are putting in place a revised special economic zone regime with a view to expanding our non-energy sector. The new regime will replace the existing free zone regime. We are not only making the non-energy sector more competitive, but we are ensuring that in the context of our new incentive framework, we are in compliance with international standards as set out by the OECD's Base Erosion and Profit Sharing inclusive framework and the EU's Code of Conduct Group. This more attractive investment climate will diversify the number and types of industries but importantly, we will have the flexibility to locate these zones strategically with the activities in specific areas across the country.

The Moruga Agro-processing and Light Industrial Estate: Madam Speaker, the Moruga Agro-processing and Light Industrial Estate will be commissioned before the end of this year. We are in the process of tenanting the park having already identified 10 potential investors interested in processing fruits and vegetables. This flagship project will provide sustainable employment opportunities for farmers and others in agriculture and related sectors. We are establishing this Moruga facility as a catalyst for expanding the agricultural sector

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

and for generating exports of competitive agro products.

Phoenix Park Industrial Estate in Couva: Madam Speaker, the new Phoenix Park Industrial Estate in Couva is being developed under the Belt and Road Initiative pioneered by the People's Republic of China. The Government has already engaged a design/build contractor for the project. With construction scheduled to begin shortly and commissioning in September 2020, the construction company has identified tenants for the industrial estate, including firms already operating in Central and South America in the areas of air conditioning, automotive, heavy machinery, building material, power transmission and furniture.

In a similar outreach, InvesTT, our national investment promotion agency, has identified other major investors, including business process outsourcing, financial services, and information and communication technology.

Small and Medium-sized Enterprises: Madam Speaker, small and medium-sized businesses remain a central pillar in our development strategy for achieving sustained economic growth. We are particularly pleased that the Development Finance Limited of Trinidad and Tobago has been able to secure a US \$10 million loan from the Caribbean Development Bank for on-lending to small and medium-sized enterprises. The focus of that lending on agricultural, industrial, and tourism activities is well advised. This direction is consistent with our own development agenda to increase viable investments to the productive SME sector, given its positive impact on the rate of economic growth, employment and income.

Eximbank Facility: Madam Speaker, the Eximbank foreign exchange facility appropriately resourced by the Government has been meeting the foreign exchange requirements of the non-oil domestic manufacturers who have been achieving the qualifying criteria. The original allocation of US \$10 million has been fully

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

utilized and we recently approved a second tranche of US \$10 million.

Creative Industries: Madam Speaker, CARIFESTA XIV, hosted by Trinidad and Tobago, underscored the strides we have made in the expansion of our creative industries. Moreover, with the resourceful FilmTT and MusicTT, we are making efforts to widen and deepen the industry. Trinidad and Tobago is becoming a preferred destination for film production in the region. International television and foreign film productions have been taking place. A locations database provided a user-friendly online catalogue of stunning and diverse film locations across Trinidad and Tobago. And this is proving to be an enabler to market Trinidad and Tobago as a premier destination for film production. Trinidad and Tobago is creating a pool of local artistes through the live music districts, which have been held at 58 participating venues throughout Port of Spain and its environs. We have witnessed 537 performances and the live music district was featured as part of CARIFESTA XIV.

Industrial Estates: Madam Speaker, we are making available undeveloped land to the private sector to facilitate and promote industrial and economic development. A range of undeveloped land spaces, now owned by the Evolving Technologies and Enterprise Development Company Limited, is now being transferred to the private sector through a competitive bidding process. In the context of existing bids, the Evolving Tecknologies and Enterprise Development Company Limited (e TecK) is divesting the Preysal Industrial Estate, undeveloped land, comprising 78.07 acres at a price of \$50 million. Negotiations will commence soon with other investors for the Reform Industrial Estate, a parcel of undeveloped land comprising 19.07 acres at a price of \$10 million. Connector Road Industrial Estate, undeveloped land comprising 85.34 acres, at a price of

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

\$60 million; and Frederick Settlement Extension Estate, undeveloped land comprising 394.32 acres, at a price of \$163.1 million.

The investors will be responsible for developing these industrial estates by establishing new business concerns, in particular those which can penetrate new and existing export markets, or relocating such manufacturing operations from the populated urbanized areas.

The Toco Port: Madam Speaker, while the highways in the east will encourage major industrial, residential and commercial initiatives in the Valencia to Matelot area, the Toco Port will facilitate a faster, alternative sea route between Tobago and east Trinidad, accommodate safe berthing for the fishing vessels of the fisherfolk in that area and approved maritime security. The environmental requirements are now being addressed, and this is paving the way for the award of a design/build contract in 2020. At a total cost of \$750 million, the Toco Port should be completed in 2022.

I now turn to agriculture. Madam Speaker, our Prime Minister is the first Prime Minister who has seen the benefit of having an advisor on agriculture in the Office of the Prime Minister. [*Desk thumping*] As I emphasized last year, diversification of the agricultural sector remains a high priority for this administration.

We recognize that access to state land, fixing historic land tenure problems and further incentivizing agro-processing, value added and direct support services to agriculture will motivate farmers and private sector investors. We have invested more than \$10 million in the upgrade of the IT systems of the Ministry of Agriculture, Land and Fisheries. Madam Speaker—

3.05 p.m.

UNREVISED

Madam Speaker: Members, members. There are a lot more people in here than usual so there is a buzz. And I think we should cooperate with the Minister so that he could deliver the speech. Continue.

Hon. C. Imbert: Thank you, Madam Speaker. We have targeted three key areas to modernize the agricultural sector, improving Internet availability across offices around the country, moving more than 80,000 land files into an electronic document management system. Let me repeat that, moving more than 80,000 land files into an electronic management document system [*Desk thumping*] and further developing the database of information held in its geographic information system. And finally, launching a land card which gives state land users card access to their electronic land files.

The Government-driven Moruga agro-processing and light industrial park is nearing completion and will soon move into a marketing phase for the shells available for outfitting and plots of land available for construction. At the same time, the National Agricultural Marketing and Development Company (NAMDEVCO), the agricultural marketing arm of the State, recently advertised for private sector partners for three packing house facilities in Tabaquite, Couva and Piarco. This request for proposals involves about 12 acres of state land and close to 50,000 square feet of enclosed floor space.

We have just approved a state land lease for the private sector funded packing house in the agricultural hub of Orange Grove and we estimate at this time over \$100 million in private capital is being invested in agricultural projects involving hatcheries, duck farming and processing, organic beef and lamb, rabbit production and packaging and rice parboiling.

Madam Speaker, the Government's successful public/private partnership for

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

the transition of the Aripo Livestock Station to a private enterprise, signals our continued commitment to reshaping the manner in which we have been approaching the sector. The private sector partner has now taken responsibility for the development of this 1,146-acre facility into a world-class livestock operation to support the growth of the local livestock sector. The private investment is in the order of 30 to \$40 million. Over 100 Government employees at this station have already been moved into vacancies elsewhere in the Ministry and others are being redeployed.

Madam Speaker, after 27 years of drafting, redrafting, consultations and meetings this country will see a fisheries management Bill being laid in Parliament shortly. [*Desk thumping*] This would replace the 103-year-old legislation and modernize the long-term management of this country's fisheries resources. The Bill to introduce modern measures for animal health and welfare is already laid in Parliament and the Legislative Review Committee is currently working on the legislation to modernize the way veterinary surgeons function.

Madam Speaker, after years of discussion the Ministry of Agriculture, Land and Fisheries has recently placed its first order for coconut tissue from Mexico to provide local farmers with planting material for varieties which are new to Trinidad and Tobago. Our cocoa beans continue to win global awards. This year Trinidad and Tobago retained its Fine Flavour Cocoa status and the Cocoa Development Company has its first national cocoa quality awards ceremony with the winner going into the global awards programme.

Madam Speaker, we have completed a national review of the legal administrative arrangements for wildlife conservation, in particular, hunting of wildlife and we have implemented a suite of legislative changes. We have

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

completed a comprehensive plan for the management of our protected areas and forest resource management, including reforestation, regeneration of commercial forestry assets and forestry inventory management. We have also implemented policy changes to the sale and export of local forestry resources with a view to better resource management and the resuscitation—

[Electronic device goes off]

Madam Speaker: Minister. Now “steupsing” does not help the situation. That is quite unparliamentary. I believe the Member has left. Let us continue.

Hon. C. Imbert: Thank you, Madam Speaker. We have completed a comprehensive plan for the management of our protected areas and forest resource management, including reforestation, regeneration of commercial forestry assets and forestry inventory management. We have also implemented policy changes to the sale and export of local forestry resources with a view to better resource management and the resuscitation of the local furniture sector.

Moruga Fishing Port: Madam Speaker, the new modern fishing port in Moruga with its berthing and landing facilities is in the environmental certification stage with construction of the marine facility scheduled to begin in 2020. The lives of the citizens of Moruga will be significantly improved bearing in mind the large proportion of the Moruga population which depends on the fishing industry for their livelihood. An associated benefit with the Coast Guard base is the improvement of the maritime security of our southern coastline.

Tourism: Madam Speaker, in 2017 we reformed the structure of arrangements for improving efficiency in the marketing of our tourism product. The Tobago Tourism Agency has been actively marketing Tobago as a destination of choice for leisure-based activities while Tourism Trinidad Destination

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Management Company Limited has been marketing Trinidad as a destination for meetings, conferences and exhibitions.

Collaboration between the entities provides opportunities for two experiences. We are already witnessing an increase in visitor arrivals in 2019 with total arrivals projected to grow at a rate of 3 to 4 per cent in 2019 with sound long-term projections for growth. Tourism investors are accessing our recently introduced investment incentives for improving accommodation plan to first class levels. Five properties are accessing the incentives in the one to five guest room category and 10 properties in the six to 150 guest room category. We are upgrading and improving the aesthetics of a number of sites, attractions and beaches throughout Trinidad and Tobago. In parallel, the National Tourism Policy and Tourism Master Plan have been realized to provide for a long-term development framework for the tourism sector to 2030.

Magdalena Grand Beach and Golf Resort: Madam Speaker, a reputable internationally recognized brand manager has been identified as the operator for the Magdalena Grand Beach and Golf Resort. The vertically integrated travel and hospitality conglomerate has shown confidence in Tobago as a destination poised for growth and expansion. This brand manager who focuses on package travel and resort and brand management will assume operatorship while the Government is undertaking the rehabilitation and outfitting works on the hotel. Upon completion of those works, the hotel will be rebranded under the signature of the operator reflecting that our tourism product is consistent with international standards and will be able to maintain an inflow of tourists and business for the 198-room hotel and by extension, the economic development of Tobago.

International Airport, Tobago: Madam Speaker, the rollout of the new

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

terminal building at the ANR Robinson International Airport in Tobago will consolidate the tourism sector as a catalyst for economic transformation. It will accommodate increasing tourism arrivals, catalyze the upgrade of hotels and guest houses and stimulate investments in new hotel plans. The Development Bank of Latin American, or CAF is providing technical assistance for the project and financing and the new terminal is to be constructed by an EPC turnkey contractor with associated works by sub-contractors.

Madam Speaker, I am pleased to announce that we have received a satisfactory bid from an international contractor for the Tobago airport terminal project and negotiations will commence shortly with the preferred bidder. In the meantime, the Tobago House of Assembly has recently received EMA approval to develop suitable lands for the relocation of persons affected by the construction of the new terminal. Barring unforeseen circumstances, therefore, construction on the new airport terminal in Tobago will commence in early 2020 and be completed within 12 to 18 months.

As part of this project, a new airport access road will be constructed to connect with the Claude Noel Highway at its intersection with Shirvan Road, thus providing easy access to and from the new airport terminal building and easing traffic congestion in the Bon Accord and Crown Point areas, and that is not all. Since while the construction of the new terminal takes place, significant upgrade and modernization work will be done at the existing terminal building at Crown Point. This upgrade work will commence within the next few months and will provide much needed improvements for domestic and international passenger facilities in Tobago as an interim solution.

The Air Bridge: Madam Speaker, Caribbean Airlines is managing the air

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

bridge and through close monitoring it has been adjusting its schedule as required to facilitate seamless travel between Trinidad and Tobago. Caribbean Airlines has been meeting the demand for travel on the air bridge having provided in 2018, 1,053,910 seats with a usage of 86 per cent. In the period January to August 2019, CAL has provided 782,086 seats on the air bridge with a utilization of 89 per cent.

The Sea Bridge: Madam Speaker, the sea bridge is being consolidated with the leasing for one year of a new ferry, the *Jean de la Valette* which has joined the *Galleons Passage*, the *TT Spirit* and the *Cabo Star* in the service of the sea bridge. In combination, these vessels in the period January to August 2019 have transported 360,734 passengers and 117,524 vehicles. In mid-2020 the travel arrangements on the sea bridge will be rationalized with the arrival of two new state-of-the-art fast ferries which are being constructed by Austal Ships Pty Limited and Incat Tasmania Pty Limited.

Education: Madam Speaker, we have a proud record in expanding educational opportunities in the recognition of the right of each one of our citizens to a good quality education. Every positive impact on education in the country since Independence has been through an initiative of the People's National Movement. [*Desk thumping*] In the last four years we have invested more than \$28 billion in the education sector. Since the early 2000s sustained public investment in early childhood care and education, vocational education and skills training, primary, secondary and tertiary education has yielded high rates of enrolment and access across all education levels.

Importantly, our expenditure on tertiary education and skills training are more than double the average for regional countries and are advancing our goals of achieving a 60 per cent tertiary enrolment rate. We are establishing the human

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

resource base on which the structural transformation and diversification of the country are taking place. The Government Assistance for Tuition Expenses— a PNM initiative— recently reformed on the efficiency grounds, is playing a key role in its objective. Our efficiency drive across the education sector is deriving significant fiscal savings. The governance and administration of the education system is becoming much more effective. Education is increasing in quality at all levels with programmes becoming relevant and responsible to meet sustainable and national development goals, and educational opportunities can be easily accessed by the full spectrum of learners with educational support services necessary to optimize teaching and learning process.

3.20 p.m.

We are also focusing on infrastructure. We are increasing the maintenance budget given the poor quality of some primary and secondary school buildings and we are reforming the infrastructure procurement process to yield greater efficiency gains. We are also, Madam Speaker, in the final stages of rolling out a comprehensive billion-dollar package of construction work designed to complete and commission 27 priority schools in the shortest possible time.

Housing: Madam Speaker, access to adequate affordable and decent housing has long represented a centrepiece of our public social policy. We have been creating a network of communities throughout the length and breadth of Trinidad and Tobago. These communities have been anchored on affordable and good quality housing. Let me be clear, Madam Speaker, the low- to middle-income recipients of HDC housing could not have afforded such housing had it not been for our multi-year investment in public housing, yet despite the sustained public thrust, supply of housing has not been able to keep pace with the increasing

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

demand. There are now approximately 175,000 applicants who remain to be satisfied. We have been addressing this acute social issue. We recognize that an adequate supply of housing units has been constrained by insufficient funding and the escalating cost of construction. We are overcoming those constraints.

First of all, Madam Speaker, we have been able to reduce the cost per square foot for housing units from \$1,200 per square foot in the period 2011 to 2015, to approximately \$600 per square foot at present. [*Desk thumping*] We will reduce this cost further in the future. Secondly, we are putting the financing of housing units on a self-sustaining basis through an enhanced construction and sales programme. We are resourcing the HDC through the issue of a \$1 billion, 4.5 per cent fixed rate bond. The bond will fulfil a dual purpose. Our citizens are being encouraged to save and those low- and middle-income residents/citizens who do not now own a property are being encouraged to access affordable housing. The proceeds of the bond will be used to finance the development, construction, and sale of houses by the HDC.

We have amended the Government Savings Bonds Act to provide for the introduction of savings bonds to be termed “housing bonds”, a new category to the existing Government Savings Bonds, National Tax Free Savings Bonds, Tax Free Savings Bonds, and National Savings Bonds. The amendments will also ensure that the proceeds of the sale of the housing bond issued under the Act shall be applied solely for the purchase of housing by individuals from the HDC. The bonds so issued will be transferable. In order to ensure appropriate head room under the amended legislation, I have increased the limit under the Act from \$2 billion to \$3 billion, and I propose to increase the limit in the future as appropriate. Madam Speaker, we are ensuring that the Housing Development

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

Corporation, through a variety of solutions, will be able to generate through its accelerated housing programme 6,000 housing units by December 2020, and thereafter 3,000 units per annum.

I wish to share with this House some of the solutions being advanced by this administration in our drive to provide affordable shelter and associated community facilities to low- and middle-income persons. Firstly, previously stalled housing projects are being resumed. [*Desk thumping*] Secondly, the accelerated housing programme will continue to generate a consistent flow of new housing units. Thirdly, the Aided Self-Help Housing Programme is under way with qualified individuals now preparing to construct their own homes on residential service lots developed by HDC. [*Desk thumping*] Fourthly, the Housing and Village Improvement Programme, a very successful programme, and an affordable and high quality housing initiative was ongoing with the programme being extended to 100 families residing in Sangre Grande, St. Joseph and Marabella. This initiative recently won in December 2018 the Award for Service Excellence and Innovation in the Public Sector provided by the President of the Inter-American Development Bank. [*Desk thumping*]

Public/private partnerships are attracting both local and foreign investors to achieve our housing mandate and are bringing to the industry expertise, technology and finance. Construction is actively in progress at five housing sites. However, Madam Speaker, all of these initiatives, laudable as they are, cannot make a serious dent in the demand for public housing. There are 175 applicants at the HDC—

Hon. Members: Thousand.

Hon. C. Imbert: Thousand—175,000 applicants at the HDC. Even at a production rate of 3,000 new HDC houses per year, it will take decades to meet the

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

public demand for housing. As MPs on both sides of the House, we are all inundated on a weekly basis by these 175,000 people with demands for housing from our constituents. It is perhaps the most pressing issue that we have to deal with since our population has been conditioned over the years to expect the Government to provide them with an HDC house at a discount price.

We have also found ourselves in a situation where, with creeping upward movement, it now costs the Government almost \$1 million to build an HDC house, and the population expects to be given this house for \$500,000 or less. To compound the problem, many of the applicants for housing simply cannot qualify to purchase an HDC house because they just do not have the means. In fact, because of hire purchase arrangements and other demands on their income, such as car loans, thousands of applicants can barely qualify for rental or rent-to-own rather than the purchase of a government constructed house. Successive governments have also created a culture whereby persons no longer seek to acquire land and build their own houses with their own resources as was the norm in the past.

Madam Speaker, we must therefore step out of the box and initiate new solutions if we are to address this burning issue in any meaningful way. The Government has therefore decided to initiate a new housing construction programme whereby qualified small builders will now be given the opportunity to construct basic, no frills, three-bedroom houses on service lots, either on vacant lots in existing housings developments or in available Government land developments using drawings and specifications produced by the HDC. This programme will be offered to small- and medium-sized contractors at a fixed price of approximately \$500,000 per house and contracts will be awarded in batches of

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

five to 10 houses. A feature of the programme is that small builders will not be burdened with the requirement to tender for these houses but instead will simply have to qualify to participate in the programme. [*Desk thumping*]

The HDC will be responsible for providing all required infrastructure for the construction of the houses and payment terms will be geared to facilitate the cash flow needs of small businesses. We expect, through this initiative, we can mobilize significant spare capacity in the construction sector, stimulate economic activity and create jobs, while at the same time, meaningfully addressing the current shortage of housing. This new housing construction programme will be fully operational and available to small builders within the next three months. [*Desk thumping*]

In addition, Madam Speaker, the success of our Village Improvement Programme where starter houses are being successfully built at a cost of just \$120,000, with the participation of residents in the target areas contributing part of the labour cost has shown us that it is possible and feasible for our people to build their own houses at a fraction of the current cost of HDC houses. We therefore believe that once we provide the necessary environment for people to build their own homes at an affordable price we can initiative a major private housing construction drive and get more value for money. [*Desk thumping*] We intend therefore to launch a new housing loan initiative where low interest loans guaranteed by Government will be provided up to \$300,000 to persons seeking to build their own homes. Details of this programme, which will be fully operational in early 2020, will be given if the finance Act in December 2019. [*Desk thumping*]

Health and Health Care: Madam Speaker, our public health institutions continue to provide high-ranking quality health care to our citizens. They also

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

form an integral part of our medical education as these facilities are being increasingly utilized by regional tertiary institutions for teaching and training activities. Our citizens are benefiting from the quality of our health care services.

Madam Speaker, 248 pharmacies are now providing services under the Chronic Disease Assistance Programme (CDAP), a PNM initiative. [*Desk thumping*] The total stock of drug items has increased from \$7.1 million to \$10.2 million. The renal dialysis programme is providing specialist health services to 1,317 patients at an annual cost of \$72 million. The adult cardiac programme has provided, in the current fiscal year to April 2019, treatment and care to 1,164 patients at a cost of \$15.6 million. The Children's Life Fund at a cost of \$7.6 million has sent abroad 20 patients suffering from life-threatening diseases during the current fiscal year to June 2019.

Maternal and neonatal mortality rates have been declining and have already achieved both global and regional targets established by the Pan American Health Organization and the World Bank Sustainable Development Goals. [*Desk thumping*] Let me repeat that, maternal and neonatal mortality rates have been declining under this Government and have already achieved both global and regional targets established by the Pan American Health Organization and the World Bank Sustainable Development Goals.

Madam Speaker, infrastructure development of primary and secondary health institutions is ensuring that first-class health care is within the reach of our citizens wherever they reside. Our hospital construction programme is well advanced.

The Arima Hospital: The new Arima Hospital with 150 beds is being commissioned before the end of this year, 2019. At a cost of \$1.6 billion the new

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

hospital will provide access to state-of-the-art primary and secondary services in major areas, accident and emergency, obstetrics, chemotherapy, magnetic resonance imaging (MRI), endoscopy, CT scan, et cetera. The services at this new hospital will benefit 250,000 persons in the surrounding communities, including Malabar, La Horquetta, Trincity, Bon Air and Oropune.

The Point Fortin Hospital: The Point Fortin Hospital, with 100 beds, will be commissioned in January 2020, just a few months from now. This hospital, being built at a cost of \$1.2 billion with funding from an Austrian bank will provide a broadly similar suite of services as are being provided by the Arima Hospital, benefiting approximately 75,000 persons in the surrounding communities, including Cedros, Icacos, Chatham and Siparia.

The Sangre Grande Hospital: The new Sangre Grande Hospital, a PNM initiative with 100 beds, has started construction with a completion date scheduled for November 2021. Majority funding has been secured from an Austrian bank under a government-to-government arrangement with the Government of Austria. This hospital will be built at the same cost of the Point Fortin Hospital and will provide state-of-the-art services to approximately 110,000 persons in surrounding rural communities, including Manzanilla, Toco, Cumuto, Matelot, Grande Riviere and Biche.

3.35 p.m.

Madam Speaker, the Port of Spain General Hospital Central Block: The Port of Spain General central block now in design development will have 540 beds when completed in January 2022, providing a range of services and housing facilities for central stores, biomedical and engineering, radiology, pharmacy and laboratory. This new and redesigned facility will continue to benefit the entire

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

northwest of Trinidad with an estimated population of more than 400,000 persons.

The Couva Medical and Multi-Training Facility: The Couva Medical and Multi-Training Facility is a 230-bed hospital for 150 adults and 80 for paediatrics and women care. The hospital which is now owned jointly by the University of the West Indies and the Government of Trinidad and Tobago will provide its services on a sequenced basis, initially with walk-in services for patient medication and therapy management. Benefiting are the surrounding communities, including Couva and environs, as far as Freeport and Claxton Bay. Apart from the pharmacy services, referred patients from the public health system are currently receiving diagnostic imaging services at the Couva facility. While the facility is now being managed by the North Central Regional Health Authority, the ownership company, the Couva Medical and Multi-Training Facility Limited, is in the process of securing a first-class and quality operator for the hospital, which will begin to provide medical training services for the regional tertiary institutions. Importantly, the hospital will be a vehicle for medical tourism and teaching.

Further, Madam Speaker, the University of the West Indies has approached the Government to participate in an integrated offshore medical school programme which will involve the Penal campus, the Couva facility and the Mount Hope hospital. The Government is awaiting the written proposals for this programme from the UWI, which is expected shortly. The facility is positioned to be a game changer to the public health arena, as medical staff and interns will be operating in a modern facility with the latest technology, and with patients receiving cutting edge health care in a comfortable environment.

The Government of Trinidad and Tobago is delivering on its commitment to operationalize the Couva Medical and Multi-Training Facility. We are doing this

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

months ahead of the scheduled time frame. This initiative is just one element of the overall revolution in health which is taking place. This is founded on the provision of the best and most advanced health care services to the population, while we also search for economic opportunities in health care delivery to the outside world.

The Roxborough Hospital: Madam Speaker, we are establishing in Roxborough a hospital at a cost of \$60 million. While smaller in size than those of our other hospitals, it will be a fully functional medical facility with commissioning scheduled for 2021. [*Desk thumping*]

The St. James Medical Complex: The St. James Medical Complex has now been upgraded at a cost of \$45 million, with a newly outfitted medical linear accelerator, making the Complex a state-of-the-art cancer centre. [*Desk thumping*]
Let me repeat: The St. James Medical Complex has now been upgraded with a newly outfitted linear accelerator.

The Diego Martin Health Centre: We are constructing a brand new modern health centre at Diamond Vale in Diego Martin at a cost of \$8.6 million. The centre will be commissioned in October 2020.

Social Agenda: Madam Speaker, we have in place a defined set of basic social security mechanisms which are providing adequate benefits to our children, the poor and vulnerable, the differently-abled and the elderly. I wish to share with this honourable House the status of some of these programmes in the context of our efficiency drive. Public assistance grants are being made to 25,502 deserving individuals. Let me repeat that: Public assistance grants are being made to 25,502 deserving individuals. [*Desk thumping*] For fiscal 2019, \$356.9 million have been spent on the programme. The Food Support Programme through recertification,

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

and with the introduction of a new debit card system, is now benefiting 29,166 households. All beneficiaries received an increase of \$100 per month in January 2019, and for fiscal 2019, \$150.8 million had been expended on the programme.

General Assistance Grants have been delivered to 1,330 persons in dire need of temporary help. For example, medical equipment, school supplies, education, children with disabilities, rent and burials. For fiscal 2019, \$5.2 million had been spent on this programme.

Disaster relief, including flood relief, has been provided to 10,679 households, allowing them to return to some measure of normalcy in their lives. For fiscal 2019, \$138.4 million have been spent on this programme.

Senior citizens pensions are being delivered to 103,457 senior citizens. Let me repeat that: Senior citizens pensions are now being delivered to 103,457 senior citizens—103,457 senior citizens—many of whom would have received pensions ranging from \$500 to \$3,500 effective January 2019. The annual expenditure on senior citizens pensions, these 103,457 seniors, in fiscal 2019 was \$3.9 billion.

Disability Assistance Grants are now being made to 24,720 persons both under and over the age of 18 years. For fiscal 2019 the expenditure on the programme was \$565.7 million.

Madam Speaker, this administration remains steadfast in the development and implementation of viable social protection programmes, which in fiscal 2019 were provided to 194,854 persons at a cost of \$5.1 billion. Let me repeat that: This administration remains steadfast in the development and implementation of viable social protection programmes which in fiscal 2019 were provided to 194,854 persons at a cost of \$5.1 billion, or roughly 10 per cent of the national budget. We live in an ever changing and dynamic socioeconomic environment,

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

and we will take all action that is necessary to ensure that the citizens of this country are adequately equipped to overcome any challenge which might arise in their everyday lives.

Gender Issues: Madam Speaker, women and children continue to be one of this country's most vulnerable groups. Currently there are thousands of women who are unable to seek employment due to the high costs and lack of day-care facilities for lower income families. In this context I propose to introduce day-care centres to cater for children under three years old. [*Desk thumping*] In this context I propose to introduce day-care centres to cater for children under three years old. The intent is to provide child care services for female headed households who meet the stipulated criteria. These day-care centres will be established in communities throughout Trinidad and Tobago and would provide employment opportunities for women. In addition, I propose to introduce shelters for homeless females who have been displaced due to family conflict, domestic violence, crime and other issues. Currently there is a shelter for socially displaced persons, however, this facility is woefully inadequate and does not serve the originally intended function.

The proposed shelters for homeless females will be established by the Housing Development Corporation with the support of the business community in specific geographical locations. Persons would be assigned to the shelters after a comprehensive assessment on a three to 12-month basis. The shelter is intended to provide temporary relief to women who are homeless.

Sports: Madam Speaker, as a platform for national unity, sport has no equal. We follow closely our national sporting teams in regional and international competitions. Good performances have been generating groundswells of patriotism and national fervour. This was the case on the occasion of the 2018

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Commonwealth Games in Gold Coast, Australia. The recently concluded XVIII Pan American Games in Lima, Peru were no different, as were the IAAF World Relays in Paralympics. But importantly, in these international competitions our performances have extended over a larger number of disciplines, including cycling, aquatics, athletics, sailing and boxing.

We wish to salute the members of the Trinidad and Tobago delegation which made us proud in Lima, Peru, and to commend all those athletes who received gold, silver and bronze medals. [*Desk thumping*] I would also like to commend those athletes who represented our country at the recently concluded World Athletic Championships in Doha, Qatar.

We will ensure that the expansion of disciplines is appropriately supported with facilities and with appropriate training. We are in no doubt that our progress in the wider range of disciplines will be showcased in the 2020 Summer Olympics in Tokyo, Japan.

Madam Speaker, we recognize that sport is a cost-effective antidote for addressing social issues: high crime levels, drug abuse, youth offences, educational underachievement and the lack of social inclusion. We are combatting these issues at community levels. The Laventille community swimming pool is meeting the demand for aquatic sport in a major underprivileged community. Other swimming pools are being upgraded at Cocoyea, Couva and Sangre Grande. The Diego Martin Sporting Complex, a multipurpose/multisport facility is already being used by the surrounding communities, individuals, clubs and associations. The Dwight Yorke Stadium in Tobago is now a well-equipped facility, meeting international standards. The other four stadia: Larry Gomes, Ato Boldon, Mannie Ramjohn and Hasely Crawford are being rehabilitated. They will be ready to meet the needs of

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

all athletes and the general public for recreational and competitive sport purposes.

The Mahaica Oval is being upgraded, while Skinner Park is being redeveloped at a cost of \$200 million. Upon commissioning, the facility, like the Hasely Crawford Stadium in Port of Spain, will have the capacity to host large sporting and cultural events with more sophisticated facilities for athletes, and modern conveniences for the public, especially for southerners.

Recreational grounds for activities such as football, cricket, basketball and netball are being upgraded in Grande Riviere, Aranguez, Paramin, Park Street, Pascal and Todd's Road, Bourg Mulatresse, North Eastern Recreational Ground and Marac. Indoor sporting arenas are being improved at Maloney, Mayaro, central regional and south regional at Pleasantville.

Residential and non-residential youth facilities are being refurbished at California, Malick, Woodbrook, Persto Praesto and Chatham. The Sevilla clubhouse and Dubisson Park, former Caroni sport facilities, are being refurbished. Madam Speaker, we look forward to hosting the upcoming 2021 Commonwealth Youth Games and the 2022 Pan American Aquatic Championships, which will utilize most of our sporting infrastructure and provide an avenue to showcase the talent of our young citizens. [*Desk thumping*]

Our public expenditure on education, health and on social protection sectors is consistent with our long-term development strategy as outlined in Vision 2030. This notwithstanding, our analytical review of the expenditure profile provides ample evidence of redundant and unproductive spending. Our expenditure efficiency drive is already generating substantial allocative and technical efficiency gains.

3.50 p.m.

UNREVISED

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

In the education sector we are implementing a series of measures through a reformed GATE programme and an increased maintenance expenditure for primary and secondary schools. We have elevated early childhood care attention as a major priority, invested in instruments to measure early learning outcomes and personnel to support quality, invested in practice-based teacher training, continued our efforts to track individual students across different schools and standardize examinations.

Madam Speaker, expenditure in the health sector is being screened through the implementation of changes in the procurement process for acquiring medicine and medical equipment by the regional health authorities and the Ministry of Health. We are reorganizing the regional health services network so that fixed catchment population and human resources are assigned to health service areas served by practitioners.

Madam Speaker, the Government is implementing a more efficient formalization of contracts for doctors operating in public and private institutions, as well as establishing policies for nursing retention. We are strengthening the institutional capacity of the National Insurance Property Development Company NIPDEC, as well as designing new mechanisms to increase the volume of drugs and medical equipment procured through bulk purchasing with other Caricom countries.

Madam Speaker, the social protection sector is now subject to considerable screening and scrutiny through the consolidation of the Targeted Conditional Cash Transfer Programme and the Public Assistance Grant into a single household targeting cash transfer programme while reducing the unit cost per programme. In this context there would be greater eligibility monitoring, the phasing out of inter-

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

lapping components of various benefits, streamlining of fragmented service delivery systems ideally under the aegis of a single agency, targeting income support safety-net transfers at the household level and consolidating a number of mentoring programmes.

Water Production Distribution: Madam Speaker, the efficiency and effectiveness of water supply and sanitation networks to meet the needs of our citizens and businesses on a continuous basis has long been a challenge. Despite increasing investment to improve this essential public service delivery to the tune of more than \$30 billion over the last 10 years, and for a country with a total area of just 1,981 square miles and a population of 1.3 million, only 50 per cent of the population in north-west Trinidad receives a supply of water less than three days per week. Similarly in south and central Trinidad the delivery service is below par, but in the north-east of Trinidad the delivery service is superior with 70 per cent of the population receiving full and continuous service. We acknowledge that these levels of service are unacceptable and we plan to fix them.

We have been focusing on improving water supply in all areas of Trinidad and Tobago, our water structures are undergoing major upgrades. As an initial step, we are extending the water supply service to areas underserved and unserved, and we are treating waste water to comply with environmental standards. This programme is comprehensive both in scope and in scale. The details of these measures will be dealt with by the Minister of Public Utilities.

Madam Speaker, we are working assiduously to improve the distribution of water to all segments of the population in the shortest possible time. We are replacing our aged pipeline network of infrastructure, we are repairing the high incidence of leaks and addressing non-revenue water. We are building storage

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

capacity, and we will reduce the level of demand which is twice the international standard.

I turn now to safety and security. Madam Speaker, just over one year ago this administration and the newly appointed Commissioner of Police launched a comprehensive strategic plan to deal with crime and criminality in a decisive manner. We have made major inroads in reducing the level of crime and criminality and addressing social disorder.

The July 2019 data showed that with the exception of murder, major violent crime is running at a lower rate and this includes robberies, motor vehicle larceny, kidnapping, rape, general larceny, and possession of firearms and ammunition. Regretfully, murder is running at about the same rate as it was in 2018.

Madam Speaker, it is ironic that while we have been spending for the past five years, over \$6 billion per annum on national security, approximately 3,000 misguided citizens continue to terrorize the population. A large proportion of this annual expenditure of \$6 billion could be better spent on health care, education, road infrastructure, housing, rural development and public utilities.

Madam Speaker, we agree that while there has been some improvement in the crime situation, its level remains too high and continues to pose threats to public safety. The crime situation is creating negative perceptions about Trinidad and Tobago at home, as well as abroad. Let me emphasize, this Government is not prepared to tolerate the continuation of this high level of crime including murder. Through our renewed police management structures, new and modern technology and various crime combating initiatives including legislation, for example, gang legislation which is disrupting crime syndicates, we are ensuring that our citizens are able to lead normal lives.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Further, we are building on the foundation launched in 2016 and strengthened in 2018. We are initiating new ventures. At the centre of this architecture is the multi-agency task force which is a collaborative mechanism among the police, defence force, prison services, immigration and other intelligence services. Law enforcement operations are now intelligence- driven and we are benefiting from higher detection rates.

The command and control structures of improved operational efficiency by ensuring a unity of effort through the processing and monitoring of all information, and the operational tasking of every patrol and every officer. In this manner, response times to emergencies have been significantly improved.

We are bolstering the strength of the police service by increasing the size of the regular intake batches, and ensuring that they are all exposed to the most current training policing strategies. The Government is now conceptualizing its state-of-the-art police training academy which would support the Cumuto facility. At this location we are developing the skills of officers to deal with crimes including homicides, gang-related investigations, ballistics and firearms training, as well as crime scene investigation.

In our drive to tackle crime and criminality, the Government has recognized that major demands are being placed on our command and control systems. They are being stretched to the utmost to ensure effective resource utilization, and to perform the large number of operations.

New technology and equipment are being acquired to support this expanded operational plan. These include:

- public order equipment including non-lethal weapons such as Tasers and pepper spray are being procured as the police service moves away from a

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

baton and bullet approach to the utilization of Tasers as the preferred option in restraining non co-operative individuals;

Secondly, mobile devices tracking systems are being procured for vehicles:

- 200 hundred tablets for vehicles for immediate referencing of persons detained at road blocks;
- 50 dashboards cameras and 300 body cameras for officers which will assist in monitoring the activities of officers with the aim to protect both the officer and the general public with respect to false accusations.
- Surveillance systems and drones, with drones providing a 24/7 eye-in-the sky capability to all points in the country;
- Polygraph equipment for use in the recruitment of police officers, as well as on a random basis throughout the service;
- Drug testing equipment for our police service;
- Information and technology upgrades to support and strengthen police service capability.

Madam Speaker, with more than three quarters of the murders in the country being firearm related, the Trinidad and Tobago Police Service is focusing on this type of violence for reducing murders and serious crime.

With the police tactical units addressing suppression, the police community secretariat building community relations, and the prisons services on rehabilitation, the Government has established the Cure Violence Programme for an initial three-year period starting in January 01, 2020, with technical assistance from the Inter-American Development Bank.

Madam Speaker, the Cure Violence Programme for which pilots will be

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

implemented in 16 communities in East Port of Spain, will target those highest at risk of being perpetrators and victims of violent crimes. The programme will interact within the highest risk communities to reduce the membership of gangs and those vulnerable to gang involvement. This will be implemented through the well-established and evaluated Cure Violence model which has been successfully tested in more than 22 cities in the United States and eight other countries including Honduras, Mexico, South Africa and the United Kingdom.

The police service is being increasingly transformed. We have in place the Trinidad and Tobago Police Service identification badges, and we will soon introduce new uniforms. An expanded K9 Unit is being fully integrated into anti-crime operations. More efficient and productive approaches to DNA testing are also being examined at this time.

Madam Speaker, we have also taken steps to strengthen the protection of our external borders. Security begins with and from our frontiers. Without efficient and effective border control and protection, the security of our country will continue to be impacted by the flow of illegal drugs and associated weaponry. We are now also witnessing migratory flows from neighbouring countries which are experiencing difficult economic conditions.

To combat these undesirable developments, we are acquiring two Cape Class patrol boats being built by the Australian firm Austal Shipping Pty. In the second half of 2020, these patrol boats will join the present coast guard fleet in its drive to combat the full range of maritime security threats faced by Trinidad and Tobago. These two vessels with a crew of up to 22 personnel each, will have a range of 4,000 nautical miles, 20-day patrol cycle, and two high-speed rigid hull inflatable boats for intercepting crime-related vessels.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

We are continuing to upgrade and strengthen our prison and fire services. At the Golden Grove Prison, the Remand facilities, the CCTV and alarm systems, and the maximum security prison are being significantly improved. The prison service has been provided with new vehicles and equipment to improve working conditions and assist the personnel in the prison service in carrying out their duties. The Government has already made available to the prison service 250 new firearms and 250 stab vests.

Madam Speaker, we are also improving the working conditions of fire officers with the securing of new fire equipment, fire retarding and firefighting uniforms, and modernizing fire stations at Arouca, Penal and Roxborough.

The social and welfare associations in the prison and fire services have long been providing support mechanisms for their members, and they will be provided with land to build their own wellness facilities. [*Desk thumping*]

Madam Speaker, I now wish to turn my attention to Tobago. Madam Speaker, this administration firmly believes that any investment in Tobago is an investment in national economic development. We are resolutely committed to ensuring that Tobago's developmental momentum continues unabated. Notwithstanding the national fiscal constraints within which Tobago like the rest of the country has had to operate, we are proud of Tobago's developmental strides and advances over the past four years. This has been buoyed by the sound and prudent management of the Tobago economy as reflected in their recent macro-economic indicators.

Among the notable achievements of the Tobago House of Assembly over the last year are:

- the completion of the Roxborough Administrative Complex which will

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

- serve to decentralize a range of assembly and government services to persons residing in Windward Tobago at a cost of \$60.2 million;
- the completion of phase one of the rehabilitation of the Claude Noel Highway at a cost of \$35 million;
 - the rebranding of destination Tobago resulting in the shortlisting of Tobago for four major international awards for its recent marketing campaign;
 - the 14 per cent increase in international arrivals to Tobago for the period January to May 2019 relative to the comparative period for 2018;
 - the successful negotiation of additional airlift out of Canada with Sunwing Airlines resulting in a year-on-year increase in international arrivals to Tobago; this agreement has the potential to expand the hotel room stock for an additional 200 rooms;
 - the completion of several roads under an expanded agricultural access roads programme allowing farmers greater access to arable lands resulting in increased agricultural production;
 - the provision of financial, technical assistance and market exposure to entrepreneurs at the Trade and Investment Convention, and several overseas trade missions resulting in the exhibition and market penetration of indigenous products and services at national, regional and international trade shows and exhibitions;
 - the commencement of the construction of the Roxborough Hospital with expected completion in 2021.

4.05 p.m.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

With respect to the sea bridge, the arrival of the luxurious *Jean de la Valette* in June of this year, the *Galleons Passage* in 2018, together with the *Cabo Star* and the *TT Spirit*, significantly improved the functional capacity on the sea bridge. Mid-2020 the passenger and cargo capacity of the sea bridge would be further rationalized and enhanced with the arrival of two brand new state-of-the-art fast ferries.

In relation to the domestic air bridge, Caribbean Airlines has provided almost 100,000 additional seats to adequately service the air bridge in the period April to September 2019. Let me repeat that, Caribbean Airlines, for the period April to September 2019, provided almost 100,000 additional seats to adequately service the air bridge. This was facilitated through a wet lease arrangement between CAL and Danish Air Transport for two aircraft.

As I mentioned earlier, negotiations towards the commencement of the construction of a new modern airport terminal building at the ANR Robinson International Airport are at an advanced stage, and repairs to the runway commenced last month. The Development Bank of Latin America, CAF, is providing technical assistance and financing for the new Tobago airport project. Construction work is scheduled to commence in the near future with completion in 2021. I wish to give the assurance today, Madam Speaker, that all residents affected by this project would be treated fairly and receive equitable and just compensation. [*Desk thumping*] As I mentioned earlier, an operator for the Magdalena Grand Beach & Golf Resort will soon be engaged.

Madam Speaker, you may recall that in 2010 the Shirvan and Roxborough Police Stations were shovel ready, with signed contracts and financing in place for construction. These two projects, vital to the security of the people of Tobago,

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

were shelved by the UNC administration in 2010. I am now pleased to announce that the Shirvan Police Station, formerly the Old Grange Police Station, was formally opened in March 2019 [*Desk thumping*] and work continues apace on the Roxborough Police Station, which is currently 87 per cent complete and is scheduled to be opened before the end of this year. Construction work has also commenced on the Roxborough Fire Station which is scheduled for completion in 2020.

Madam Speaker, please permit me to address an issue of major importance to Tobago and Tobagonians, the issue of internal self-government. The Tobago Self-Government Bill is before a joint select committee of Parliament. The committee has submitted two interim reports with another report expected shortly. This Bill is expected to be placed on the Order Paper shortly, and be brought for debate in the first quarter of 2020. The passage of this Bill will serve to loosen significantly some of the financial and legal constraints to Tobago's development, bring greater predictability to the developmental planning process, and confer upon the Assembly greater devolution of powers and provide Tobagonians with greater self-determination in their affairs.

Madam Speaker, for fiscal 2020 the budgetary allocation to the Tobago House of Assembly is \$2.283 billion. Disaggregated, \$2.033 billion is allocated for recurrent expenditure and \$231.6 million for capital expenditure, and \$18 million for the Unemployment Relief Programme in Tobago. This allocation to the Assembly represents 4.3 per cent of the national budget and is consistent with the recommendations of the Dispute Resolution Committee.

Madam Speaker, I am also very pleased to announce that for the first time since the formation of the Assembly in 1980, the Minister of Finance has granted

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

approval to the Assembly to utilize bond financing in the amount of \$300 million to fund critical development projects in Tobago based on the creditworthiness of the Tobago House of Assembly. This is a historic development for all Tobagonians. [*Desk thumping*] First time ever the Central Government has approved borrowing by the Tobago House of Assembly for development.

Additionally, discussions are at an advanced stage with respect to funding in the sum of US \$16 million, which is over 100 million Trinidad dollars, to the Tobago House of Assembly from CAF to fund urgent coastal infrastructure projects, to mitigate against coastal erosion, rising sea level and related climate change issues.

Madam Speaker, beyond the direct allocation to the Tobago House of Assembly, another \$987.1 million is allocated for expenditure in Tobago by various government Ministries and statutory authorities, in keeping with their legal obligations under the Sixth Schedule of the THA Act, No. 40 of 1996. Madam Speaker, I wish to reiterate that Tobago has been adequately provisioned for in this year's budget, and it is the intention of this administration to provide the necessary support in order to accelerate Tobago's developmental momentum. This will allow Tobago to increase its contribution to national economic development and the national economic diversification plan, thereby facilitating further improvement in the standard of living and the quality of life of Tobagonians and citizen residents in Tobago. [*Desk thumping*]

I come now, Madam Speaker, to *Estimates of Revenue and Expenditure* for the fiscal year 2019 to 2020. Madam Speaker, our revenue estimates depend critically on the establishment of credible assumptions of oil and gas prices. In October 2018 oil prices surpassed \$80 per barrel, recording the highest level since

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

November 2014. However, since October 2018, and in response to geopolitical events, prices fell sharply between October 2018 and November 2018. The December 07, 2018, decision by OPEC and non-OPEC countries, including Russia, to cut their crude production led to a temporary rebound of oil prices to \$60, but prices have since dropped again to US \$52.80 as of yesterday. Natural gas spot prices declined sharply following a volatile start of the 2018 winter because of changing weather conditions. Natural gas prices thereafter moved in tandem with medium-term oil price futures, and over a 10-month period ending July 2019 the Henry Hub price of natural gas averaged US \$3.02 for a thousand cubic feet, although in July 2019 the price was trending at US \$2.37 per standard cubic feet.

Madam Speaker, I propose that the budgeted revenue for 2020 be predicated on the same oil and gas price assumptions established in the mid-year budget review. I am therefore utilizing an oil price of US \$60 and a gas price of \$3.00 per thousand standard cubic feet or MMBtu. Our assumed oil price is below the International Monetary Fund's oil price forecast of US \$63.86 per barrel for 2020, and also lower than the current oil price forecast made by the World Bank, the United States Energy Information Administration and the International Energy Agency.

For fiscal 2020 therefore, total revenue has been budgeted at \$47.749 billion, up from \$46.559 billion or \$1.190 billion from the estimated revised out-turn in 2019. Total expenditure for fiscal 2020 has been budgeted at \$53.036 billion, an increase of \$2.533 billion over the fiscal 2019 out-turn of \$50.504 billion, but significantly lower than the peak expenditure of \$62.84 billion achieved in 2014. This is a substantial reduction in expenditure from the 2014 peak level of \$62.84

UNREVISED

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

billion, and is approximately \$10 billion or 16 per cent less than the unsustainable 2014 expenditure of the previous Government. The fiscal deficit for 2020 is expected to increase marginally to \$5.287 billion or 3.1 per cent of gross domestic product, compared with a fiscal deficit of \$3.945 billion or 2.4 per cent of GDP in fiscal 2018, which was below the originally projected deficit of \$4.05 million.

Madam Speaker, based on these assumptions we are projecting:

Total revenue for 2020	\$47.749 billion
Oil revenue	\$11.004 billion
Non-oil revenue	\$35.795 million
Capital revenue	\$0.95 billion
Total expenditure net of capital repayments and sinking fund contribution	\$53.036 billion
Fiscal deficit	\$5.287 billion

Madam Speaker, despite our fiscal constraints we are increasing our expenditure for 2020 moderately with a view to ensuring that the emerging growth momentum remains with associated and beneficial social and economic impacts on all aspects of our society. Of significance is that we have maintained the level of expenditure on our capital programmes of \$5.287 billion.

Madam Speaker, the major fiscal 2020 allocations will be:

Education and training	\$7.548 billion
National security	\$6.440 billion
Health	\$6.084 billion
Public utilities	\$3.047 billion
Works and transport	\$2.956 billion
Rural development and local government	\$2.469 billion

UNREVISED

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

Housing	\$1.007 billion
Agriculture	\$0.708 billion

Madam Speaker, all available options for financing the fiscal deficit are being explored with our preferred source being the availability of non-debt creating financing. We will raise domestic financing on the capital market in a net amount equivalent to \$3.811 billion, and external financing in the net amount of \$1.476 billion.

Madam Speaker, I now come to fiscal and other measures. I start with life insurance companies, taxation reform: For some time the complexity of calculating the taxation of profits of life insurance companies has been occupying the attention of policymakers and stakeholders, including the Association of Trinidad and Tobago Insurance Companies. The taxation of long-term insurance business for an insurance company is calculated by the profits of the long-term insurance business derived from the investment of its statutory fund. In Trinidad and Tobago, we have recently reformed the legislation under which life insurance companies operate, and we have now completed the technical work relating to the taxation of life insurance companies in light of the provision in the Insurance Act 2018 that the Statutory Fund be eliminated. With the Statutory Fund no longer available as a tax basis, I propose to put in place a new methodology to replace the existing basis for taxation of life insurance companies.

4.20 p.m.

The new methodology will have a minimal marginal impact on the tax position of insurance companies. It will be simple and quickly implementable. This measure will require amendments to the Corporation Tax Act.

Life Certificates for Pensioners: Madam Speaker, the requirement to submit

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

life certificates twice a year by government pensioners and senior citizens creates an undue burden both on pensioners and the Treasury. Generally, pensioners fall into four categories: Firstly, non-nationals who have achieved citizenship while working in the public service or as a senior citizen and as such they did not possess a Trinidad and Tobago computerized birth certificate with an associated personal identification number or PIN; secondly, persons living abroad who would not have had their deaths registered in Trinidad and Tobago and as such their passing would not be known to the Treasury; thirdly, persons who have a local address but now reside abroad so that their deaths would not be registered in Trinidad and Tobago; and fourthly, persons who were born in Trinidad and Tobago and possess computerized birth certificates with associated personal identification numbers.

Madam Speaker, I propose to eliminate in the first instance the requirement for life certificates for the category of government pensioners who were born in Trinidad and Tobago and [*Desk thumping*] possess their computerized birth certificates and associated personal identification numbers. The Treasury Division has already started this process and this measure has resulted in 26,743 pensioners or 82.5 per cent of government pensioners being no longer required to submit life certificates. Let me repeat that. The Treasury Division has already started this process and this measure has resulted in 26,743 or 82.5 per cent of government pensioners being no longer required to submit life certificates. The Treasury is now taking steps to obtain the personal identification number from the residual or remaining pensioners.

I wish to announce, Madam Speaker, this measure will be extended to include recipients of senior citizens pension later in 2020, so that in 2020 the requirement for life certificates for pensioners will be eliminated. I wish to point

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

out that the total elimination of life certificates is not possible at this time as the new system involves the matching of personal identification numbers from Trinidad and Tobago national computerized birth certificate system to the Trinidad and Tobago Registry of Deaths. Accordingly, the first three categories I outlined, persons residing abroad and so on, will be required to continue to complete the life certificates on a semi-annual basis.

However, as we do this, as we eliminate life certificates for persons with Trinidad and Tobago birth certificates, appropriate legislation with suitable punishments will be enacted to identify and deal with specific offences of fraud involving these payments.

Immigration and Customs Forms: Madam Speaker, in an effort to keep up with international best practice and the ever changing world of technology, I propose to eliminate arrival forms at our airports. [*Desk thumping*] The new system will rely on advance passenger information using machine readable passports and other appropriate technology. This initiative will significantly reduce the lengthy lines at our airports as it is aimed to improve the efficiency of immigration and customs. This new policy will take effect in 2020.

Light Bulbs: Madam Speaker, in order to support the transition to LED lighting, I propose to remove all taxes and duties on LED bulbs and appurtenances. [*Desk thumping*] Let me repeat that, Madam Speaker. As we move into the modern era with the replacement of old incandescent bulbs with modern LED bulbs, I propose to remove all taxes and duties on LED bulbs and appurtenances. This will be for a five-year period in the first instance.

Solar Water Heating Equipment: Madam Speaker, I propose to increase the solar water heating equipment tax credit from its current 25 per cent to 100 per

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

cent of the cost of the solar water heating equipment [*Desk thumping*] up to a maximum of \$10,000. This initiative will benefit approximately 12,000 households and will take effect from January 01, 2020.

Energy, Exploration and Development: Madam Speaker, the capital allowance for energy companies involved in the exploration and development is currently 50 per cent for the first year, 30 per cent for the second year and 20 per cent for the third year. I propose to provide a capital allowance for exploration and development by both tangible and intangible expenditure to be computed on a straight line basis over five years, that is, at 20 per cent per year. This measure will result in significant additional revenue for the Government, will take effect on January 01, 2020.

Loss Relief: Madam Speaker, in order to increase our revenue derived from our natural resources from companies engaged in the oil and gas exploration and development, I propose a reduction in the loss relief rate from 100 per cent as it is now to 75 per cent of taxable profit. This measure will take effect on January 01, 2020.

Energy Investment Tax Credit: Madam Speaker, to boost exploration and development, I propose to increase the investment tax credit for energy companies from 20 per cent to 25 per cent to further stimulate exploration and development related investments in the energy sector. This increase will give the companies the ability to claim 25 per cent of expenditure on development activity from mature fields and enhanced oil recovery projects as a credit against a supplemental petroleum tax liability. This measure will take effect on January 01, 2020.

On the Job Training: Madam Speaker, I propose to increase stipends for OJT trainees by 10 per cent [*Desk thumping*] and to increase the intake for the

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

programme to 8,000 trainees. [*Crosstalk*] Madam Speaker, I propose to increase the OJT programme stipends by 10 per cent and to increase the intake for the programme to 8,000 trainees. [*Desk thumping*] This measure will take effect on December 01, 2019. [*Desk thumping*]

I come now to the minimum wage. [*Crosstalk*] Madam Speaker—

Mrs. Persad-Bissessar SC: \$20 please.

Hon. C. Imbert:—I propose to increase the minimum wage from \$15 to \$17.50 per hour. [*Desk thumping and crosstalk*] This measure will benefit approximately 194,000 persons in the work force and will take effect from December 01, 2019.

Madam Speaker: I assure you the Minister does not have much longer to complete and the debate will begin on the date he announces. So I will ask you all to just comply a little longer with the Standing Orders for Members who are not speaking. Minister of Finance.

Hon. C. Imbert: Let me repeat, Madam Speaker. [*Crosstalk*] So much noise over there. The minimum wage. Madam Speaker, I propose to increase the minimum wage from \$15 an hour to \$17.50 per hour. [*Desk thumping*] This measure will benefit approximately 194,000 persons in the work force and will take effect from December 01, 2019.

Personal Allowance at Airports: Madam Speaker, I propose to increase the value of personal goods that can be imported without incurring customs duties, from \$3,000 which was set in 2005, to \$5,000. [*Desk thumping*] This measure will take effect from January 01, 2020.

Incentives for the creative industries. [*Interruption*] Let me repeat that, Madam Speaker. I propose to increase the value of personal goods that can be imported without incurring customs duties from \$3,000 which was set in 2005 to

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

\$5,000. And just let me correct this, Madam Speaker, this measure will take effect from December 01, 2019. [*Desk thumping*]

Creative Industries: Madam Speaker, I propose to increase the tax allowance from \$3 million to \$6 million for the corporate sponsorship of nationals in the local fashion industry, audio, visual or video productions for the purpose of local education or local entertainment and local production companies in respect of their own productions as well as for companies which sponsor sporting activities or events or sportsmen and art and culture. I propose to increase the tax allowance for all of these things, companies that sponsor sporting activities or events, sportsmen, art and culture, audio, visual, video production, local fashion industry, I propose to increase the tax allowance from \$3 million to \$6 million. [*Desk thumping*] This measure will take effect from January 01, 2020.

Public Service Pensions: Madam Speaker, I propose to review public service pensions with a view to indexing these pensions at an appropriate level. This review will be completed in fiscal 2020. [*Desk thumping*]

Cooperative Societies: Madam Speaker, I propose to amend the Cooperative Societies Act to increase the current limit of \$5,000 imposed on the transfer of shares or interest payable to a nominated beneficiary upon death of a member, to \$50,000. [*Desk thumping*] Let me repeat that. I propose to amend the Cooperative Societies Act to increase the current limit of \$5,000 imposed on the transfer of shares or interest payable to a nominated beneficiary upon death of member, to \$50,000 from \$5,000. [*Desk thumping*] This measure will take effect from January 01, 2020. I also propose to take steps to put in place the appropriate machinery to provide for the payment of utility bills by cooperative societies and credit unions.

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

In addition, after extensive discussions with the credit union movement, we propose to create a new independent authority to govern the cooperative sector. This new entity which will be the Regulator of Financial Cooperatives and report to the Ministry of Finance—this new entity will be the Regulator of Financial Cooperatives and report to the Ministry of Finance. After the new entity is established, financial credit unions will now be able to offer banking or quasi banking services, such as the encashment of cheques and teller services. The Deposit Insurance Corporation will be required to maintain a fund to meet any emerging liabilities of the sector.

I turn now to CEPEP: Madam Speaker, I propose to increase the wages of CEPEP workers by 15 per cent. [*Desk thumping*] I also propose to increase the fees paid to CEPEP contractors by 15 per cent. [*Desk thumping*] These measures will take effect from December 01, 2019.

Unemployment Relief Programme: Madam Speaker, I propose to increase the wages of URP workers by 15 per cent. [*Desk thumping*] This measure will take effect from December 01, 2019.

4.35 p.m.

Mrs. Persad-Bissessar SC: Daily-rated workers—

Hon. C. Imbert: Madam Speaker, Daily-Paid Public Servants: [*Laughter*] Madam Speaker, presently when a daily-paid worker in the public service retires, a lump sum of money is received but no pension. This burning issue has been discussed ad infinitum by successive governments, including governments who purport to be inextricably linked to and are part and parcel of the labour movement over the last 25 years, with no result. This PNM Government intends to solve this long outstanding problem once and for all. [*Desk thumping*]

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

In order to provide economic relief and to offset the daily expenses of retired daily-paid workers going forward, I now propose that daily-paid workers in the public service with an appropriate minimum length of service be eligible for the minimum public service pension of \$3,500 per month. [*Desk thumping*] This will be a contributory pension plan similar to the contributory health plan already in force for public sector workers. Further details of this measure will be given in the finance Act in December 2019 and the new pension plan for daily-paid workers will take effect in 2020. [*Desk thumping*]

Styrofoam and Plastics: Madam Speaker, in our pursuit to attain our stated goal of placing the environment at the centre of national development—[*Crosstalk*]

Madam Speaker: Members, again, I ask you all to abide by the Standing Orders so that we can hear the rest of the budget speech. Continue, Minister.

Hon. C. Imbert: Thank you, Madam Speaker. This is the good news. **Styrofoam and Plastics:** In our pursuit to attain our stated goal of placing the environment at the centre of national development, I propose to eliminate the use of Styrofoam and single-use plastics within the national economy. As an initial step, I propose to ban the importation of Styrofoam for use in the food service industry and to require manufacturers of food containers to introduce additives to make their products bio-degradable. In order to encourage behavioural change, I propose to terminate the use of plastic water bottles in Government offices and substitute them with coolers with filters. This measure will take effect on January 01, 2020. [*Desk thumping*]

Caricom Market Exporters: Madam Speaker, the existing promotional expenses allowances allows for a maximum of 150 per cent of the amount actually expended for the purpose of creating or promoting the expansion of foreign

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

markets for the export of certain goods and services. However, this provision is not included for those countries within the Caricom region. I now propose to extend the promotional expenses allowance provision to first-time exporters into the Caricom market. [*Desk thumping*]

Agriculture: Madam Speaker, to further stimulate domestic agriculture, I propose to remove all taxes and all duties on all inputs and resources for farmers registered for agricultural purposes and to make agriculture in all its facets, including processing of local agricultural products, a tax-free industry. [*Desk thumping*] No taxes for registered farmers.

I now come to value added tax.

Hon. Member: Eliminate it.

Hon. C. Imbert: Madam Speaker, as stated previously, we inherited \$4.5 billion in VAT arrears when we assumed office in September 2015—

Mrs. Persad-Bissessar SC: How much is it now?

Hon. C. Imbert:—and in the face of very difficult economic circumstances we have struggled with this burden since then. I now propose to put in place an appropriate framework within which the value added tax was originally established to allow for the refund of VAT on a current and consistent basis. For this purpose, Madam Speaker, I propose to offer, in the first instance, \$3 billion in interest-bearing Government bonds to all eligible VAT-registered businesses to meet their VAT arrears; [*Desk thumping*] \$3 billion in interest-bearing Government bonds in the first instance. Thereafter, I would ensure that VAT refunds are put on a current basis which would lead to regular cash flows for business investment, greater economic activity and the avoidance of the evasion of the value added taxes. The new VAT bonds will have a tenor of five years and bear

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

interest at a rate of 1.5 per cent per annum. The bonds will be tradable and transferable to facilitate their use as collateral or to obtain cash to stimulate business activity. Further details of this initiative which will reduce VAT arrears by \$3 billion in the first instance will be provided in the finance Act in December 2019.

Let me repeat, Madam Speaker, the bonds—[*Crosstalk*] Madam Speaker, please, I have to—

Madam Speaker: Okay. So Members, again I remind you, you are all entitled to your right to reply at the appropriate time. Allow the Minister to finish with his speech. Minister of Finance.

Hon. C. Imbert: Thank you very much, Madam Speaker. [*Desk thumping*] I think I need to repeat this. There was too much noise. I propose to offer, in the first instance, \$3 billion in interest-bearing Government bonds to all eligible VAT-registered businesses to meet VAT arrears. [*Desk thumping*] These bonds will be tradable and transferable to facilitate their use as collateral or to obtain cash to stimulate business activity. [*Desk thumping*]

Madam Speaker, we have clearly demonstrated a capacity and competence in the management to our economy over the last 48 months. [*Desk thumping*] We inherited an economy in crisis with revenue on the decline, an unsustainable expenditure profile and losses in output. As an oil and gas economy we are aware that volatility of output and revenues from large, sudden, and unexpected changes in prices were not unexpected, but it was also the responsibility of the then UNC administration to put in place a socio-economic framework adequate to the task of confronting and minimizing such volatility in revenues and in output losses. This was not done by the UNC administration. We have done it. [*Desk thumping*]

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Madam Speaker, we understood the nature of the crisis. My first budget on October 05, 2015 established the broad parameters of a macroeconomic stability programmed aimed at bringing a structurally unsound economy into approximate balance. We have now achieved this objective through a combination of expenditure consolidation, revenue enhancement and appropriate financing. The fiscal finances of our country have been repaired and we are on a path of self-sustaining growth. [*Desk thumping*] Madam Speaker, we remain steadfast in our resolve. We have seen the positive results from the confidence-inducing policies put in place from the first budget statement of this administration. We will not be discouraged by the voices that play down the tremendous gains that we have achieved.

Madam Speaker, we recognize that building national posterity is not an exclusive domain of the Government. Our citizens must be involved. They cannot be mere spectators with strong opinions. We have brought them into the process for adjusting the economy to the new reality of lower oil and gas prices. Our exemplary record over the past 48 months could now stand the test of public scrutiny. We entered office with plans and programmes outlined in our Manifesto. We strengthened and expanded these plans and programmes in the context of our appraisal of the existing economic and financial conditions. We conceptualized and implemented a range of activities, bearing in mind the short-term horizon for the materialization of these activities.

Madam Speaker, our score card includes prudent economic management [*Desk thumping*] which has allowed us to repair our fiscal accounts through the process of a macroeconomic stabilization programme. The high level of expenditure which peaked in 2014 at \$62.84 billion has been brought down to a

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

level of \$50.5 billion in 2019. [*Desk thumping*] The CL Financial Clico fiasco has been resolved. National Insurance and old age pensions were increased in December 2015 and the cap on joint pensions received by retirees in respect of national insurance and old age pensions increased to \$5,000 and further increased in 2018 to a maximum of \$6,000, benefiting more than 100,000 recipients.

Personal deductions for tax purposes were effected in 2016 when the tax exemption limit—[*Crosstalk*] Let me repeat, Madam Speaker. There is a drone over here. Actually, Madam Speaker, let me ask again—

Madam Speaker: Members, I know some of us might be very excited to provide information, but, again I remind—and maybe we are not aware of how loudly we are speaking in our excitement and passion, but I think some people really need to check their volumes. Minister of Finance.

Hon. C. Imbert: Thank you, Madam Speaker. Personal deductions for tax purposes were effected in 2016 by this Government when the tax exemption limit was increased from \$60,000 to \$72,000. All persons earning \$6,000 per month or less are now exempt from tax. Public service pensions were reformed in 2019 with public servants immediately upon retirement receiving the minimum pension of \$3,500 per month. A total of 15,000 public servants are now benefiting from this reform. The social safety net has been made efficient through applied screening and is benefiting 194,854 individuals who receive food cards, disability grants, public assistance grants and senior citizens pensions.

Tertiary education is being facilitated with the tax allowance for tertiary education expenses increased in 2019 from \$60,000 to \$72,000.

The stamp duty threshold for residential property was increased in 2019 from \$850,000 to \$1.5 million.

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

Madam Speaker, the agriculture sector is now tax-free.

The Petroleum Company of Trinidad and Tobago was reformed in 2019 and is now making much more efficient the Government role in the energy sector, and most importantly, paying taxes to the Treasury.

Manufacturing is being promoted by the foreign exchange facility which was put in place in 2019 at the Eximbank. The maritime sector is being strengthened with foreign yacht repair services, becoming a VAT exempt service in 2017, thereby making our yacht repair and yacht maintenance sector as competitive as possible.

The tourism sector is being made much more competitive with the identification of a first-class, vertically integrated travel and hospitality conglomerate to manage and operate the Magdalena Grand Beach & Golf Resort in Tobago.

The sea bridge has been put on a sound and secure basis, being serviced by the *Galleons Passage*, the *TT Spirit*, the *Cabo Star*, [*Desk thumping*] the *Jean de la Valette*, soon to be joined by two brand new fast ferries from Australia.

Health care is being increasingly improved with the 2019 opening of the Couva Medical and Multi-Training Facility. Moreover, the surrounding the communities of Sangre Grande, Arima, Point Fortin and Diego Martin will access state-of-the-art services when those hospitals are commissioned. Arima, before the end of 2019; Point Fortin in January 2020; Diego Martin in October 2020 and Sangre Grande in November 2021. [*Desk thumping*]

The San Fernando/Point Fortin Highway would be completed at the end of 2020 and by August 2020 motorists along the Mosquito Creek Highway will begin to use the elevated roadway and no longer would be faced with perennial flooding

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

and traffic nightmares. [*Desk thumping*] The Valencia to Toco Highway has moved from design to implementation. The Churchill Roosevelt Highway [*Desk thumping*] expansion to Manzanilla will be completed in 2022. [*Desk thumping*]

Walkovers are being constructed, with Sea Lots already available and the water taxi pedestrian in Port of Spain and the walkover in Diego Martin, soon to be commissioned. [*Desk thumping*]

4.50 p.m.

The Curepe interchange will be commissioned in the first quarter of 2020. Several police stations are being commissioned: the Shirvan Police Station is already operational, Roxborough will be completed in December 2019, St. Clair in 2020, and Carenage in 2020.

The coastlines are being protected from climate change with coastal protection works. Quinam Beach was reopened in December 2018, Cap-de-Ville and Magdalena Grand Beach & Golf Resort will be completed in 2020.

Heritage buildings are being restored. Stollmeyer's Castle was opened in 2018, Whitehall was occupied on September 04, 2019 with the Red House and the President's House being completed and ready for occupation in early 2020.

The Toco Port is in an advanced designed stage.

The Phoenix Park Industrial Estate in Couva is scheduled to be operational in September 2020.

The Moruga Fishing Port would have the landslip facility in 2021 and the marine facility in 2023.

The Moruga Agro-Processing and Light Industrial Estate will be commissioned early in 2020.

Appropriation (Financial Year 2020)
 Bill, 2019 (cont'd)
 Hon. C. Imbert (cont'd)

2019.10.07

The Magdalena Grand Beach & Golf Resort will soon be managed by a world-class operator.

The Maracas Bay improvement project has been completed.

The new terminal at the ANR Robinson International Airport in Tobago will be commissioned in early 2021. [*Desk thumping*]

The National Investment Fund made its highly successful \$4 billion corporate bond issue in 2018.

The Office of the Procurement Regulator will become fully operational in 2020.

Border security is being strengthened with the addition to the coast guard fleet of two Cape-class patrol boats which will arrive in 2020.

The Diego Martin Sporting Complex was opened in 2019.

The Carenage Fishing Facility was commissioned in 2018.

The San Fernando Waterfront is being completed in three phases, with phase one being completed in 2021. [*Desk thumping*]

Fifteen community centres are at an advanced stage of completion.

And that is just the tip of the iceberg, Madam Speaker. [*Desk thumping*]
 That is just scratching the surface. [*Desk thumping*]

Madam Speaker—[*Interruption*]

Mr. Charles: Madam Speaker, would you allow Standing Order 77, tedious repetition? [*Crosstalk*]

Hon. Members: Great is de PNM! Great is de PNM!

Madam Speaker: Order! Order! Order! Member for Naparima, I almost thought you were joining in the chorus. [*Laughter and desk thumping*]

Hon. C. Imbert: Madam Speaker—[*Interruption*]

Madam Speaker: Order!

Hon. C. Imbert: Thank you, Madam Speaker. Madam Speaker, we have achieved our manifesto promises. We are ensuring that our citizens live and function in a generally conducive and an attractive environment. We had 48 months to plan, design and implement our programmes and policies. Our record shows that we have been highly successful by any standards of assessment:

- We are improving lives by rolling out infrastructure;
- We are opening economic spaces through new highways and first-class roadways;
- We are providing affordable housing;
- We are delivering quality health care;
- We are ensuring that our children are able to take their rightful places in its society in a responsible manner through early childhood, primary, secondary and tertiary education opportunities;
- We are providing space for the private sector to play its leading role in our economic development;
- We are providing support to the most vulnerable groups in the society.

Madam Speaker, this is the right policy, and the right direction for building a secure and prosperous future for our citizens under conditions of economic stability, sustainability and growth dynamics. [*Desk thumping*]

In my last budget statement, I ended with the words of a well-known song sung by Frank Sinatra, to illustrate the progress we have made using our own carefully thought-out adjustment measures without foreign intervention. [*Desk thumping*] I made the point then that we had stabilized and put the economy on a growth path our way. [*Desk thumping*] Permit me now to utilize a quote from

Appropriation (Financial Year 2020)
Bill, 2019 (cont'd)
Hon. C. Imbert (cont'd)

2019.10.07

another maestro, Bob Marley, “Some people feel the rain, others just get wet”, which means that it is our experiences that mould us and the outcome depends on how we deal with difficulties. And so, to paraphrase the words of that immortal musical genius, we in the PNM will continue to get up and stand up for what is right. [*Desk thumping*]

Madam Speaker, I beg to move. [*Desk thumping*]

Madam Speaker: Now, there is so much noise I am not sure about the procedure, so I will allow you just to finish.

Hon. C. Imbert: Madam Speaker, I will just say that I beg to move. I will repeat that I beg to move.

Madam Speaker, in accordance with Standing Order 81(4), I wish to advise that the debate on the budget will resume on Friday, October 11, 2019, at 10.00 a.m.

ADJOURNMENT

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, I beg to move that this House do now adjourn to Friday, October 11, 2019 at 10.00 a.m.

Madam Speaker: Hon. Members, before putting the question on the adjournment, I am to advise that your budget packages are available for collection at the J. Hamilton Maurice Room located adjacent to this Chamber.

Elimination of Single-Use Plastics

Madam Speaker: And I wish to crave your indulgence just a little longer and to advise that on Friday last I wrote to the Leader of the House and the Opposition Whip informing of the Parliament’s latest initiative to advance its efforts to care for and respect our environment by the elimination of single-use plastics. It seems

Elimination of Single-Use Plastics (cont'd)
Madam Speaker (cont'd)

2019.10.07

that the Parliament must have anticipated, at least in part, the budgetary measures of the Minister of Finance.

As hon. Members may be aware, in harmony with SWMCOL's Public Sector Recycling Programme, and the EMA's iCare Programme, the Parliament has been promoting recycling in the workplace and has been engaged in a number of initiatives to improve its recycling habits. However, the aim has been and remains to achieve overall waste reduction. Consequently, hon. Members, single-use plastics will no longer be utilized in the Chamber and the offices of the Parliament. This initiative is in harmony with the United Nations Sustainable Development Goals and the National Development Strategy which was laid before this very House.

Hon. Members, you must have noted the absence of bottle water on your desk. This has been substituted by water dispensers providing filtered reverse osmosis purified water, which have been installed outside the Chamber for your convenience. Hon. Members, you may refresh yourselves at the water dispensers or you may fill up the glass tumblers which have been placed on your desks as often as you may desire. You need only to take a short walk outside the Chamber. And on a lighter note, this facility may also obviate the invitation, which in the past has been offered to hon. Members, to take a walk and return. [*Laughter*]

These changes have already been introduced to the staff offices and I therefore expect that hon. Members would eagerly embrace this initiative. In anticipation, I thank all hon. Members and staff for their cooperation.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 4.59 p.m.