

HOUSE OF REPRESENTATIVES

Wednesday, January 19, 2022

The House met at 1.30 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Speaker: Hon. Members, I have received communications from Dr. Lackram Bodoë, MP, Member for Fyzabad, who has requested leave of absence for the period January 17 to 21, 2022; Ms. Anita Haynes, MP, Member for Tabaquite and Mr. Dinesh Rambally, MP, Member for Chaguanas West who have requested leave of absence from today's sitting of the House. The leave which the Members seek is granted.

VISITORS**PRESIDING OFFICER AND DELEGATION
(Tobago House of Assembly Legislature)**

Madam Speaker: Hon. Members, please be advised that the Presiding Officer of the Tobago House of Assembly Legislature, Ms. Abby Taylor and a delegation comprising the Deputy Presiding Officer, Mr. Joel Sampson and Mr. Marcus Woods, Project and Information Technology Manager are present in the Chamber for today's House proceedings. Please join me in welcoming the delegation.

Hon. Members: [*Desk thumping*]

**NATIONAL ACADEMY FOR THE PERFORMING ARTS
BILL, 2022**

Bill to provide for the establishment of the National Academy for the Performing Arts and for the management and control thereof and for related matters, brought from the Senate [*The Minister of Tourism, Culture and the Arts*]; read the first time.

UNREVISED

**SOUTHERN ACADEMY FOR THE PERFORMING ARTS
BILL, 2022**

Bill to provide for the establishment of the Southern Academy for the Performing Arts and for the management and control thereof and for related matters, brought from the Senate [*The Minister of Tourism, Culture and the Arts*]; read the first time.

PRIME MINISTER'S QUESTIONS

**Children Orphaned Due to COVID-19
(Initiatives to Address)**

Ms. Vandana Mohit (*Chaguanas East*): Thank you, Madam Speaker. Will the Prime Minister inform the House what new initiatives have been generated to address the emerging crisis affecting scores of vulnerable children who have lost their parents or guardians through the COVID-19 virus over the last two years?

The Prime Minister (Hon. Dr. Keith Rowley): Thank you very much, Madam Speaker. Madam Speaker, this clearly is the season of exaggeration. However, I simply want to state that there is no emerging crisis as described and the Government is not aware of scores of children in the situation. What we do know that there are instances where children would have lost parents. But in such situations, Madam Speaker, there are provisions in a Ministry specifically for family services, because the first line of defence in their situation is the family, if a child has lost his or her parent. If the family finds itself in a situation where it is unable, demonstrably unable to treat with the responsibility that falls on that family, then the Ministry of Social Development and Family Services will step in and is provided with certain resources to assist such families, Madam Speaker. And that is how this situation is being dealt with.

In the event that it goes even further where a child is in the realm of an abandonment as implied in this situation then of course we also have the

Children's Authority to ensure that that is not a prevailing circumstance, Madam Speaker. We are not without structure.

Madam Speaker: Member for Chaguanas East.

Ms. Mohit: Thank you, Madam Speaker. Madam Speaker, given the Prime Minister's response and given the unexpected losses faced by vulnerable families where breadwinners would have passed from COVID-19 leaving children behind, can the Prime Minister indicate whether the Government has embarked on, will be embarking on a data collection drive as the impact of the COVID-19 pandemic on family income streams in particular?

Hon. Dr. K. Rowley: Madam Speaker, all aspects of the effect of the pandemic, and not only on children, but in every single area where the pandemic has impacted lives and livelihoods would be subject to review and monitoring and extracting of information to assist in the national community being guided, governed and maintaining some semblance of order with respect to how we respond to COVID even as the pandemic is still raging.

Madam Speaker: Member for Chaguanas East.

Ms. Mohit: Madam Speaker, thank you again. Madam Speaker, given the fact and given the response of the Prime Minister, in the event that there may be increasing situations as such, and based on the recent announcement by the Ministry of Social Development and Family Services on the review of grants, can the Prime Minister indicate whether specifically the public assistance and food support grants will be available to families who are in situations as these which may be increasing?

Madam Speaker: Prime Minister.

Hon. Dr. K. Rowley: Madam Speaker, there are statements made by the Minister with respect to fraudulent activity in the programme of support for the public in this way should bring comfort to the Member because what that does is ensuring

that the help that is available gets to persons who need that help and in the event that the Ministry is able to reduce or eliminate fraudulent conduct, it leaves more resources for those who are in need. And, yes, if the circumstances develop where this issue becomes an issue requiring the Government's intervention, then the Government would most certainly ensure that there is help from the public purse and that is why there is a Ministry of family services because this problem will become a family issue first and foremost.

**Port of Spain General Hospital
(Update on the Central Block)**

Dr. Rishad Seecheran (*Caroni East*): Thank you, Madam Speaker. Will the Prime Minister give an update on the state of construction of the central block of the Port of Spain General Hospital?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, as a result of issues related to the COVID-19 pandemic, not the least of which is the global supply chain issues that we are all familiar with and the local health responses which resulted in successive shutdowns of construction, the UDeCOTT and the contractors are dealing with a number of issues and differences which have arisen on this project. There are discussions and negotiations on the way and those should see some sort of resolution to the challenges that arose as a result of what I just mentioned. And I could say at this stage that there has been some loss of time on the project and what is being discussed now is the impact of that on the costings and the progress as we go forward.

Madam Speaker: Member for Oropouche East.

Dr. Moonilal: Thank you very much, Madam Speaker. Prime Minister, in light of your answer, could you confirm whether or not Shanghai Construction has indeed terminated the contract with UDeCOTT and the Government for the construction of this pride project, the Port of Spain Hospital Central Block?

Hon. Dr. K. Rowley: I am aware that some threats were laid, but I am not sure whether in fact the threats were carried out. The contractor was threatening to terminate and UDeCOTT had no difficulty with that because UDeCOTT is protected by contractual arrangements. However, I do know that there are ongoing discussions between UDeCOTT and the contractor. And I am not sure whether the threat or the issuance of a letter of termination is closing those discussions that are on the way.

Madam Speaker: Member for Oropouche East.

Dr. Moonilal: Thank you very much. Prime Minister, could you indicate what percentage of this project has been completed prior to the threats being made?

Hon. Dr. K. Rowley: No, I could not at this stage, but if the appropriate notice is given in the appropriate time you can get very accurate information on that.

Madam Speaker: Member for Oropouche East.

Dr. Moonilal: Prime Minister, would you be in a position to say the quantum of moneys owed to Shanghai Construction arising from these threats?

Hon. Dr. K. Rowley: If what you are implying is the claim that the contractor is making for payments I am saying that it is that kind of involvement that is generating the issue between UDeCOTT and the contractor. If you are asking as to what has been paid under the contract at face value then I am not in a position to tell you that now but with notice you can get that information.

Madam Speaker: Member for Oropouche East.

Dr. Moonilal: Thank you very much. Prime Minister, this is harder than pulling teeth, but could you indicate whether or not those threats also revolve around ongoing issues of mismanagement by the on-site project management company.

Madam Speaker: Prime Minister.

Hon. Dr. K. Rowley: I have no such information and therefore I cannot assist the Member on that score.

**Mandatory Vaccination and “Quasi-Safe Zone”
(Timeline of Proposed Legislation)**

Mr. Rudranath Indarsingh (*Couva South*): Thank you very much, Madam Speaker. Will the Prime Minister indicate a timeline to bring legislation to the House to effect Government's stated intention of implementing mandatory vaccination and “quasi-safe zone” status in the public service?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, the Government has not stated any intention of implementing mandatory vaccination. That phrase is an interpretation of my colleague from Couva South and others and that of course they are free to do. The Government, through statements made by me as Prime Minister, has publicly stated that the Government is engaging in ongoing consultation with respect to creating safe zones or quasi-safe zones and that assignment has been put into the hands of the Attorney General's Office for the necessary legislation to be structured so that there could be legal authority for any such development in the public and private sector.

And, Madam Speaker, I have also stated, publicly, that this matter which was initially supposed to have come to a head on the 17th of January, a month's extension has been granted to the Attorney General's Office and we indicated only late last Saturday, publicly, that we are looking towards the middle of February to have the Parliament involve in any such matter. But, Madam Speaker, it is an evolving situation and we will ensure that we stay on track.

Madam Speaker: Member for Couva South.

Mr. Indarsingh: Prime Minister, could you inform this House if the Government has a written policy which will be shared by all stakeholders and be laid formally

in this Parliament in the context of this quasi-safe zone, because your interpretation is that there is no mandatory vaccination from the Government.

Hon. Dr. K. Rowley: Madam Speaker, the Government's management of COVID-19 in all its forms and fashion are subject to the documentation that goes to the Cabinet and that Cabinet shares with the Parliament as and when is necessary and required, and the policy with respect to the creation of safe zones had been outlined by this Government and form part of that documentation.

Madam Speaker: Member for Oropouche East.

Dr. Moonilal: Thank you very much. Prime Minister, in light of the answer to the main question, would you indicate whether or not it is the intention of the Government to consult with the labour movement and other relevant stakeholders on any legislation, policy or programme to implement this quasi-safe zone.

Hon. Dr. K. Rowley: Madam Speaker, at the very onset when this matter was raised publicly, the answer to that question can be found in the fact that this matter was placed in the Office of the Attorney General for the express purpose of consulting with all stakeholders, not the least of whom is the labour movement. And I am advised that those consultations have taken place, are taking place, will take place with the Attorney General's Office being involved. Some persons have participated, others have not, but the door to consultation remains open and they will take place as they emerge.

In fact, Madam Speaker, only last week I spoke publicly about documentation written from labour to the Office of the Attorney General, to the Prime Minister, where matters are ongoing, so consultation is an integral part of the process. It does not necessarily mean that agreement is guaranteed but certainly consultation is available.

Madam Speaker: Member for Couva South.

Mr. Indarsingh: Prime Minister, can you give this House an undertaking that whatever legislation comes before this Parliament of Trinidad and Tobago, that public sector workers will not be illegally locked out by the Government of Trinidad and Tobago.

Hon. Dr. K. Rowley: I have no idea what you are talking about because nobody is threatening to illegally lock out anybody.

Madam Speaker: Member for Caroni Central.

**Investigation into Clinical Outcomes of COVID-19
(Remuneration for Committee Members)**

Mr. Arnold Ram (*Caroni Central*): Thank you, Madam Speaker. To the Prime Minister, through you, Madam Speaker. Will the Prime Minister inform this House of the remuneration for members of the Committee recently—

Madam Speaker: No, no.

Hon. Members: [*Crosstalk*]

Madam Speaker: Yes, I thought it was a supplemental.

Mr. Ram: Okay, sorry.

Madam Speaker: Sorry. Member for Oropouche East.

**Mandatory Vaccination and “Quasi-Safe Zone”
(Timeline of Proposed Legislation)**

Dr. Moonilal: Thank you very much. Prime Minister, before moving away from this matter, could you just for the benefit of the national community define what you as head of government understand by “quasi safe zone”?

Madam Speaker: Prime Minister.

Hon. Dr. K. Rowley: Madam Speaker, the entire country and I dare say the world is under threat through the presence of an invisible microbe that is hurting, killing people, destroying economies and requiring the attention of all the human population. In Trinidad and Tobago, our very latest position is that we are heavily

under the Lambda variant—the Delta variant and in fact we are also experiencing the community presence of the Micron variant.

With respect to continuing our economic activity to ensure that we have livelihoods, to ensure that there is manufacturing, to ensure that there is socialization, to ensuring that we are understanding that we are living with the virus, we are also saying, Madam Speaker, that there are things that we can do to create some areas that are safer than other areas in the country. It is in that context that certain activities are allowed under certain conditions because those conditions would be relatively safer than the very open society.

And that is why, Madam Speaker, we have indicated that the vaccination benefits allow certain things to take place by the vaccinated while we encourage the unvaccinated to become vaccinated to participate in those benefits. In that context, Madam Speaker, we speak about safe zones or quasi-safe zones, meaning, that some areas are better protected than others.

Hon. Members: [*Desk thumping*]

Madam Speaker: Member for Couva South, Question No. 4.

**Nurses Employed on Contract
(Status of Tenure)**

Mr. Rudranath Indarsingh (*Couva South*): To the Prime Minister: Will the Prime Minister inform this House of the status of the commitment given by the Minister of Finance for the fiscal year 2022, in which he indicated that the security of tenure of nurses employed on contract in the various Regional Health Authorities would be investigated and finalised by the end of December, 2021?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, this matter is being actively worked upon by the Ministry of Finance and the Ministry of Health. The issue is the inclusion of these nurses in the RHA, the Ministry of Health pension plan. I think that was mentioned by the Minister of Finance at the time

mentioned by my colleague from Couva South. The number of persons has been established at 3,400 and the cost to the Government of including them in the pension plan currently estimated at being an additional \$70million is being finalized and provision is being made for the required increase allocation at the Ministry of Health so as to facilitate the enrolment as permanent employees in the Ministry of Health. The arrangements for the management of the pension fund are also being looked at to find ways and means of improving the return on investments of this pension fund. It is expected that these matters will be sorted out in the not-too-distant future because they are attracting the ongoing attention with the Government as I have described.

Madam Speaker: Member for Couva South.

Mr. Indarsingh: Prime Minister, could you inform this House based on what you have just revealed if this information has been formally shared with the Trinidad and Tobago Registered Nurses Association via what we would call bilateral meeting?

Hon. Dr. K. Rowley: That question, Madam Speaker, is a question that I could find out from the Minister of Health as part of the operation in the Ministry of Health and the Ministry of Finance. But as I said, Madam Speaker, the two Ministries are working on it as I have described, whether they have transmitted that information to the union, I do not have that information but I am pretty sure that if they have not done so already it is imminent.

**Investigation into Clinical Outcomes of COVID-19
(Remuneration for Committee Members)**

Mr. Arnold Ram (*Caroni Central*): Will the Prime Minister inform this House of the remuneration for members of the committee recently appointed to investigate the factors contributing to clinical outcomes of COVID-19 patients?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, I wish to advise the Member for Barataria—

Hon. Member: Caroni Central.

Hon. Dr. K. Rowley:—Caroni Central, that there are still people in Trinidad and Tobago who will do public service for love of country. And it is not every assignment that someone is asked to do that the major concern is about how much they are paid. As at this moment I am not aware that there is any charge. With the event that it arises and a stipend is to be paid, the Government will happily pay it for the services that anticipate that they will provide.

Madam Speaker: Member for Caroni Central.

Mr. Ram: To the Prime Minister, through you, Madam. Given that there are over 3,000 deaths, COVID-19 deaths, will one week be sufficient for this committee to do justice to what is required in this case?

Hon. Dr. K. Rowley: Madam Speaker, given the assignment, given the assignment that the Government has placed before these officers, it is reasonable to think that they can do it in the time frame. But I was careful to say if they need additional time that time will be provided. There are other people including our friends in this House who have been broadening the assignment to all kinds of things and of course if that was the initial assignment then of course one week will not be enough. We are concerned with the terms of reference that we have given and in the event that they are unable to do that in one week and they need additional time then that time will be available to them.

Madam Speaker: Member for Caroni Central.

Mr. Ram: Can the Prime Minister give this House and the population an assurance that whatever report is generated from this committee it will not end up like the Road Map to Recovery Report?

Hon. Dr. K. Rowley: Not end up like what?

Mr. Ram: Road Map to Recovery Report.

Hon. Dr. K. Rowley: Madam Speaker, I do not want to respond to that. But I simply want to say that at the mention of the existence of this committee, I committed to the national population to make the report of those officers available immediately, an unabridged version, regardless of what the report contains. Because this report, Madam Speaker, will not be the political broomstick that they are talking about. It is simply a report where professionals will look at other professionals' protocol and conduct to determine whether in fact Trinidad and Tobago is benefiting from best practice within the walls of the hospital.

And one of the reason, Madam Speaker, why I had to do that is because these same colleagues of mine in this House and their friends outside were demanding that the Government make decisions inside the hospitals, decisions which are the preserve of the professionals and the professionals only. And I appointed this committee through the authority of the Government so that the population can know that what is happening inside the hospital is best practice and fit for purpose arrangements. Nothing else.

Madam Speaker: Member for Couva South. You no longer—?

Mr. Indarsingh: No.

Madam Speaker: Member for Caroni Central, Question No. 6.

**WASA and TSTT
(Details of Proposed Restructuring)**

Mr. Arnold Ram (*Caroni Central*): Madam Speaker, will the Prime Minister inform the House of any proposed restructuring at both Water and Sewerage Authority and the Telecommunications Services of Trinidad and Tobago and the implications of same for workers' job security?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, with respect to WASA, the Cabinet subcommittee that was appointed to examine the recommendations contained in the 2020 subcommittee report where the transformation of the Water and Sewerage Authority continues to work with the board of commissioners on the finalization of a transformation plan for the authority. The documents exist and are being worked upon, that is on the way.

With respect to TSTT, Madam Speaker, I understand that on January 17, 2022, TSTT wrote to its employees' representative inviting them to consultations regarding restructuring of TSTT and refinement of the business operating model. Like other companies in Trinidad and Tobago, TSTT has been significantly impacted by the economic conditions brought on by the COVID-19 pandemic. This, coupled with increased consumer adoption of digital applications like WhatsApp and the utilization of communication platforms like Zoom, has seen the steady erosion of traditional voice revenue. In Trinidad and Tobago fixed voice calling in terms of minutes and calls have declined by 50 per cent over the past 10 years and mobile voice calling has declined by 20 per cent in the same period according to the annual TATT market reports. No final determination or decision has yet been made regarding the proposed restructuring. The company has commenced consultation process with the recognized majority unions and that process is ongoing. The Government cannot say anything more at this time that can prejudice the outcome of these decisions but to implore all concerned to act in the best interest of the organization, the customers and citizens of Trinidad and Tobago.

Madam Speaker: Member for Couva South, Question No. 7.

**Trade Unions Salary Negotiations
(Status Report)**

Mr. Rudranath Indarsingh (*Couva South*): Thank you. Will the Prime Minister provide this House with a status report on the Government's commitment to commence salary negotiations with the representative trade unions?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, the cost of wage increases in the public sector has been calculated by the CPO's office and a submission will be made by the Minister of Finance to Cabinet by the end of this month. It is expected therefore that negotiations can properly commence by March 2022. It is also to be noted, Madam Speaker, that throughout the period of economic decline followed by the two years of pandemic emergency and these emergency spendings, the Government has maintained the payment of all public servants on time without termination or reduction of remunerations. This has been made possible to the judicious use of overdraft borrowings and withdrawals from the Heritage and Stabilisation Fund. And it is against that background, Madam Speaker, that negotiation for wage increases are to be seen but the negotiations will take place, will continue and we hope to come to an amicable conclusion, Madam Speaker.

Madam Speaker: Member for Couva South.

Mr. Indarsingh: Prime Minister, given the recent increases in butter and cheese and milk and chicken and so on, and that workers in the public sector and state enterprises are working on 2012 to 2014 salaries, could you inform this House how many negotiations are outstanding and to be settled?

Hon. Dr. K. Rowley: Madam Speaker, I am sure that my colleague from Couva South knows that if he wants an answer to that question, he has to give me notice. He cannot give me 20 minutes notice and expect me to answer that. If you really want an answer to that question, file the question with the appropriate notice and you will get a fulsome answer.

Mr. Indarsingh: And, Prime Minister, if you had any care and concern for the workers—

Madam Speaker: Member.

Hon. Members: [*Crosstalk*]

Mr. Indarsingh:—of Trinidad and Tobago you would be—

Madam Speaker: Member—

Mr. Indarsingh:—aware of the number of negotiations to be settled.

Madam Speaker: Member for Couva South, Member for Couva South, you well know that is not permitted. So just withdraw your statement and ask a question.

Mr. Indarsingh: I withdraw, Madam Speaker, but the Prime Minister must display clear—

Hon. Members: [*Crosstalk*]

Madam Speaker: But, but—

Mr. Indarsingh:—and care for people.

Madam Speaker: But Member for Couva South, you well know when you withdraw, it is, you know, not conditional. So just withdraw, if you have a question you could ask the question and we proceed.

Mr. Indarsingh: I withdraw, Madam Speaker.

Madam Speaker: Thank you so much. Member for Pointe-a-Pierre.

**Carnival 2022
(Definitive Date)**

Mr. David Lee (Pointe-a-Pierre): Thank you, Madam Speaker. To the Prime Minister: Will the Prime Minister provide to the House a definitive date when a decision would be made on Carnival 2022 to allow operators, promoters, and all stakeholders to be able to properly plan for said event?

2.00 p.m.

Madam Speaker: Prime Minister.

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, I addressed this matter last Saturday indicating that we have waited for as long as we could with respect to consideration as to what or whether there will be Carnival, or what Carnival would be like until the middle of January. However, I indicated that there are public health protocols enforced that will remain enforced across Carnival, and any Carnival like activity will be governed by those protocols. And I indicated, Madam Speaker, that that being so, there will be some kind of Carnival activity which is to be agreed upon by the Carnival fraternity largely through the guidance of the NCC, the Ministry of Tourism, Culture and the Arts, and whatever they come up with, Madam Speaker, for the Carnival season of 2022, must be done within the context of the existing health protocols.

So there is no further announcement to be made, Madam Speaker. Those are the conditions for Carnival-like activities. And I went further even before we finalize what that could be, to indicate that there certain Carnival activities which will not be permitted simply because they are obviously at variance with the requirements of the pandemic response of 2022. So, Madam Speaker, I can say no more at this time.

Madam Speaker: Member for Naparima.

**“Use of Force” Policy re Tear Gas
(Crowd Control Measure)**

Mr. Rodney Charles (Naparima): Thank you, Madam Speaker. Will the Prime Minister inform the House if there exists a “Use of Force” policy which includes the use of tear gas as a crowd control measure?

Madam Speaker: Prime Minister.

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, if the Member for Naparima was serious about this question, he would have known that in the police service there is and has been for the longest while a Use of Force Policy,

which includes the use of tear gas as a crowd control measure. Madam Speaker, Trinidad and Tobago Police Service Departmental Order, 126 of 2019, includes the Use of Force Policy addressing gasless lethal force of tear gas by Guard and Emergency Branch. The Member must know that, and the Member knows that, and he is just seeking to engage in misinformation and mischief.

Hon. Members: [*Desk thumping*]

Madam Speaker: Member for Naparima.

Mr. Charles: Could the Prime Minister tell us that—if this policy takes into consideration the presence of young children, elderly, and passers-by before it is used?

Hon. Members: [*Desk thumping*]

Madam Speaker: Prime Minister.

Hon. Dr. K. Rowley: Madam Speaker, I do not know of any young children who find themselves making decisions to go out and break the law causing police to fire tear gas at them.

Hon. Members: [*Desk thumping*]

Hon. Dr. K. Rowley: If you are concerned about young children that you have, you as a parent must be concerned of not putting your young children in harm's way.

Hon. Members: [*Desk thumping*]

Madam Speaker: Hon. Members, the time for prime ministerial questions is now spent.

TRINIDAD AND TOBAGO SPECIAL ECONOMIC ZONES BILL, 2021

Order for second reading read.

Madam Speaker: Minister of Trade and Industry. Hon. Minister, your speaking time is 30 minutes.

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon):

Thank you very much. Madam Speaker, I beg to move:

That a Bill to provide for the designation, development, operation and management of Special Economic Zones, the establishment of the Special Economic Zones Authority, the repeal of the Free Zones Act, Chap. 81:07 and the regulation of Special Economic Zones and matters related thereto, be now read a second time.

And, Madam Speaker, as I proceed to pilot the Special Economic Zones Bill, allow me the opportunity to provide a brief background and the justification for it, and the benefits of this proposed new regime which represents a transformational shift in how economic spaces are governed and developed. And the Bill that is before us today is intended to replace the free zone legislation and to create this new special economic zone regime for Trinidad and Tobago. It is a very progressive and necessary move by the Government, not only just to modernize and create a more internationally competitive and attractive investment climate, but also to allow us to meet our international obligations.

So the rationale for the Bill is two-fold: one, achieving the national development agenda; and two, meeting our international obligations. And while the pillars of our national development strategy, *Vision 2030*, is building competitive business and that encompasses a number of initiatives: further diversifying the economy; establishment of centres of excellence and technology parks; development of new and enhanced suite of incentives; development of existing economic sectors; and support to new and emerging sectors as well. This legislation will also assist Trinidad and Tobago to meet its international obligations as a member of the OECD/G20 Base Erosion and Profit Shifting Inclusive Framework.

The Bill provides a legislative framework for our licensing regime. Essentially that is what it is, a licensing regime for operators, special economic zone enterprises, and single zone enterprises. So that the new institutional framework would comprise the SEZ authority, the special economic zone authority which will be responsible for the physical development and management—sorry, with very clear functions and powers as set out in clauses 5 and 6, and basically the authority would be a regulator. The SEZ operators will be responsible for the physical development and management of zones. In other words, they would be a landlord. SEZ enterprises are going to be those businesses that operate within a zone, and therefore, they are tenant-like in operation.

There is also to be the single zone enterprises which are separate and distinct enterprises not existing within an operator's place, but clearly a business which will be allowed any of the permitted economic activities that are set out in Schedule 3 of the Bill. So essentially the single zone enterprises will be standalone entities. So an operator can be private, public, or it can be a public/private partnership. And from a policy standpoint, the Bill seeks to allow a wide range of persons to invest and participate in the development of zones as an operator, and any person seeking to become an operator will have to meet the eligibility criteria at Schedule 4 as well as satisfy the detailed financial and other criteria at clause 35, also having to complete a risk assessment that covers anti-money laundering, counter financing of terrorism, financing the proliferation of weapons of mass destruction. So the AML/CFT/PF requirements are there.

Madam Speaker, Trinidad and Tobago's current free zones programme was established more than 30 years ago in 1988. It is outdated. And it was designed to have export oriented non-energy activities, and that enabled then, the legislation enabled the creation of this Trinidad and Tobago free zone company which

currently regulates all the free zones and free zones enterprises in this country. Over the years, we have been working—this is the current administration—has been working with local and international players to really review the effectiveness of investment promotion and these existing economic zones in Trinidad and Tobago. And our technical review has shown that our existing free zones have played an insufficient role in growing and diversifying the economy because of several factors: one, an ineffective policy framework, and by that I mean the development, the promotion, and the management of these free zones are not driven by a very clear, modern, up to date, overarching policy or strategy which will give a road map to guide medium and long-term plans to build the capacity of these zones and attract foreign and domestic investment.

Also, it is underpinned by a very weak legal and regulatory framework, in that it really does not support in its current construct a very modern regime, or the weak institutional framework as well. Because approvals from the current Trinidad and Tobago Free Zone Company can be cumbersome and there is very little expertise, and development, and management of the modern SEZs. So that, Madam Speaker, currently there are about 15 free zone enterprises that are operational, and, quite frankly, the existing regime has not lived up to expectations and the Government has no difficulty in saying so. It is our solemn responsibility to make sure that what is not working well is fixed, and this is what this Bill is about.

Looking at the global perspective, Madam Speaker, you will appreciate the needs of the local, the regional, and global economies have changed since the 1980's, and therefore, many countries have had to develop and implement structural reforms to achieve sustained and inclusive growth in a more competitive and globalized world, particularly the times in which we live. And this imperative was recently underscored here by the IMF in its concluding statement following

the 2021 Article 4 mission to Trinidad and Tobago. So as it is, they are across the globe. There exists of a variety of economic zones from basic free zones facilitating trade logistics which are very common to the newer integrated zones aimed at industrial development or developing innovation capabilities, and, according to UNCTAD—we looked at what they had to say on this. UNCTAD 2019 World Investment Report:

“There are some 5,400 zones across 147 economies...up from 4,000 five years ago.”

So over this five-year period another 1,400 zones have entered across the globe. So this growth according to the report:

“...is part of a new wave of industrial polices and a response to increasing competition for internationally mobile investment.”

Let me speak briefly although I know the AG will elaborate on the international task standards, but the Base Erosion and Profit Shifting I will refer to it as BEPS initiative—

Madam Speaker: Hon. Members gathered at the back, could you kindly either resume your seats or—thank you very much. Please continue, Minister.

Sen. The Hon. P. Gopee-Scoon: Thank you. So the BEPS initiative was endorsed by G20 leaders in 2013 and it aims to provide Governments with clear institutional solutions for fighting loopholes in a current global tax system. So 141 countries and jurisdictions are members of the BEPS Inclusive Framework. Trinidad and Tobago signed on in October 2017, and all jurisdictions that are members of this framework are subject to a peer review or peer reviews of their implementation of their national commitments which is undertaken by what is called in other institutions, the Forum on Harmful Tax Practices (FHTP) of the OECD.

There are four minimum BEPS standards and what we are concerned with here today is Action 5, which is the countering of harmful tax practices. Right? That is the standard that is most relevant to the Bill. And since the beginning of the BEPS Action 5 peer reviews, the FHTP has reviewed 300 preferential regimes to ensure that there are no harmful features associated with the activities that they intend to attract, and as a result virtually all of those harmful preferential regimes have been amended or abolished.

It is important to know that to determine a country's compliance with Action 5, FHTP would consider two things: whether the preferential tax regime has harmful features, and I will explain that later on; and also the exchange of information on tax rollings. So in the last global regime, review sorry of the FHTP in April 2021, Trinidad and Tobago's free zone regime was classified as harmful, and that was an account of ring fencing and also the exchange of information.

So to ensure that no harmful taxation practices exist under the new regime, the eligibility criteria for SEZ enterprises and single zone enterprises, all of those entities that will exist under this authority will be linked to what is called an economic substance test, and these are outlined in clauses 49, 50 and 54 of the Bill, and this test is linked to the need for all enterprises to meet this substantial activity test. This economic substance test is linked to this substantial activity test, and by that I mean they would look at four elements: the core income generating activities, that is the key central activities that generate the main income of the entity; they will look at the operational expenditure; the human resource employment; and the level and quality of investment in terms of their physical infrastructure. And, in a nutshell, all applicants to the special economic zone and single zone licences must pass this economic substance test to obtain and maintain a licence to operate under the new regime.

So it is expected—I speak a little bit about the evolution—that the Opposition will see the need to support these reform measures that are absolutely needed—all of these new arrangements. Because you would know that very little was done under your regime. In fact, there were four entities and one of them has fallen off. I am not going to go into that, that is time wasting, but in your five years there were only three new entrants into that regime. So that in 2015 when the PNM took the reins of Government it was a priority after our review to transform Trinidad and Tobago through a fundamentally new modern economic regime, and so we developed this policy in 2017 and it since has been revised. But what we sought to do from then was to create this modern and innovative framework which would help us, the country, to transform its investment climate. And so at that time, we held an information session with all of the private sector, all of the Chambers of Commerce and so on, and proposed new SEZ.

In October 2017, when we joined the BEPS initiative framework, the Government proactively pursued several actions to bring our economic zone regimes in compliance with the international standards. So that from January 01, 2019, we allowed no new entrance into our free zone regime. We took that decision. Trinidad and Tobago kept the free zones regime administratively closed off in practice. In other words, existing entities were allowed to operate. There were no new taxpayers allowed into the regime and, of course, a revised SEZ policy we continued discussions with the BEPs and Global Forum people, and a revised policy was done in July 2019. And over the period 2019 to 2021 following stakeholder consultations and a thorough review of regional international best practice, this draft legislation was prepared.

In doing so, Madam Speaker, that revised policy is essentially the foundation upon which this Bill here comes today—this Bill was built with the

goal of attracting foreign investment and stimulating the domestic investment as well while remaining internationally compliant. And in looking at and developing this regulatory framework, we looked at the practices in Jamaica, Barbados, Dominican Republic, Costa Rica, Panama and South Africa. So the objectives, Madam Speaker, remain of this SEZ regime to expand the country's revenue base; to increase and diversify the investment and exports in economic zones; increase and enhance private sector participation in the economy; to increase SEZ enterprises with national development objectives—to integrate, sorry, the SEZ enterprises with our national development objectives; to facilitate economic development across Trinidad and Tobago; and to increase the compliance of our SEZ operations with local, regional and international standards.

So in the time that I have I would go to the Bill, Madam Speaker. I will go into this Part II which treats—it is a very long and extensive Bill, 12 Parts, five Schedules and I will take you just through the key aspects in the time that I have. Part II treats with the establishment of the governing authority, and clause 4 of the Bill states that it is proposed and about the corporate to the known as—so the name is clearly established—the Trinidad and Tobago special economic zones authority be established. And the clear functions in clause 5 of the Bill reviewing and assessing applications for operators licences, SEZ enterprise licences and single zone enterprise licensing, regulating and supervising all zones and advising the Ministers on further policy formulation and, of course, recommending to the Minister the designation of zones which is actually what is done now.

Importantly, the authority must:

“(e) review and assess the performance of all Zones...;

- (f) formulate...”—standards, prescribe—“...codes of practice to be observed by all the entities the operators...”—the—“...SEZ Enterprises...”—the—“...Single Zone Enterprises;”—and so on.
- “(g) receive and take prompt action to resolve complaint;
- (h)” and also—“facilitate the mediation and settlement of disputes among operators and SEZ Enterprises;
- (i)” and—“facilitate an enabling environment in areas designated as Special Economic Zones;”—and, of course
- “(j)” ensure that there is—“...modern infrastructure required to attract foreign direct investment and stimulate local investment;
- (k)” The Authority also must—“promote economic development in local communities;”—and
- “(l) advance further diversification in the economy;...”

There is something that I want to highlight with regard to this matter of functions, and in order to achieve the objectives of the new regime a critical success factor will be marketing and promotions. However, there already exists across this economic landscape in Trinidad and Tobago an overlap of promotional activities across this several state agencies with respect to export and investment capabilities. So that the Government is of the view that greater impact and results can be achieved through the merger of this trade and investment promotion activities, of all the activities of the State into one organization. I have talked about that in this place already, what is called the TIPA, Trinidad and Tobago, sorry, the Trade and Investment Promotion Agency, and it will allow a more targeted approach to trade and investment promotions. So a deliberate policy has been taken to ensure that the SEZ authority does not duplicate the efforts of the Government. And the SEZ authority, their role remains rather regulatory, operationalization of

the zones and facilitating investments and so on, and that the establishment of the national investment trade promotional agency, which was announced in the fiscal 2022 budget, will work closely with the SEZ authority and other entities with clear sectoral mandates like Trinidad tourism, and so on, to promote and market the SEZ regime locally and internationally to investors in various sectors and so on.

The responsibilities are set out in clause 5(2), and they are typical of most authorities. They will include the responsibilities of finances, contracting procurement, human resources and that kind of thing. The powers are in clause 6 and invest the authority:

- “(a) to issue guidelines and directions to operators, SEZ Enterprises, Single Zone Enterprises in respect of the implementation of...”—the legislation,
- “(b) ...carry out investigations in relation to applicants and licensees...in order to verify the accuracy of information...”— and so on, and, of course, they can—“...request further information and documents...”——where necessary, and, of course, they are to:
- “(c) grant and set the terms and conditions of licences;
- “(d)” and—“ to amend...”— and to—“...vary...”—and to— “...suspend...”—and—“...revoke...”—and so on.

One of the functions outlined in clause 5 is that the Authority must regulate and supervise zones, and this speaks to a compliance function which the authority obviously has. So the authority, according to this function, has been vested with the power “to inspect licensees and zones in order to monitor and ensure compliance” with the legislation. They have the ability to take enforcement action.

“(f)” The Authority can—“...take enforcement...”—action—“...in the event of any non-compliance...or breach of...”—the—“...Act or...”—so.

“(h)” The Authority has the power—“to establish and maintain registers...”—private and public registers.

And lastly I would note that:

“(i)” The authorities is vested with—“...such other powers as...”—may be—“...necessary or expedient for the performance of its functions.”

Looking at the board of management of the authority and it is in Part III, clause 7 establishes the board that will manage the authority, and we had a lot of discussion on that. We wanted to ensure that the board is vested with adequate expertise, technical capabilities and competencies. And there are six members that will be appointed by the Minister based on members with qualifications and at seven years’ experience in finance, information technology, economics, international relations, business management, engineering logistics, and supply chain management, accounting as well; two members will be attorneys-at-law; and the three remaining members will be the chief executive officer who shall be ex officio, a senior member of the Town and Country Planning Division, a senior officer, sorry, and a senior officer of the Inland Revenue Division. And to ensure continuity, clause 7(4) deals with issues around the timing of the appointment of board members and so on.

Look at the responsibilities of this board, 8(1):

“The Board shall be responsible for carrying out the functions of the Authority...”

And, of course, at 8(2) it states:

“The Minister may give to the Board such general policy directives in writing with respect to the carrying out of its functions under this Act as he considers necessary or expedient and...”—so on—“...and the board...”—of course—“...will give effect to that.”

Of course, as per usual clauses 10 to 13 will deal with matters of “Disclosure of Interests by board members”, et cetera, and committees, et cetera. Looking at “Staff of the Authority” at Part IV, Part V “Financial Provisions”, I would not go into those. Those are typical of the establishment of any relevant statutory authority. Going to the designation of the special economic zones, there are six main types of zones. This is in Part VI. Clause 31 is to read in conjunction with Schedule 3 setting out the various types of special economic zones and the permitted economic activities, one being a free port which is a duty free area located at the port of entry, air or sea; free trade zone which we would be familiar with; an industrial park which is purpose built and leverages domestic and foreign direct investment particularly in value added manufacturing industries. There is a specialized zone which is a place designated for specialized activities and I will spell them out: manufacturing; maritime; fish and fish processing; agriculture and agro processing; information and communication technology; aviation services; creative industries; financial services; medical tourism services; renewable energy; logistics and distribution; and business process outsourcing.

Now, we spoke about this single zone enterprise. That is included as a type of zone. It exists on its own, as I said before, and it is restricted to a singular business entity engaged in any of the permitted activities that I just spoke of. And, of course, there is a “development zone” which is an area where:

“(a) ...activities are focussed on the development of a specific geographic region with emphasis on factors of employment, skills training,

entrepreneurship, rural development...”—and so on—“...overall social...economic development...”

With regard to the designation of a special economic zone, clause 30 empowers:

“(1) The Minister...on the recommendation of the Authority...”—to—
“...designate, by Order...”

And, of course, there is 30(3), (a) to (j) would outline the various factors that must be taken into account when considering the designation of a geographical area as a special economic zone. Again, I want to emphasize and it is very important to note that the new SEZ legislation requires that all environmental standards would be considered in the designation of zones and the granting of licences must be adhere to during the operationalization of these zones.

Going to the licensing provision, this is about again I say, I go back the point this about a licensing regime. It treats with three types of licences, and the operator again, the SEZ enterprise, and the single zone enterprise again. A key issue with the OECD was the responsibility of persons and entities which operate in zones to pay their taxes and to be transparent in the information and documentation they provide during the applicant process for a licence; and the authority in accessing applications for licences must consider again where the applicant meets to prescribe the economic substance test. So the Act will deal with the structure again and the type of licence, the operators’ license, the SEZ enterprises licences, the single zone enterprise licence, and these are detailed through clauses 33 and 48.

Clause 34 will deal with the application process and, of course, there are further details in terms of the information and documentation. And I said before, that the “application” will be able—must, sorry, be required to submit their

operation plan, the completed AML/CFT/PF risk assessment questionnaire, and other documents that the authority would require and so on.

2.30 p.m.

I want to go, in view of the time, to say as well that the provision of notification of the grant of a licence is dealt with as well. The Authority can refuse to grant any of the three types of licences. The particulars of the refusal process are the same for the three types of licences and are captured in clause 38. Another important element is the terms and conditions under which they must operate and it is to be noted that the provisions in the Bill which relate to the terms and conditions are the same for all three types of licences. Clauses 39 and 53 will deal with that. The obligations of operators are clearly set out in terms of their management of the zone and the fact that they must facilitate the provision of infrastructure and other services, that they must adequately deem archaic within the zone, a customs territory as is necessary. It also deals with the requirement of an annual operations plan. It also requires a strategic plan as well. And again, you may ask why so cumbersome on an annual basis and it brings us right back to the point of ensuring continuing compliance in the life of the entity with the economic substance test which is required.

I want to in the time that is left, again, just refer to some things that are important. The enforcement action by the Authority. Clause 34 deals with the enforcement action against an operator and 59 against the SEZ enterprise and the single zone enterprise. Again, matters of notice of non-compliance, et cetera. When the Authority determines that a licence is not in compliance, they can issue a notice of non-compliance, they can suspend the operator's licence, et cetera, and they can go as far as revoking the licence as well. Matters of the surrender of licences are also dealt there.

I had initially spoken about the registers. A key aspect of the new regime:

Madam Speaker: Hon. Minister, you have two minutes remaining.

Sen. The Hon. P. Gopee-Scoon: Sorry. How many?

Madam Speaker: You have two minutes remaining.

Sen. The Hon. P. Gopee-Scoon: Thank you. A key aspect of the regime is the transparency so that there would be public and private registers. Also, very important are the transitional arrangements, the grandfathering arrangements which are dealt with in clause 88(1). Then further to that, I must say that a major issue for the OECD is the issue of grandfathering. According to clause 88, it is the clear intention of this Bill to bring the benefits and status of existing free zones to an ultimate conclusion by the 31st of January, 2020, and there will be no extensive grandfathering of the benefits currently enjoyed by the free zones. 88(2) deals with the fact that orders made under section 3 of the Free Zones Act will remain in force until the 31st of January or replaced by corresponding orders made pursuant to the SEZ Bill.

As I close, Madam Speaker, there are some next steps required in terms of the implementation of the SEZ regime and the Government will be moving swiftly to ensure that immediate actions are taken in order to implement and to operationalize this new SEZ regime, facilitating the transition out of the free zone regime, the existing one and to the transition to the new SEZ regime, finalizing their incentive framework and more specifically ensuring that it is in compliance with all of these new global minimum corporate income tax rate that is spoken of and of course, we will move to the setting up and the operationalization of the SEZ authority and the development of the regulations to implement the SEZ Act.

And with that, Madam Speaker, I thank you and I beg to move.

Hon. Members: [*Desk thumping*]

Question put.

Mr. Rushton Paray (Mayaro): Thank you very much, Madam Speaker. Madam Speaker, I am extremely happy for the opportunity to respond to the hon. Minister on this piece of legislation that has been brought before this House today, more so, in dealing specifically with what the hon. Minister has described as a transformational shift in how economic spaces are managed and developed in Trinidad and Tobago.

Madam Speaker, to hear the Minister present and advocate for this legislation, you would think that this measure represents an enlightened economic vision by this administration. The hon. Minister would also have you believe that the development of special economic zones which I will refer as the SEZs going forward, is a well-formulated measure of this Government to stir the national economy to achieve growth and prosperity for all. After all, Madam Speaker, the Minister has described this undertaking as progressive and it is designed to modernize and create an internationally competitive and attractive investment climate. The Minister, in her delivery, utilized a lot of extravagant terms and modern concepts in depicting the SEZ plans.

But, Madam Speaker one would be absolutely wrong in arriving at the conclusion that these SEZs are a new economic frontier devised by this administration. You just have to be reminded of this Government's track record of non-achievement which has led to an economic minefield of failures and fiascos, disasters and debacles that have plagued this administration for the last six years.

Madam Speaker, let me contextualize the legislation as I have read it. The Government is seeking to become compliant with the Global Forum and the European Union and to meet our international taxation obligations. That is the first

thing. Madam Speaker, I must say that the world is quickly leaving Trinidad and Tobago behind with respect to best practices for these free trade zones. The Government is therefore obligated to repeal the Trinidad and Tobago Free Zones Act and have it replaced with an authority designed to regulate these special economic zones. The exhaustive legislation that is before us today provides an administrative and regulatory framework for the new structure that the Government plans to enact.

As with most other PNM policies, Madam Speaker, the Government has had to be dragged kicking and screaming to this position where the hon. Minister could come here today and boast of establishing an effective investment climate. The facts are, Madam Speaker, that after the Government's earlier tardiness, the Government developed this overarching trade policy for the 2019 to 2023 frame of which these SEZs were meant to be a crucial aspect of its policy. In that document, the Government acknowledged that SEZs present unique opportunities for diverse areas of business activities, new and dynamic investments and the creation of jobs.

Madam Speaker, it is just 11 months before 2023, the Government has finally dusted off this policy document and it is only because of the stringent and now urgent international obligations, we have it before us today. Madam Speaker, this sluggishness is not new to this Government. You would note that this Government, this administration has led Trinidad and Tobago being on the European Union's tax blacklist for more than five years. That is sluggishness to the highest degree. Madam Speaker, despite the occasional promises, our country remains one of only a handful that is still not compliant and this is an international embarrassment for this country. This is governance that this PNM administration has brought us over the last six years.

In my research, Madam Speaker, I have found out that most progressive countries have long established or modernized their respective SEZs which they have been tailored to achieved improved trade balances, create jobs and spur several other economic benefits. A recent international study titled “Special Economic Zones: Lessons from the Global Experience”, they reported that SEZs have proven to be an effective instrument in promoting industrialization and structural transformation. These two items should have been the infrastructural imperatives for this PNM administration for the last few years. Many countries use SEZs as a policy tool for economic revival. But as usual, Madam Speaker, the PNM has come late to the party.

And that is despite the fact that the local economy has declined markedly over the past six years. This is a result of the lack of economic diversification in the midst of a stark decline in the energy export and because obviously issues surrounding the COVID-19 pandemic.

One just has to look at the data coming out of the Central Bank. Looking at the local manufacturing sector, there was a massive decline by 16 per cent from 2016 to 2020 which tallies to almost \$5 billion each year. The Government has generally paid lip service to the call from the manufacturing sector for a more enabling environment in order to expand production and boost foreign exchange.

Just a few months ago, Madam Speaker, the TTMA made another anguished plea for effective action to prevent the illicit trade and money laundering and free trade zones. This is where it becomes critical for what this legislation is doing here today. The association said that many people use these free zones to bring in items to reduce the administration time and to speed up the movement of goods that are in transit from free zones to another country. The association went on to explain that when those goods are not declared before reaching the destination country,

they are illegal. In other words, they constitute contraband and are the result of smuggling.

Madam Speaker, this makes it very unfair to businesses that are trying to do the right thing and it offers huge pricing benefits to the smugglers. Those smuggled items obviously, Madam Speaker, it robs the country of taxes. The TTMA has said that these contraband products are often inferior and unsafe and is also associated with what we term the transnational organized crime and terrorism that is associated with these free zones all over the world if not managed properly. Madam Speaker, yet, there has been chronic inaction by this Government on those areas that affect trade and investment in this country that really prohibits international investors from wanting to come and invest here in Trinidad and Tobago.

But, Madam Speaker, if this Government is unable to quash the serious issues identified by the manufacturing community at the existing free zones, how could it be expected to deal with the inevitable new problems that these new zones are going to bring up? The TTMA has pleaded without success for more accountability, for the hands of Customs and Excise to be strengthened, their manpower, and obviously for the police service to have jurisdiction over these items to make the law enforcement component much more effective. So, Madam Speaker, the reason why I raised these matters is that it is not just about creating new legislation, creating an authority, but there are connecting rods that ought to be dealt with in order to facilitate a smoother and better investment environment for our foreign partners.

Madam Speaker, the TTMA has also proposed a regime of measures for countering these breaches. All of which, Madam Speaker, I am sad to say that have fallen on deaf ears of this regime. By their own incompetence, the Government

could simply be facilitating the transfer of fraud, money laundering and other illicit activities to SEZs if these issues are not dealt with in the infancy stage of setting up this new regime. That is the daunting task, the scenarios that are facing Trinidad and Tobago. The raw truth, Madam Speaker, is that the Government has a very poor track record of non-compliance and of ineffective administration. Both of these factors that I have explained will negatively affect our new SEZs if the State does not put a hand into the effective management of these issues. Madam Speaker, outside of that, there are other bugbears that I expect that the Government would face in terms of bringing these new SEZs on stream.

Now, the Minister told us that one of the key objectives is to expand the country's revenue base and to increase and diversify investments in these trade zones. If you were to look at clause 5 of the Bill, it tells of developing modern infrastructure to attract foreign direct investments and stimulate domestic economic activities. The policy document also goes on to say that the SEZs could be used as prototypes through which the Government could develop and implement new measures to improve the ease of doing business and attract new investments. Madam Speaker, this is where I think it really shows a bit of the incompetence of this administration, just by using the words ease of doing business. This is coming, Madam Speaker, from an administration that has led Trinidad and Tobago to a hell hole of being the worst investment capital on this side of the world. Our investment slide is of historic proportions.

Under this current regime, Madam Speaker, this country has moved from the most unattractive investment destination in the western hemisphere per capita to worse than Haiti, the poorest nation in the world. Just recently, the United Nations Conference on Trade and Development is now ranking Trinidad and Tobago at the bottom of the direct foreign investment barrel. According to the same organization,

the Government, and this is data that they presented, the Government which was led by the Member for Siparia attracted foreign direct investment worth a total of 48.3 billion, TT dollars, between 2011 to 2015. If you look at our ranking today, the administration under the leadership of the Member for Diego Martin West, they have presided over an outflow which is investment capital that has left this country to the tune of \$9.8 billion from 2016 to 2020. That is the fact as presented. This is not the UNC that is saying this, this is the organization responsible for trade.

Madam Speaker, one just has to look at the report card of this regime, of this PNM regime, it is flooded with several projects, cannibalized projects and you know we are almost at the point of an industrial wasteland in the Point Lisas Industrial Estate with the amount of these facilities that have been closing down. So we are here to talk about trade, we are here to talk about these free trade zones, these special economic zones but yet the track record of the State, of this Government, does not give me the confidence that they will be able to deliver on what is being promised based on the track record.

Madam Speaker, you just have to quickly call a few names like the Sandals Resort, dragon gas, Petrotrin refinery, the La Brea dry docking facility, Atlantic Train 1, the gas to liquid project. All of these things were based on good ideas, based on ideas that they conceptualized but they were unable to deliver for one reason or the other. Madam Speaker, let us not even go down the route of the much touted \$200 million plywood factory; that was stillborn. We never heard anything about that up to today.

Madam Speaker, in all of this, there is an organization called investTT which really ought to be the conduit for our foreign investors to seize the day and seize the climate and the opportunity to invest here in Trinidad and Tobago. So sometimes I wonder because I have not heard, I have not seen any reports of the

benefits that have been coming to us and perhaps the Minister in her wind up may touch a bit on invesTT and give us some data, some statistics on how well they have—in terms of their performance.

Madam Speaker, we also would like to know what have been the benefits to date, again, of another trade facilitating regime, this opportunity in what is referred to as the eTecK Moruga Agro-Processing and Light Industrial Park. You know it has been about four years, it was promised back in 2015, 2016. I think it is almost completed if it is not totally completed. We heard the Minister speak about several clients and several clients and several clients but up to today, I would like to know whether any, if one dollar has been produced out of the facility. It speaks to the ability of the State to deliver on what it is promising.

Madam Speaker, it really pains me to repeat the state of our investment environment in which a procedural matter such as getting an electricity connection takes several months. Accessing credit, obtaining statutory approvals for infrastructure, trading across borders, collecting VAT refunds, all of this has turned into torturous and drawn-out exercises under this administration. Madam Speaker, that cannot fit well for new business and new investment if we do not address those matters.

Madam Speaker, the Minister delivered her address here this afternoon and I know I came in about two minutes late but there was not a word on the status of the ease of doing business, on what this administration has done or what it wants to do to repair that issue. Madam Speaker, while the Government continues to twiddle their thumbs with this issue on the ease of doing business, other investment nightmares connected to those issues are popping up every single day. Since these SEZs are heavily premised on international investments, it is relevant to note the following issues and let me be precise. These issues were clearly ventilated in the

2020 investment climate report of the US State Department which is a public document. And, Madam Speaker, you would know that the US is our biggest trading partner. The issue of foreign exchange shortages that delay payments to foreign companies—

Madam Speaker: So, Member for Mayaro, I have given you a very broad spread, okay, but you know I think at this stage, you should condescend to the Bill. Your time expires at 3.04.

Mr. R. Paray: Sure. Thank you, Madam Speaker. I was just bringing in the issue of these reports to show that the intention of the SEZs is to create a better investment climate but we are not addressing what these issues are in terms of being able to make the climate so that the Government would be able to accomplish what they set out to do, but, Madam Speaker, I will go on.

Madam Speaker: I got that point but you were going more and more into the different issues that you see and I am asking you now to address the Bill.

Mr. R. Paray: Sure. Thank you, Madam Speaker. As an Opposition, we have been in terms of getting the legislation, asking the Government to get their legislative agenda correct, get it right. If you look over the last couple of weeks, we have dealt with the procurement legislation and so on, it has come. But you know, we cannot devolve what the country, what the media, what the people of Trinidad and Tobago, what the business community, what they are articulating in terms of the environment for trade and investment. So, Madam Speaker, you know we here on this side, we are in support of whatever measure that the State can bring to improve our position economically. Nobody will deny that we want to see the country do well, but I think, you know, it is important for us to identify some of the loopholes in which it gives the Government an opportunity to fix it in order that we all become successful at the end of the day.

Madam Speaker, the whole issue of the bureaucracy that has really stifled investment in this country, I have to question, if we do not target the issues of bureaucracy, how are these new special economic zones going to prosper? If our foreign partners cannot come in here and get their businesses, their legal components of the businesses executed very quickly—

Madam Speaker: So Member for Mayaro, again, I think you are falling into the same issue that I pointed out. Okay, I heard you talk about ease of business and all that, okay, all the things that should exist. I am asking you now to deal with the Bill.

Mr. R. Paray: Okay. Madam Speaker, SEZs in my research have accounted internationally for between 20 per cent and 60 per cent of all activities globally in these zones. In other words, these SEZs executed correctly can be the difference between our economic success or our failure. So, Madam Speaker, we hope that the State can rectify these issues so that we do not shoot ourselves in the foot while the debate is still happening.

Madam Speaker, getting access to international markets is different from getting entry. Right? Access becomes available when bilateral and multilateral agreements are signed and the Minister has spoken today and in the past of all these multilateral arrangements are being signed that will facilitate for our trade and investment profile. But the question is of all these access, how much entry have we been able to make and I think hopefully when the Minister is wrapping up, the hon. Minister can speak about our success with entry into these foreign markets. It will help us to be satisfied that the proposal before us with these special economic zones, we can have some positivity in terms of they coming to invest in our area.

Madam Speaker, the Minister spoke about the benefits of these zones in terms of agro processing, maritime services, fish and fish processing, aviation, creative services, financial services, ICT which I think is in a good position, it is a good direction that we ought to be heading to encourage these areas in terms of these zones that will drive investment and create new jobs and so on. Madam Speaker, we on this side, you know, we are committed to seeing the country diversify. We continue to call on the Government to put specific things in place. We do hope that with this formation of these special economic zones, we can see the diversification that we have been asking for and we look forward that we will see the benefits over time.

Madam Speaker, as I close, I just want to identify a few things that the Government ought to be doing in terms of, you know, getting the kind of success that we would like to see from these special economic zones. They ought to define and determine some goals on skill upgrades, technology transfer, innovation and obviously product enhancements at these special economic zones. The zones must become our engines for the overdue economic diversification that we keep speaking about all the time here in this House.

Madam Speaker, I want to ask the Minister in her wind up that if she can commit her administration to creating the best possible high performance SEZs to meet the flow-down objectives and really to give this country a kickstart to the faltering economic position that we find ourselves in. I want to urge the Minister as well that to get her government policy, put it on high, high priority, have her Ministry of Trade and Industry given the highest priority in terms of getting our economic sector going. Madam Speaker, I think failure to do that, it will be yet another debit to the account of this administration. Madam Speaker, the nation is paying close attention to what this Government is doing. You know, we will

continue to monitor, we will continue to look at these zones and we look at their success as they come forward. Madam Speaker, I thank you very much for the opportunity.

Madam Speaker: The Attorney General. Your speaking time is 20 minutes.

The Attorney General and Minister of Legal Affairs (Hon. Faris Al-Rawi):

Thank you, Madam Speaker. I usually listen with great interest to the contributions coming from the Member for Mayaro, largely because there are sometimes sensible contributions coming, but today, he was unrecognizable, Madam Speaker, and I will tell you why I say that so boldly. The hon. Member had the intellectual temerity to stand here today to criticize the Minister of Trade, to say that the Minister was attempting to say that this SEZ would modernize and have economic revolution-type factors on the economic frontier and effectively then entered into pleading a case to say that the Government was dragged kicking and screaming, to use his words, to this point, largely because of the Government's tardiness in treating with the Global Forum issue.

3.00 p.m.

The hon. Member said that the Government was sluggish, that the EU has blacklisted the country for five years. And, Madam Speaker, why I take offence to the contributions coming from the hon. Member for Mayaro is because the hon. Member failed to tell the truth. And the truth, Madam Speaker, is that whilst today this Bill in all of its sections, and in all of the clauses in the respective parts is intended to treat with Action item 5 of the European Union mandatory actions to treat with the countering of harmful tax practices, the hon. Member did not have the intellectual courage to explain why we are where we are, and did not recognize the role and the dereliction of duty in the UNC taking us to where we are.

And let me put it on record again, Madam Speaker. Madam Speaker, I can

say with confidence as I said on the 2nd of February, 2020, in the House of Representatives on the *Hansard* that day, that it was a commitment of this Government to achieve what is today the Bill before us because the European Union requires the base erosion profit sharing Action item 5 which this Bill addresses on account of a commitment to the Global Forum. That commitment to the Global Forum was made by the Member for Siparia in 2011. In 2013, common reporting standards were published by the European Union. In 2014, Minister of Finance, then Larry Howai, travelled all the way to Berlin in Germany to commit Trinidad and Tobago to comply with satisfaction of all aspects of the Global Forum which this Bill is a part of by 2017.

Worse yet, in September 2015 if my memory serves me well, in treating with the requirements for this Bill, Madam Speaker, the Member for Siparia before the election in that early month of September committed Trinidad and Tobago to pass 13 double taxation relief treaties, the multilateral convention to treat with Mutual Administration in Assessment of Tax Matters, the Income Tax Amendment Provisions, and to sign that treaty in a 12-month period. Enter the UNC and enter the dishonesty that was put on the record today, Madam Speaker. Because the Member for Mayaro deceived this Parliament wilfully in failing—

Madam Speaker: Attorney General, I would ask you to withdraw that and find another way—

Hon. F. Al-Rawi: I will find another way. I withdraw.

Madam Speaker: Yes.

Hon. F. Al Rawi: Madam Speaker, the Member wilfully, knowingly, plainly, failed to tell the Parliament that the three Bills which are precursors to the law to allow for us to do this legislation today, are the Tax Information Exchange Agreements Act, the amendment to the Income Tax Act, and the Multilateral

Convention on Mutual Administration Assessment in Tax Matters, and those three Bills were sabotaged in joint select committee for a period of two parliamentary sessions, such that the Government had to spend two sessions of the Parliament in literally begging the UNC to pass the law. It was only on the 2nd of February, 2020, that we were able to pass the law. And let me put it on record. In one of those Bills directly related to this Act that we seek to cause today by this Bill, the only thing that changed was a semicolon, Madam Speaker.

So, Madam Speaker, to listen to the UNC representatives the Opposition come here today and say that the Minister of Trade and Industry is misleading the Parliament, and is slothful, and is somehow not producing the best work, Madam Speaker, I take great offence that the truth has not been told today, Madam Speaker. And I say shame on you, Member for Mayaro, for doing as you did today, quite with respectfully, Madam Speaker.

So let us get to this law. I have had the pleasure of drafting this law as Attorney General and Minister of Legal Affairs. I can say, Madam Speaker, that this particular Bill which is a long Bill comprising several Parts, comprising 90 sections to be borne by clauses here today, and five Schedules. This is intended to repeal the free zones legislation. The free zones legislation which is the Trinidad and Tobago Free Zones Act, Chap. 81:07, is not only archaic, but it was left on the books of Trinidad and Tobago by the Members opposite without amendment, Madam Speaker, save for two minor amendments in 2011 and then in 2013.

Madam Speaker, under the free zones legislation there was effectively a substantial tax holiday carve out. And worse yet, Madam Speaker, there was no provision for effective periodic renewal and considerations of licenses. There was no reflection upon anti-money laundering and countering terrorist financing. Those permissions granted under the free zones legislation were indefinite. They were in

fact infinite. There was no period of licence, and licence continued without ability for effective cessation, unless you repeal the legislation or the licence is handed back.

Madam Speaker, what is this law, put quite simply, about? You will notice, Madam Speaker, in several of the sections of the Bill that you are looking at a few factors. One of them that is extremely important to be founded in the definitional section in section 3. And if you look, Madam Speaker, to clauses 35, 36, 39, if you look to 35 and 36 as they touch and concern anti-money laundering and countering financing of terrorism. If you look, Madam Speaker, to the provisions of what is required in terms of a licensee, be it a special economic licence that is being granted or a single economic licence, or an operator's licence, there are three types of licences, you have to have in the special licences and the single licences, Madam Speaker, you have to have a substantial connection to matters of core income generating activities. You have to satisfy an economic substance test, and you will find that at clause 49, in particular in subclauses (4) and (5). And what is that, Madam Speaker, that is to treat with making sure that you do not have shell companies abusing taxation privileges where there is no real economic activity in gear in those operations.

And permit me, Madam Speaker, to give you the example of Apple Inc. Apple is a trillion dollar company on the international stock exchange. Apple is registered as a company in Ireland. Apple operates in the United States of America. In the United States of America you are not subjected to taxation unless you are registered in that jurisdiction. So Apple is registered in Ireland. Apple maintains a skeleton crew of maybe 20 people-odd in Ireland. And under Irish taxation laws your mind and management and where your substantial activity is where you are taxed, meaning in the United States. So Apple effectively registered in Ireland not

subjected to taxation, operating in the US substantially but not subjected to taxation, and therefore a trillion dollar company took advantage of a legitimate tax avoidance mechanism by an erosion of the base upon which taxation could be achieved.

And, Madam Speaker, this Bill ensures if you look to the Schedules and you look to Schedule 3 in particular as to types of special economic zones and permitted activity activities. You look to the qualification aspects in Schedule 1 and Schedule 2, what you are looking at is a mandatory satisfaction that you have substantial economic activity, Madam Speaker. And therefore, this is intended to ensure that Trinidad and Tobago has the advantage of legitimate taxation to entities operating within those areas which are now Special Economic Zones, whether they are operating as a landlord on the operation side of the licensing, or with a single, or with a special economic licence, that you have in fact of their substance.

Now, this does not mean that you are not permitted the growth of the orange economy in particular. And I refer to intellectual property in that regard. When we look at the intellectual property aspect of the matter it is very important, Madam Speaker, that we factor the important inclusions not only of the substantial economic activity that we are looking at, but Madam Speaker, that we look to the exceptions for this type of Special Economic Zones as it relates to intellectual property.

You will note, Madam Speaker, that in the Senate we included a definition for intellectual property. We lifted largely from the St. Lucian model in respect of intellectual property. But, Madam Speaker, when we watch the intellectual property aspects we have to be sure at clause 64 to reflect upon the fact that we subject in 64, Income Tax Act to apply to the intellectual property arena. What does that mean? We are creating a springboard for the intellectual property sector

be it in digitization, in block chain technology, in processing and back room operations for credit card support, or banking support. All of those benefits to be enjoyed in relation to income derived from an intellectual property asset, shall be assessed in accordance with the provisions of the Income Tax Act. And that is in clause 64 subclause (c).

The other set out benefits for single economic licensees or special economic licensees in the zones they are set out in the Schedule, and they range in type and form from concessions and operations under the customs and excise regime, variations in respect of value added tax or income tax with certain concessions applied.

So, Madam Speaker, this law before us that is being offered is in a context, Madam Speaker. Madam Speaker, may I ask what time is full time?

Madam Speaker: Attorney General, your full time expires at 3.19.

Hon. F. Al-Rawi: 3.19. So Madam Speaker, the economic context of the Bill is critical. This Bill, Madam Speaker, you will note is being passed with a simple majority. Why, Madam Speaker? We cannot afford to let the Opposition United National Congress sabotage the passing of law by bringing provisions which will require their consent. We saw what happened in the Global Forum package. We saw what happened in the Financial Action Task Force packages, in the FATCA packages. We then saw that results in the Member for Mayaro coming here and unfortunately failing to tell the truth in relation to the history of the Global Forum package, where we were stranded for years in trying to pass the law in joint select committees that involved special majority laws. Such that, in relation to the income tax amendments in 2019 and 2020, we were compelled to carve out the simple majority provisions of the law and pass them in 2019 without the UNC's support.

Madam Speaker, this law allows for simple majority passage because the

issue that may tend to property considerations which are qualified rights under section 4 of the Constitution, or right to private life issues in section 4 of the Constitution, those are treated with by a bifurcation. Number one, a conditionality of your licence in any of one of the three types of licences is that you consent to the entry and exercise of privileges for seizure, inspection, et cetera. Number two, that that is underwritten by maintenance of confidentiality and it is a crime to breach confidence. There is a privilege to ask for trade secrets et cetera to remain in a confidential zone. These are subject to audit and even to judicial scrutiny at every step of the way. So the due processing that is laid out in this law is carefully arranged to ensure that this law treats only with a simple majority prosecution for passage.

Madam Speaker, may I put on record now, the fact that the Government has a suite of legislation which I am drafting as we speak to treat with a number of outstanding factors, some of which are directly related to the Bill before us. Secondly, they are all targeting compliance with the Global Forum and with the European Union. They will involve coming back to matters which I asked the Parliament to reserve and note we would have to come back on when we were compelled in three-fifths majority consideration to agree to unreasonable conditions offered by the Opposition. I marked on the note that we would go to the Global Forum, we would go to the European Union, we would seek their position on what was passed, and I can tell you now that they have instructed the Government that we are to come again and seek amendments to the law that we warned about almost two years ago.

In relation to the Global Forum, I have been in direct communication with the Global Forum at every level of the Global Forum, in one on one meetings and in virtual meetings on a continuous basis with their assessment entities. I have been

in direct communication with the European Union and the council and I wish to publicly thank, Madam Speaker, the current European Union Ambassador to Trinidad and Tobago, His Excellency Peter Cavendish for lending yeoman service to Trinidad and Tobago, for coordinating the efforts for our peer review by the Global Forum.

We cannot achieve the European Union delisting from their blacklisting unless and until we satisfy the further requirements of the Financial Action Task Force as it relates to Recommendations 35 and 25. That is on beneficial ownership and administrative sanctions. And you will note in this law that we have an administrative sanctions provision in the Bill. We cannot achieve EU compliance unless we achieve the base erosion profit sharing requirements and, Madam Speaker, this Action item 5 which is this Bill, the SEZ Bill ticks that box. We will have to deal with country by country reporting and certain tax matters which we have already completed, and which we will bring forward.

And Madam Speaker, we have the Global Forum satisfaction to do which is divided between exchange of information on request and exchange of information automatically. And those are subsetting into 23 items where nine of them, Madam Speaker, we can treat with in an administrative fashion, 15 of them we treat within one piece of law on administrative function. We are awaiting the Global Forum's blessing of the particular legislation now, so that we can bring it forward so that we can retrieve what I call the lost years, brought on by the UNC Government and the sabotage levelled against the people of Trinidad and Tobago in hijacking joint select committee work, which was stranded for two sessions in this Parliament, Madam Speaker.

Madam Speaker, I will be participating at the committee stage with further detail that may be addressed in this debate, and I thank you for the opportunity to

contribute.

Madam Speaker: Member for Barataria/San Juan.

Hon. Members: [*Desk thumping*]

Mr. Saddam Hosein (*Barataria/San Juan*): Thank you very much, Madam Speaker, for the opportunity to contribute to this particular debate on the Trinidad and Tobago Special Economic Zone Bill. And, Madam Speaker, permit me to just respond to some of the misinformation that was placed on the record by the Member for San Fernando West. So the first point that I would like to rebut, Madam Speaker, because the Member spent quite some time in his contribution on this point is that the United National Congress sabotaged the work of the joint select committee. Nothing is further from the truth.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: Nothing. It is intellectual dishonesty for the Member to have made such a statement in this Parliament.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: Because the parliamentary record will show, Madam Speaker, that three Bills were placed in one joint select committee, the Income Tax (Amdt.) Bill of 2018, the Mutual Administrative Assistance in Tax Matters, 2018, and the Tax Information Exchange Agreements Bill of 2018. Madam Speaker, that joint select committee sat on three occasions for a total of two hours and 25 minutes and then they wanted to report on one particular Bill, and we told them that is not going to take us off from the blacklist.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: We need the passage of all three Bills. And, Madam Speaker, the Member spoke of stymieing the work of the joint select committee. I have a letter in my possession under the authorship of the Member for Naparima on the 9th of

May, 2019, when we wrote to the secretary of that joint select committee and he said that:

The last meeting that was held was on the 25th of January, 2019, three months have passed and we have not had a meeting.

We had to kick, scream and beg the Government to commence a meeting for this joint select committee.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: So when the Member for San Fernando West says that we have sabotaged the work, it is the Government who has sabotaged themselves.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: With respect to this particular matter and this joint select committee. And, Madam Speaker, would you know that those Bills were passed in 2020 and Trinidad and Tobago is still on the blacklist.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: We are still on the blacklist, and Madam Speaker, I had to go and get the Trinidad and Tobago report, the country report, with respect to where we are with respect to this matter. Because the Attorney General spoke of the information the tax exchange information and there are certain types of information exchange that must take place. Those on request, those on automatic. This is what they said. With respect to our exchange of information and request we are scheduled to join in 2022, we are non-compliant.

With respect to automatic exchange of information, we now requested to join the Mutual Administrative Assistance Convention. Madam Speaker, when we look at the BEPS framework we are non-compliant. They have tagged us as being actually harmful in terms of our tax regime. And yet this Government dragged its feet having been placed on a blacklist since 2018, passed the law since 2020, and

we are yet to come off the blacklist because of the legislative incompetence and laziness of this PNM Government.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: You have totally embarrassed Trinidad and Tobago internationally, where you have other Parliaments having to condemn the manner in which this Government has been passing laws.

And, Madam Speaker, there is another point that the Attorney General placed on the record. And I have to correct that point. He said a commitment was made by the Member for Siparia with respect to Global Forum. The Member is half correct. The Member for Siparia did join Trinidad and Tobago on the Global Forum with respect to the exchange of tax information. But there is another framework that this Bill is trying to take care of which is the base erosion profit shifting, not sharing as the Attorney General said. It is the base erosion profit shifting. And the Member for Siparia did commit us. But, Madam Speaker, as of 2017 while this Government was in its first term of office Trinidad and Tobago was not a Member of the BEPS inclusive framework. We were not. I have a letter in my hand here dated the 23rd of October, 2017, from one Fabrizia Lapecorella and this was from the Global Forum, Madam Speaker. And it said, and I quote on criterion three:

We acknowledge that in the reply sent on the 28th of July, 2017...

This is a reply from the Ministry of Finance—

...you confirmed that Trinidad and Tobago is not a member of the inclusive framework on BEPS.

So how could the Member for San Fernando West say that it was the Member for Siparia who committed us to that?

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: That is an absolute untruth. It is here in black and white, Madam Speaker. When you look again at a letter dated November 21, 2017, from Ministry of Finance and this letter was addressed to the “Chair of the Code of Conduct (Business Taxation)” which is the Global Forum. I quote from the letter. It says that:

“In this connection, I acknowledge that the code of conduct group will not recommend Trinidad and Tobago to be listed as non-cooperative tax jurisdiction by the Council of the EU, provided that Trinidad and Tobago commits to address its deficiencies by December 31, 2018.”

As of December 31, 2018, there was no Trinidad and Tobago Special Economic Zones Bill in sight.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: The letter goes on, Madam Speaker, to say:

“With respect to the Forum on Harmful Tax Practices, the regime named Free Zones is currently being reviewed with a view to countering harmful tax practices...

As it relates to Trinidad and Tobago’s joining the OECD BEPS Inclusive Framework and adopting the four (4) OECD BEPS Minimum Standards, Trinidad and Tobago expressed its intention earlier this month to join the OECD BEPS Inclusive Framework and adopt the OECD BEPS Minimum Standards.”

This was the Member for Diego Martin North\East penning this letter, not the Member for Siparia. So do not come to this House and tell untruths that it was the Member for Siparia—

Hon. Members: [*Desk thumping*]

Mr. S. Hosein:—who signed us on to the BEPS framework. It is absolutely false

and untruthful. Madam Speaker, as of the 5th of October, 2021, Trinidad and Tobago embarrassingly remains on the list of non-cooperative jurisdictions. We have been blacklisted and there is no sight out because of this Government in the manner in which they have placed us in this particular regard.

Madam Speaker, when you look at some of the issues that arrive or derive from this, you have to really wonder whether or not the Attorney General was in a different reality. Because he also spoke that this law is not being brought with a special majority because he is afraid that the Opposition will sabotage. That is not how a democracy works, Madam Speaker. There is a Constitution.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: And if there are breaches of sections 4 and 5 rights, it must be prescribed in terms of a special majority by the legislation that is being proposed. You cannot just ignore that provision of the Constitution. This Parliament is a creature of the Constitution and we must follow the Constitution. Then the Attorney General said he spoke of FATCA. Madam Speaker, we supported FATCA. That was a special majority Bill.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: The Member said we frustrated the FATF work. One of the most important pieces of the legislation with respect to FATF was the amendment to the Anti-terrorism Act of 2018. I was a member of that JSC and we did extensive work on that particular Bill, Madam Speaker. We in the Opposition supported that particular amendment—

Hon. Members: [*Desk thumping*]

Mr. S. Hosein:—to make us compliant with FATF. So do not blame your legislative laziness and incompetence on the Opposition.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: The only person to blame is the man in the mirror. That is the man to blame, Madam Speaker.

Madam Speaker, it is totally untruthful what the Attorney General would have put on the record today. It is embarrassing for any Attorney General to put such untruths on the *Hansard* record in Trinidad and Tobago.

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: Madam Speaker, now when we look, when we look at the particular pieces of the Bill that is before us, Madam Speaker, you would see that we are trying to address action—

Mr. Hinds: [*Inaudible*]

Madam Speaker: Member for Laventille West. Member for Laventille West, I would like to hear the contribution. You are free to join the debate when the time comes. Please continue Member for Barataria/San Juan.

Mr. S. Hosein: Thank you very much, Madam Speaker. And, Madam Speaker, what the Bill is trying to address is one of the minimum standard criteria that the European Union, the OECD Global Forum, has given to jurisdictions all over the world. And there are actually four of those action items. There is Action 5, Action 6, 13 and 14. And today we are addressing Action 5 which is Harmful Tax Practices. There are 15 of these Actions.

And, Madam Speaker, the base erosion profit shifting is really to ensure that companies who operate multi-nationally, that they are able to pay their taxes in a fair manner in which they do not escape paying taxes from the jurisdiction in which the company is resident, as compared to the country in which the profits and the values are being generated.

3.30 p.m.

So this is what this legislation is attempting to do because what the legislation is doing is that once an area is zoned as a particular special economic zone, there are certain benefits that would derive to that particular company and therefore, there would be, in terms of some of the companies that operate, certain exemptions when it comes to taxes.

So what the Global Forum has identified is that there may have been some preferential tax regimes in a jurisdiction where the company operates or generates its revenue as compared to those jurisdictions in which the company is resident. So that is what the Global Forum wants to ensure, that there is proper tax compliance. So when you look at the particular clauses of the Bill you will see especially the schedule sections the benefits that may derive from this particular piece of law that is being proposed.

Now, Madam Speaker, I want to take some issue with respect to a couple clauses in the Bill, and I want to go and I want to take you, Madam Speaker, to clause 6 of the Bill. And in clause 6 of the Bill, it sets up—well clause 5 sets up the authority; 4 and 5 set up the special economic zones authority and this is a body corporate. And this particular authority will have several powers in terms of:

- “(a) to issue guidelines and directions to the operators, SEZ Enterprises...;
- (b) to...carry out investigations...;”
- (c) to grant and set terms and conditions of licences;”
- (d) to..., amend...suspend...revoke licences...;”
- (e) to inspect licensees...to...ensure...;”

—that there is enforcement and other necessary or expedient functions as may be necessary for the performance of its functions. And this particular authority will be managed by a board as outlined at clause 7 of the Bill.

Now, the board of the authority will comprise a total number of 11 members in terms of the management. Now, Madam Speaker, of the 11 members, the Minister is allowed to appoint six members, then the Minister is also allowed—then the Minister of Planning and Development will appoint:

- “(d) a senior officer of the Town and Country Planning Division...;
- (e) a senior officer of the Inland Revenue who shall be nominated by that Chairman...”—shall be—“appointed by the Minister.”

So in total in terms of ministerial nominations and appointment, you have 6, 7, 8. So therefore, you already see that the independence of this particular board has been eroded because you have now members who are going to sit on a board granting extensive tax reliefs and extensive benefits to certain companies being controlled by the hands of Ministers. And, Madam Speaker, we are raising points with respect to the independence of this particular board that manages the authority.

Then, Madam Speaker, the Minister will also be responsible and this is found at 7—clause 7, subclause (3) where:

- “(3) The Minister shall appoint...two members, other than the Chief Executive Officer, to be the Chairman and Deputy Chairman of the Board.”

So again, the Minister now appoints all of the members and then decides who chairs the board and who is the deputy chair of the board and then, in terms of the tenure of those board members, it shall be determined on the terms and conditions as determined by the Minister.

So, Madam Speaker, the Minister is really the controlling mind of this particular authority. So where is the independence? Where is the independence?

Hon. Members: [*Desk thumping*]

Mr. S. Hosein: Because we have seen how easy it is where friends, families and financiers can benefit and therefore, now you are putting a handpicked authority, a handpicked board to give these particular benefits, Madam Speaker, and then:

“(2) The Minister may give the Board general policy directives...to the carrying out its function under the Act as he considers necessary or expedient and the Board shall give effect to those directives.”

Then the Minister has also the powers to remove members from that particular board and the Minister also has power to appoint persons to act when there are no acting appointments.

So, Madam Speaker, we are taking very much issue with respect to the independence of this particular board that manages the authority because you must have some semblance of independence especially in these regards because, Madam Speaker, in a society as small as Trinidad and Tobago where everyone knows everyone, Madam Speaker, you must have some level of isolation of the political directorate from these governmental institutions in terms of the manner in which they operate, especially where benefits are going to be given. And then, at section 12, sorry, clause 12, a member of that particular board is being given total immunity in terms of the discharge of the functions of the authority, total immunity and we have to wonder why.

Madam Speaker, do you know magistrates in this country do not have full immunity like a High Court judge, yet members of this board are being given more immunity and privilege than judicial officers. Because you know why, Madam Speaker, the difference is that maybe these board members will be handpicked by certain Ministers, handpicked by the Government, handpicked by a particular Cabinet.

Madam Speaker: Member.

Mr. S. Hosein: Yes?

Madam Speaker: I am just cautioning you on the provision with respect to imputing improper motives and I believe that last statement offends that so I will ask you to withdraw and you can proceed.

Mr. S. Hosein: Certainly, Madam Speaker, I withdraw and I comply with your ruling. So, Madam Speaker, these are some of the issues with respect to the particular clauses that I wish to raise in this Bill, Madam Speaker, I have already debunked the untruths in which the Attorney General and Minister of Legal Affairs have placed on the record, Madam Speaker, and with these few words, I thank you very much.

Hon Members: [*Desk thumping*]

Madam Speaker: Member for San Fernando East.

Hon. Members: [*Desk thumping*]

The Minister in the Ministry of Finance (Hon. Brian Manning): Thank you, Madam Speaker, for allowing me to speak today on this very important piece of legislation. Madam Speaker, we are here today to repeal the archaic Free Zones Act and implement the management authority for these special economic zones, Madam Speaker.

Economic zones over time have grown to become a critical foundation of the global supply chain with approximately 3,500 zones operating in 135 countries worldwide and employing over 60 million people. You can see just how important special economic zones have become. This is one of several variations of economic zones and used by governments to develop and diversify exports, generate foreign exchange, create jobs, pilot new policies and approaches and allow more efficient government supervision of infrastructural development, environmental controls, and labour standards.

Madam Speaker, as we are all aware, diversification is one of the major goals of this Government so that we do not remain heavily dependent on the energy sector. Goals of this Revised National SEZ Policy are as stated:

- to modernize T&T economic free zone regime;
- increase the economic and social impact of economic zones in Trinidad and Tobago;
- to enhance the international appeal of Trinidad and Tobago's economic zone regime;

Of course, this is an attempt to improve our ability to attract foreign direct investment.

- improve existing and advance new mechanisms and procedures to effectively develop and manage economic zones.

Madam Speaker, earlier the Member for Mayaro was saying that you did not hear too much about improving the ease of doing business in Trinidad and Tobago. I will say if he carefully looked at this Bill, he will see that everything here is designed to improve efficiency and to make it easier for local businesses and also foreign direct investment, to establish themselves in export based industries and improve the economy of Trinidad and Tobago.

The main reasons for replacing the archaic Free Zones Act, Madam Speaker, are simple:

- Zone structure: All lacking diversity and performing poorly.

We have not seen the results that we are looking for from the current Free Zones Act.

- Ownership and developmental roles: Under the Free Zones Act, Trinidad and Tobago Free Zone Company is authorized to serve the role of owner, developer, regulator and facilitator.

Madam Speaker, later on, we would go into a discussion of the Special Economic Zones Authority which is designed to replace this outdated structure and to improve the administration of these free zones in Trinidad and Tobago.

- Incentives and zone features: Current incentives available to approve the free zone enterprises are very generous, but they are not time bound and limited only to financial incentives which significantly undermine the country's revenue base.

Unfortunately, all incentives cannot be financial for us to become more attractive and competitive to developing export based industries in Trinidad and Tobago.

- Shortcomings of the present free zone regime include an ineffective policy framework, weak legal and regulatory framework, a weak institutional framework, a poor performance—as I stated earlier.

Madam Speaker, a lot of the policy document that drove the development of this Bill came from a World Bank report which was delivered in September of 2012 when those on the other side were in office. Of course, this was completely ignored by those on the other side while they were in office. But let me list some of the key recommendations outlined in this policy document:

“Qualifying criteria and Approval procedures — more robust qualifying criteria and approval are required to improve the quantity and quality of investments in Trinidad and Tobago.”

That is one aspect that this Bill seeks to improve.

“Key legislative changes”

The repeal of the Free Zones Act.

“...enactment of...”—the—“...Special Economic Zones”—Bill.

Which is what we are doing here today.

The “Improved Designation Criteria — strategic changes to the standards and criteria that determine whether or not an area can be designated a...”

SEZ—or special economic zone.

“More Streamlined Operations — ...adoption...of information systems...and...administration, operation and management of SEZ...”

Of course, this leads to an improvement in the ease of doing business in these free zones.

“Dynamic Incentive Framework — a completely revamped incentive structure that includes non-financial incentives, as well as a framework that is time-constrained and dependent on factors such as investment level, investment type, etc.”

Of course, as I said earlier, the time segment is something that was completely lacking in the previous archaic legislation.

The Ministry of Trade and Industry has been in discussions with various stakeholders in developing a revised SEZ policy since March of 2017. So the World Bank report came out in 2012 and this Government resurrected this initiative in March of 2017 and of course, we have heard more than enough today about committee stages and also about discussions with the general public.

The rationale for special economic zones legislation to replace the archaic Free Zones Act—new legislation designed to attract foreign direct investment and is in line with the Government diversification thrust. As I said earlier, Madam Speaker, that is one of the main directors of this administration; also designed to keep peace with our Latin American neighbours. Of course, in this globalized economy, we are not just competing against ourselves but we are competing against our neighbours, especially those in Latin America. In a globalized

economy, we cannot just look at what we are doing, we also have to look at what our competitors are doing and also keep pace with them.

The World Bank technical report, September 2012, stated about SEZs, Madam Speaker, and I quote:

“SEZs could offer foreign investors (outside of oil and gas) opportunities for regulatory simplicity, investment security, infrastructure and hassle-free access to inputs, as well as their ability to stimulate widespread diversification and growth through linkages with domestic economy and complete value chains to firms within the zones.”

Of course, Madam Speaker, this report came in 2012 and again, was completely ignored by those on the other side, so I marvel at them today saying that things are not moving quickly enough. Legislative goals. The goals of this legislation:

“...modernize...”—T&Ts—“economic...zone regime;
...increase the economic and social impact of economic zones in Trinidad and Tobago;
...enhance the international appeal of Trinidad and Tobago’s economic zone regime...”

Of course, that means we are staying competitive.

Improve the management of economic zones, with modernized procedures. Of course, that attempt to improve the ease of doing business in these loans and Trinidad and Tobago in general.

The evolution of economic zones, Madam Speaker, is not something that is strictly confined to Trinidad Tobago but something that has been evolving over time internationally. Free zones around the world have evolved. We initially began as a form of free ports or custom free areas within seaports; we advanced into some of these being developed into customs free zones for light manufacturing and other

processing then, export processing zones and now, Madam Speaker, we are here today to really bring this legislation into the 21st Century then finally, into special economic zones, an entity separate regulatory environment—entirely sorry, separate regulatory environment from the rest of the host economy.

So, the regulations that obtain within these zones will not be the same as those for the rest of the general population, Madam Speaker, and this is because they are designed to give us a boost in terms of export based industry.

Modern efficient zones can be found across the Americas, Europe, Asia, Middle East and Africa. Approximately, as I said earlier, 3,500 zones 135 countries employ almost 60 million people. Of course, this Government is extremely focused when it comes to employing our people, especially as we tried to stimulate this economy coming out of this global COVID crisis.

Under the Free Zones Act which we are repealing, section 28 (1) of the Act, are approved free zone enterprises that benefitted from full exemptions from several taxes and other benefits. In an effort to drive the national diversification thrust and successfully penetrate new and existing export markets we have targeted the following sectors: tourism being a major one; agriculture and agro processing. And let me at this point take the time to thank the Minister of Agriculture, Land and Fisheries for several of the initiatives he has been assisting the people of San Fernando East in establishing agricultural projects in our constituency. We thank you for your assistance and your hard work. And also, sorry, this staff and public servants of the Ministry of Agriculture, Land and Fisheries.

We also include:

- “...maritime services;
- ...fishing and fish processing;
- ...aviation services;

...creative industries;
...financial services;”

And of course, ICT. Again, with a thrust in terms of improving the ease of doing business in Trinidad Tobago and also, so that we can enter the economy and industry of the future, which of course, as we all know will be technology driven.

The purpose of reform legislation—this policy serves to replace the existing free zone or arrangement with a modern special economic zone or SEZ regime, which will be a platform for national economic diversification, attract domestic and foreign investment, create employment opportunities and enhance private sector participation in the economy. But, Madam Speaker, one of the most important, I would say maybe the most important part of this Bill is the establishment of the SEZ authority. This would be a critical part of the overall governance arrangement under the new SEZ regime and the main responsibilities will be regulating SEZs throughout Trinidad and Tobago. So of course, the Member for Barataria/San Juan earlier spoke about his concerns about this SEZ Authority but he did not take the time to go through some of the details in terms of the composition of the board of the authority.

The SEZ Authority, according to clause 7, outlines the composition of the Board of the Authority. Clause 7(1) states that:

“7. (1) The...” special economic zones “Authority”—of Trinidad and Tobago “...shall be managed by a Board.”

And yes, he was correct in saying 11 Members and yes several of them will be appointed by various Ministers. But let me give you the final details:

“(a) six members with qualifications and at least seven years’ experience, in finance, information technology, economics, international relations,

business management, engineering, logistics and supply chain management, or accounting, who shall be appointed by the Minister;

- (b) two Attorneys-at-Law of at least seven years' standing who shall be appointed...on the advice of the Judicial and Legal Service Commission.”

Of course, this is an aspect that the Member for Barataria/San Juan failed to enunciate.

“(c) the Chief Executive Officer, *ex officio*;

- (d) a senior officer of the Town and Country Planning Division who shall be nominated by the Permanent Secretary of the Ministry responsible for planning and appointed by the Minister;”

So this appointee is actually on the recommendation of the Permanent Secretary of the Ministry.

“(e) a senior officer of the Inland Revenue division who shall be nominated by the Chairman of the Board of Inland Revenue and appointed by the Minister.”

So as though the appointments are being made by the Minister, the recommendations, not in all of these cases would be coming from the Minister. So I ask the Member for Barataria/San Juan to take a closer look at that part of legislation.

Under clause 7:

“(3) The Minister shall appoint any two members, other than...”—*ex officio* members—“to be the Chairman and Deputy Chairman of the Board.”

Clause 7 (4) states that:

“(4) In the case of the first Board—

- “(a) the Chairman, and three other members shall be appointed for a term of four years;
- (b) the Deputy Chairman and two other members shall be appointed for a term of three years; and
- (c) three members to be appointed for a term of two years, and their appointments shall not expire on the same date.”

Madam Speaker, there are several types of zones that would fall under this Special Economic Zones Bill and I would like to go through some of the benefits related to a few of them. One, we have the type of zone: A free port. Under a free port, some of the benefits include:

“Allowances/Credits”

—which will include—

“Reinvestment relief” or

“Enhanced relief;

VAT:

Goods supplied to Zone shall be zero rated.

Services provided by non-residents in Zone shall be zero rated

Customs duties

- exemption and importation of all approved capital goods, spare parts, raw material, stock in trade and other articles in use in Zone

Free Trade Zone

Reinvestment relief.

Enhanced relief

Goods supplied to Zone shall be zero rated

Services provided by non-residents in Zone shall be zero rated Exemption on importation of all approved capital goods, spare parts, raw materials and other articles for use in Zone.”

Madam Speaker, this is what the people of Trinidad and Tobago are concerned about and this is what they want to hear about, what are the benefits that are being allowed in these zones and also what benefits would come from the establishment of these zones.

In the industrial park—we have reduced:

“Corporation tax

Reinvestment relief.

Enhanced relief.

Research and development allowance”

Madam Speaker, this Government has done quite a bit and is doing even more to promote the development of research and development in Trinidad and Tobago. It is an area in which we are sorely lacking and I would personally like to ask Members of our conglomerates and business community to really look to invest more in research and development in their activities.

“VAT:

Goods supplied to Zone shall be zero rated

Services provided by non-residents in Zone shall be zero rated

Customs duties

exemption on importation of all approved capital goods, spare parts, raw materials or other articles for use in Zone.

Property tax

exemption from property tax obligations”

—very important.

Madam Speaker, we on this side believe that the establishment of this modernized special economic zones legislation would be of great benefit to the people of Trinidad and Tobago and when we are crafting policy and our day to day activities in this Government that is paramount in our minds. The expectation is that there will be increased employment, foreign direct investment, leading to increased inflows of foreign exchange, increased exports, and improved balance of payments position, increased economic activity, use of technology, and a more dynamic, robust and diversified overall economy, Madam Speaker.

This piece of legislation goes a long way in improving the ease of doing business when developing a new business in Trinidad and Tobago, especially for foreign direct investment. This is the directive and mantra of this Government and we would continue to act in the best interest of the people of Trinidad and Tobago in creating a bright and equitable future for all. Thank you, Madam Speaker.

Hon. Members: [*Desk thumping*]

Madam Speaker: Member for Pointe-a-Pierre.

Mr. David Lee (*Pointe-a-Pierre*): Thank you, Madam Speaker, for allowing me to join this debate on:

"An Act to provide for the designation of development operations and management of the Special Economic Zones, the establishment of Special Economic Zones Authority and the Repeal of the Free Zones Act, Chap. 81:07, the Regulations in Special Economic Zones and matters related thereto."

Madam Speaker, before I get into my main presentation, because this special economic zone Bill that we are debating here is a very important piece of legislation, Madam Speaker, so I think I would have thought I would have heard

much more from the Member from San Fernando East about it as a follow up from the Minister of Trade and Industry.

This Bill it has 12 Parts, 90 clauses and five Schedules, Madam Speaker, and I am a bit confused, because I do not know if this Bill is more related to the Attorney General than the Minister of Trade and Industry because in my view, and in our view, this Bill is really about getting us—the country—off the blacklist, as opposed to performing what is this Bill, the 90 clauses is supposed to do for this country, Madam Speaker. And the main part of this Bill, in my view is the repeal of the free zone—our present free zone Act, Madam Speaker, that was created back in 1988 at the time was NAR administration was in place in the country and the country was going through some very austerity measures at the time and I am sure in the astuteness of that government, the NAR administration, they brought this piece of legislation, the free zone Act to sort of have energize or bring in foreign direct investments at a time where the whole aspect of free zones and the concessions at the time in 1988, thereabout, would have come into being.

Since then, Madam Speaker, 1988, over 30-something years, Madam Speaker, the world has changed. We never had Global Forum back in 1988, we did not have FATCA back in 1988 and the list goes on. So the globe—the world has changed in respect of tax information sharing, et cetera, Madam Speaker, and that is what we are here today. So it is really today—is less about the Minister of Trade and Industry but more about the Attorney General getting this country of the blacklist, Madam Speaker, and that is why he was so passionate, the Attorney General, in piloting—in debating his 20 minutes, Madam Speaker. And I listened to the Attorney General in the other place when this Bill was first piloted in the Senate, and he has more—the Attorney General was more passionate then, Madam Speaker.

Madam Speaker, the Attorney General every time he talks about blacklisting, which he talked about today, he always mentioned Larry Howai's name—I want to say Larry Howai was one of the best Minister of Finance this country has ever seen.

Hon. Members: [*Desk thumping*]

Mr. D. Lee: His performance is par excellence is second to none, right, Madam Speaker, and the Attorney General raises Mr. Howai's name in the aspect of the whole Global Forum issues, et cetera, Madam Speaker, and the world has changed. If Minister Howai at the time did not do it, somebody else had to do it, Madam Speaker, because that is what the country has to do. The country has to conform what is taking place internationally, globally in the world, so it is a bit disingenuous my friend, the Attorney General every time every time he gets up he tries to lay blame squarely on the PP Government,

Madam Speaker, they have been in charge, the Attorney General has been in charge for the last seven years. Please, get us off the blacklist.

Hon. Members: [*Desk thumping*]

Mr. D. Lee: Madam Speaker, I want to spend a little time on the free zone Act that is being repealed. When you listen to the Minister of Trade and Industry that this special economic zone Bill, replaces and the Minister of Trade and Industry, Senator—the hon. Senator went through the whole issue of trying to modernize and bring in modern legislation into the country and that is fine. As I said earlier, the free zone Act is archaic, it needed modernization to keep up with the global times. There were some issues in respect to the free zone, as far as the licences is concerned, the licence is for perpetuity and unless you repeal the Act. That is what is happening today.

4.00 p.m.

There were issues as far as tax concessions with the free zone companies that have taken up that free zone regime, Madam Speaker, where, you know, zero-rated corporation tax—and that is really the main change as far as concession with the old Trinidad and Tobago Free Zones Act as opposed to this special economic zone Bill, Madam Speaker. The same concessions, the duty free concessions, the zero-rated concessions, et cetera, Madam Speaker, that applied in the free zone still applies in the special economic zone Bill, Madam Speaker, save and except corporation tax, Madam Speaker. And I was a bit taken aback again when the whole—the rate of the corporation tax is silent. What would be that rate that is being offered to the special economic zone companies that want to come into Trinidad and Tobago, or even locals that want to access that special economic zone facility? What is the corporation tax, Madam Speaker?

Even in the Senate it was silent, today it is silent, and I am hoping that when the Minister of Finance debates that he can add some clarity, what would be that figure, Madam Speaker. Because the whole aspect of this Special Economic Zone, as the Member for San Fernando East correctly stated, is about attracting and energizing foreign direct investments into the country for the past six to seven years that was non-existent under this present Government, Madam Speaker.

Hon. Members: [*Desk thumping*]

Mr. Dr. Lee: We actually had a net outflow of foreign direct investments, Madam Speaker, over the last seven years.

This special economic zone Bill, Madam Speaker, is not the first time that it is being talked about by this present Government, Madam Speaker. Back in their first budget in 2015 the Minister of Finance announced this special economic zone aspect or feature that is coming to the country, Madam Speaker. And every year since then the Minister of Finance has put that statement in his budget presentation,

Madam Speaker. Now, I want to believe that when the Minister of Finance and his Government was formulating what would be this special economic zones in their mind, it is far different than what it is today in the Bill that we are debating, Madam Speaker. And I think where it differed a bit was that whole trying to get us off the blacklist and trying to satisfy Global Forum, Madam Speaker. So I do not know if the Minister of Finance could expand what was the vision for the real special economic zones that he presented year after year in his budgets for the last six to seven years, Madam Speaker.

Madam Speaker, so really and truly, this Bill is really—it is just ink on paper, Madam Speaker, and it is really—it sounds good, it reads good, Madam Speaker, but I do not know, Madam Speaker, if it really would be—would really make a difference in generating foreign direct investments, in generating players, new players to access the special economic zone model, Madam Speaker. Madam Speaker, the Trinidad and Tobago Free Zones Act that is being repealed, we have 15 companies that presently access or are free zone companies, Madam Speaker. And the Minister of Trade and Industry mentioned that in her presentation, Madam Speaker, and you would think for the last thirty something years, different administrations, Madam Speaker, would have done much more with that free zone facility, Madam Speaker, and we agree on that. We agree on that, but what I have a problem with, Madam Speaker, you have 15 companies existing presently and their time comes to an end on the 31st of January, 2022. I think that is in the Bill, Madam Speaker. And there is no grandfathering of these companies into this new special economic zone model Bill, Madam Speaker.

So I have a concern: What happens to those companies, because the Minister of Trade and Industry was silent also—what would be happening to those 15 companies come 31st of January, 2022? Do they then become just normal existing

local companies in corporate Trinidad and Tobago? What becomes of their employees, Madam Speaker? Did they have—I am sure, you know, I am hoping that they would have had consultation with these present companies. And when you look at the website of the free trade zone, Madam Speaker, that is existing presently—and I am assuming it is current, it is alive and it has value, Madam Speaker. Madam Speaker, you have some success stories on that website. You have about three companies that the present administration considers success stories, and one of them is Nestlé International, Madam Speaker, and they access the free zone. That is a big, big company, Madam Speaker, that is part of the Free Zones Act that is presently in place, Madam Speaker. You have another one called Oldendorff Shipping Carriers; I think that came into being under the PP administration, Madam Speaker.

So my concern is what happens to these companies on the 1st of February, 2022, Madam Speaker; what happens to the workers? And that is silent, Madam Speaker, because there is no grandfathering of these companies.

Now, when you look at the Jamaican model, Madam Speaker, when you look at the Jamaican model—now Jamaica is off the blacklist for all intents and purposes, they are off the blacklist. I do not know what Jamaica is doing better than our Attorney General. I guide the Attorney General to follow the Jamaican model, Madam Speaker.

Now, Madam Speaker, Jamaica. In Jamaica, for example, their Special Economic Zones Act was passed in 2016. and there are approximately 168 entities operating in Jamaica as SEZs, with a total investment of more than US \$1.4 billion. Since the passing of the Jamaican Act in Jamaica in 2016, more than 106 entities have successfully transitioned—hear this one—transitioned from their free zone to SEZs. So, Jamaica had a free zones Act similar to us but they were able to

transition to the SEZ model in Jamaica, Madam Speaker. And as at June 2020, Jamaica's Special Economic Zone Authority had received and processed 62 applications for new investments in that country, Madam Speaker. So in my view just reading this passage, Jamaica is a success story as far as the SEZs are concerned, transitioning from their free zone to SEZs, Madam Speaker, to meet the Global Forum standards, et cetera, Madam Speaker, and they are off the blacklist, Madam Speaker.

So I ask and they were able to have a grandfathering of companies that were part of their free zone into their special economic zone, Madam Speaker. And for the life of me I hope I can get some answers from the Minister of Trade and Industry why some sort of grandfathering of our existing companies was not offered to the present 15 companies. Maybe they were and they did not accept, but at least tell the country to give some comfort that that was done, Madam Speaker, because when you look at the 15 companies that presently exist in the free zone, they are the same sort of companies or manufacturing—you have one with food processing, et cetera, Madam Speaker. So it is the same sort of companies or sectors that will follow in the special economic zone, Madam Speaker. Madam Speaker, when you go through the Bill—so I hope the Minister of Trade and Industry can enlighten us a little bit about that, our free zone and the grandfathering issues, et cetera, Madam Speaker.

When you look at the Bill, Madam Speaker, and I listened to the Member for San Fernando West in response to my colleague from Barataria/San Juan with respect to the Authority and the composition of the Authority and the staff, again when you look at the clause in that particular sector, Madam Speaker, it talks about immunity, giving immunity to the board, the CEO and the staff. I do not know if “immunity” now is a buzzword for this present Government of giving immunity to

directors, et cetera, Madam Speaker. So I ask again, why all of a sudden immunity is being considered in any Bills for directors, CEOs, et cetera, Madam Speaker. We did not used to have that before, Madam Speaker.

So, Madam Speaker, the other aspect of the special economic zone Bill here, Madam Speaker, it talks about different licences and you have a licence for an operator, Madam Speaker. Now, I know the Authority is not an operator so I am clear of that. So you have an operator, for example—I could give an example, presently the free zone, our free zone compound, under the free zones Act, one area is located in D'Abadie, in the east in D'Abadie, in the East-West Corridor, Madam Speaker. Now, that is a compound, that is an operator, in my view, and you having a licence for an operator. Now, the concern I have, and I seek clarity, with the operator as a licence, Madam Speaker—I am an operator, I have lands in Trinidad and I want to build a special economic zone. So I get a licence and I develop it. I put in my operation plan, Madam Speaker. Now, as an operator—and I am guided, Minister of Trade and Industry—I get all the benefits, I get all the benefits of concessions, duty free, et cetera, Madam Speaker, and I develop this special economic zone. Now, the tenants of this special economic zone, who is responsible for getting tenants, players or companies to be part of this economic zone? Is it the operator or is it this new company or agency that is a combination of invesTT and exporTT that the Minister of Trade and Industry, there is going to be an amalgam, an amalgamation of these two companies coming together as one and they will be solely responsible for marketing and selling of our special economic zones facilities, Madam Speaker?

Madam Speaker: Member, you have two more minutes of speaking time left.

Mr. D. Lee: Thank you. Thank you, Madam Speaker. So I seek clarity because if I am as a private developer, operator, a landlord, commercial landlord, I develop this

complex and it is not—the Government is not aggressive in getting tenants for my complex, for that special economic zone, but I got all these duty free concessions and it is failing and I have a bank loan, a mortgage, et cetera, what happens? What happens? Does the Government then take up that responsibility of that private operator? I just ask for clarity on that, Madam Speaker.

Madam Speaker, I know my time is running out and I have plenty much more to say. And I thought, Madam Speaker, with this special economic zone, I thought Phoenix Park would have been that model; that eTecK Phoenix Park that is being developed, that I thought that the Minister of Trade and Industry would have said to this country, that would be our first special economic zone model and hopefully, you know, we can then use that to be able to attract foreign direct investments to come in, Madam Speaker. So I am not too sure, Madam Speaker, as I wrap up, that really and truly this Bill today is about the Minister of Trade and Industry but I think it is more about the Attorney General and getting us off the blacklist, Madam Speaker. I thank you with those few words. [*Desk thumping*]

Madam Speaker: The Minister of Labour. [*Desk thumping*]

The Minister of Labour (Hon. Stephen Mc Clashie): I thank you, Madam Speaker, for allowing me this opportunity to lend my two cents to this debate on the Trinidad and Tobago Special Economic Zones Bill, 2021. I have listened attentively to those who went before me and in many instances I may have repeated some of what was said but in the interest of time and brevity I will not rehash the items that were already discussed in some detail. But I must start, Madam Speaker, by saying I am quite bemused, amused about the Bill not being worth the paper it is printed on, that we have to somehow cow to some international body so that we could get—not be blacklisted, and therefore it takes away from us the fact that the Government of Trinidad and Tobago, in bringing

this Bill forward, is really concerned about our citizens and the benefits that are to be derived from such of it. Saying and dismissing out of hand that it is just to facilitate some kind of legal requirement, takes away from what I think it is a very good Bill.

The development of special economic zones is nothing new. Today many developing and developing economies are increasingly utilizing SEZs as a tool to further their development and to move forward. My colleagues would have indicated the number of zones that exist over the world, over 5,000, and over 147 countries and over 60,000 jobs; that is given. We have also spoken about the benefits to be derived by countries who adopt this particular model and some of the benefits include infrastructure development, foreign direct investment, local investment, the development of local communities, diversification of the economy, job creation and skills development. Schedule 1 of the Bill before us speaks towards the investors and the benefits and I think my colleague from San Fernando East would have gone into some detail but I will just summarize by saying that these investors are allowed tax credits, VAT and custom duties exemptions, reduced corporation tax and reduced property tax.

Now, I repeat these things, Madam Speaker, because very often the layman who is sitting in his living room today and is listening us to really does not understand and/or care about a lot of the composition of the boards and how we frame what we want to do and how we want to do it. They are more concerned about what does this Bill mean to my everyday existence, how do I benefit from the creation and implementation of such a Bill? And I would like this afternoon, Madam Speaker, to deal with two or three issues that affect the average citizen with respect to how this Bill is structured and that is job creation and skill development.

In Part IV, Schedule 2, again, those that went before me spoke towards the kinds of zones that exist and the benefits to be derived from each of those so I will not go into that, Madam Speaker. The specific policy/development goals however, can be summarized as increased economic and social impact, interconnection with other government policy and economic diversification and development of downstream industries and job creation.

It was also identified the kinds of businesses that we would like to attract within these free zones and we heard about ICTs, aviation, manufacturing, agriculture, business process, but each one of these particular subsets really requires a different approach and a different developmental standard. So, for instance, Madam Speaker, if we were to deal with, say agriculture, we know that we will need cold storage, we would need refrigeration and transportation, both road and air and sea. If we talk about business processes, we need reliable and fast broadband connections. If we bring in data storage companies, we know they use considerable electricity and because they like to keep their green status, they often want energy from renewable sources. So it puts us in a place, Madam Speaker, that when we bring legislation like this and we create the forum for creating of good governance and putting boards and regulatory bodies and thing in place we really are doing that on the backdrop that there is some benefit to be had by the normal man in the street.

The SEZs are not a cure-all. It is not a panacea. It will not change things overnight. There are challenges and if there were not challenges, we would not be bringing this Bill today. If we were okay with what existed, then we would not be moving in this direction. I draw on the experiences of other countries who have entered into this particular realm and I note that in Bangladesh for instance, with the assistance of the World Bank, they have attracted nearly \$3 billion in private

investment, generated more than 23,000 jobs of which 20 per cent are held by females, and altered the industrial zone landscape in Bangladesh.

Closer to home, as my friend from Pointe-a-Pierre pointed out, the Jamaica experience showed that they had made significant strides and under their particular SEZs, they would have created 39,000 jobs and attracted more than \$1.7 billion in economic activity. Trinidad and Tobago cannot afford to linger too far behind. We must adapt to changing economic circumstances, remain relevant and competitive and this is what this Bill is about, modernizing the way we do business and how we do it. Countries to which Trinidad and Tobago has key preferential trade agreements, such as Costa Rica, Jamaica, Panama, et cetera, all have some form of SEZs development of their own and will position themselves to take advantage as we must.

We cannot build jobs, Madam Speaker, without developing skills and although this particular Bill deals with the economic activity and zones, this Government cannot be and will not be a one-dimensional entity. So when we speak about job creations that also goes hand in hand with skills development and therefore as part of our development of these SEZs, we have to create some alignment with the various institutions that we have. Alignments with NESC, UTT, UWI, other tertiary and technical level institutions to bring us and to allow us to adapt to the new and changing kinds of jobs that will become available.

Trinidad and Tobago already has a highly skilled workforce as we have invested heavily in technical and vocational skills over the years. The high volumes of graduates that we have from NESC, UTT and UWI is testimony to that. We have to involve our educational institutions in the process if we are to create the kind of changes we want to see. We need to ensure that there is appropriate

training and educational institutions that are aligned with these new entities that would come into Trinidad and who would wish to set up business.

[MR. DEPUTY SPEAKER *in the Chair*]

We cannot sit and expect that we know what they need and therefore it has to be a collaborative effort. We also need to understand, Mr. Deputy Speaker, that one of the issues of setting up SEZs is that of sustainable community development with the focus on SEZs being placed on locations outside of the already established economic hubs of the two largest cities in Trinidad and Tobago, Port of Spain and San Fernando. More communities will benefit from the economic development through the development of many SEZs. Decentralization of economic activities means many would have greater opportunity for employment closer to their home and communities of origin reducing the rural/urban pull.

Rural communities such as mine, Mr. Deputy Speaker, could benefit tremendously from a well-oiled, well-greased and well-run SEZ mechanism. I have no doubt that the Bill as drafted and no doubt there will be changes during the committee stage, but I am confident that the Bill as perceived will in fact bring the benefit that we expect to Trinidad and Tobago to our citizens, to our young people and to our communities. And I have no—and I stand here and offer my unreserved approval for the mechanism as outlined by the Ministry of Trade and Industry and the Minister. And I thank you, Mr. Deputy Speaker, for giving me this opportunity and I look forward to the fast and easy passage of this Bill. Thank you.

Hon. Members: [*Desk thumping*]

Mr. Deputy Speaker: I recognize the Member for Couva South. And, hon. Member, you have 20 minutes.

Hon. Members: [*Desk thumping*]

Mr. Rudranath Indarsingh (*Couva South*): Thank you very much, Madam Speaker—Mr. Deputy Speaker, my sincere apologies. And to comfort the Minister of Energy and Energy Affairs—

Hon. Member: Industries.

Mr. R. Indarsingh:—the Member for Port of Spain North/St. Ann's West, I was not really going to speak in this particular debate but the Minister of Labour came into the debate and he has really forced by hand in responding to some of the issues that I thought he would have attempted to deal with based on the positioning of the Government that he belongs to. Because, Mr. Deputy Speaker, the Minister of Labour and the Member of Parliament for La Brea indicated in his contribution that the Bill is concerned about the citizens, our citizens and the benefits to be derived for the citizens of Trinidad and Tobago.

4.30 p.m.

He indicated also that this Bill should be seen in the context of how it will impact upon the average layman in our society. All that is fine, Mr. Deputy Speaker, in relation to the overall objectives and so on that is being sought here through the piloting of this piece of legislation by the Minister of Trade and Industry, Sen. Paula Gopee-Scoon. But it is important too that while we draft legislation, that we focus on how are we going to offer protection to the nationals of our country, who are supposed to work in these Special Economic Zones that are being created, or which are being created by the Government of Trinidad and Tobago through this particular piece of legislation.

Because, Mr. Deputy Speaker, this is a government that has continued to blow their trumpet on being patriotic, and working in the interest of the people of this country, but if you bring legislation to the Parliament that facilitates foreign direct investment, and you are bringing legislation to the Parliament to facilitate

companies coming into Trinidad and Tobago, and generating economic activity and creating economic activity and so on, all that is fine. But at the end of the day too, you must be able to demonstrate in a very tangible—in a very tangible and responsible manner that, indeed, we will protect the interest of the citizens of Trinidad and Tobago who will be operating in these Special Economic Zones.

To say the least, the last speaker was the Minister of Labour, and I thought that the Minister of Labour would have been the most competent person in the Government's Cabinet, or on the Government side, to come and articulate to the stakeholders who are listening to this debate that, indeed, we will offer the protection to the workers of Trinidad and Tobago, who will work in these economic zones. To say the least, well the Minister really did not get off in term of scoring any runs in his inning. To say the least, the Minister was clean-bowled first ball in his delivery.

Hon. Members: [*Desk thumping*]

Mr. R. Indarsingh: He went on to speak about job creation and skills development, and the experiences of other countries. He focused on Bangladesh and \$3 billion in foreign direct investment, and the creation of 23,000 jobs, and the Jamaica experience which created significant strides in relation to 39,000 jobs, and the generation of \$1.7 billion in economic activity.

All these statistics are, indeed, again fine, but does it offer? You see, in the public relations and the propaganda that the Government continues to create in their narrative, respective narrative in this Parliament and outside of the parliamentary framework, they do not come clean with the reality, and that is why the Opposition will continue to put the reality to those on the Government Bench, inside and outside of the Parliament.

Hon. Members: [*Desk thumping*]

Mr. R. Indarsingh: Because, Mr. Deputy Speaker, I want to go very quickly to this particular piece of legislation, and to focus on Part II, clause 5 of the Bill, which states the functions of the Authority, and 5(1)(b) is to:

“regulate and supervise Zones;”

And also 5(1)(f) is to:

“formulate guidelines and codes of practice to be observed by operators, SEZ Enterprises or Single Zone Enterprises;”

Mr. Deputy Speaker, I thought someone on the Government side would have been able to tell this country in this debate what is the Government’s policy. Because the Minister came and boasted in piloting about a policy that the Government created, and she apparently read from that policy. But I want to ask the Minister, and probably in her wind-up again she will clarify—but I have no hope that she will clarify for the better interest of the workers of Trinidad and Tobago and the stakeholders.

In 2019, the Organization for Economic Cooperation and Development published its code of conduct for “Clean, Free Trade Zones”, and in that it spelt out and it went on to say that States must:

“Provide unconditional access to competent authorities, in accordance with domestic law, to carry out unobstructed, ex officio enforcement checks of operators in support of investigations of violations...”—

“Prohibit operators and persons who do not provide the necessary assurance of compliance with the applicable customs provisions from carrying out an activity...”

And also, Mr. Deputy Speaker, to:

“Ensure that economic operators active...maintain detailed digital records of all shipments of goods...”—and services—“leaving the zone, as well as all

goods and services produced within...”—these economic zones, Mr. Deputy Speaker.

From where I stand here this afternoon, the Minister of Trade and Industry, and all Ministers who have spoken on this particular piece of legislation that is before this Parliament, have failed miserably to say what is Trinidad and Tobago’s position as it relates to a code of conduct for clean, free, trade zones.

Mr. Deputy Speaker, the Bill again goes on to say in 5(1)(k):

“to promote economic development in local communities;”

I hope, again, in the interest of the people of Trinidad and Tobago and the communities this is not hearsay, this is not public relations. This is not an exercise here this evening with sweet talk and mamaguy as usual, so that they could get us to buy into what they want to achieve. Because when you drill down, the reality is when companies come into rural communities—and I heard the Minister of Labour indicate rural communities and so on—when you ask them to display or fulfil corporate social responsibility, Mr. Deputy Speaker, “you cyar get dem to even sponsor a trophy for ah All Fours match”. That is the reality you know, Mr. Deputy Speaker.

I hope that in wanting to attract foreign direct investment and creating economic activity, we will be able from a government point of view to press upon the need for corporate social responsibility. Very quickly also, it goes on to say in 5(1)(j), to:

“develop modern infrastructure required to attract foreign direct investment and stimulate...”—that is the responsibility of the Authority.

I hope—and I know the Minister is a frequent visitor to the Phoenix Park Industrial Estate. I do not know if the Minister of Trade and Industry and her entourage would have driven on the UTT road and on the Camden Road. These roads are the

two worst roads in Trinidad and Tobago at the moment. In fact, on the Camden Road is the mother of all potholes in this country.

When they speak about developing the infrastructure, I hope they are paying attention to the collapse of infrastructure on all the road networks in Trinidad and Tobago which, indeed, will not attract foreign direct investment, given the neglect that we are witnessing from this Government over the last six years. Virtually every bridge, every road has collapsed under Ministers Kazim Hosein and Rohan Sinanan. So I do not have any faith that this will lead to an improvement in the infrastructure, the modern infrastructure that we all boast about.

I see the Minister of Finance is looking on very eagerly. I hope that he can find the funding to support the Authority that is being created here this afternoon—or supposedly created this afternoon, as it relates to the development of the modern infrastructure that they want to boast about.

And then, Mr. Deputy Speaker—how much time I have again?

Mr. Deputy Speaker: You have roughly about eight minutes.

Mr. R. Indarsingh: Yes, Mr. Deputy Speaker. Thank you very much. You know, I thought, again, the Minister of Labour was “de right man in de batting order” to tell Trinidad and Tobago what we will do, from a patriotic point of view, to protect the workers who will work. Because the Minister—I do not know in his tenure, I know COVID has impacted upon the ability of Ministers of Government to travel and so on, but if he has visited the International Labour Organization. He must be aware that Trinidad and Tobago is a member of the International Labour Organization. We send delegations on an annual basis to attend these meetings, and we continue to boast of pursuing a decent work agenda. We continue to boast about social dialogue and tripartism.

If you go to clause 40 of this particular Bill, (1)(e), it says very clearly an

operator shall:

“provide adequate facilities and amenities in the Zone for occupational safety and health;”

This is just a statement. It does not say that there will be an obligation for operators to adhere to the Occupational Safety and Health Act. And it really begs the question here this evening, and it has to be asked, whether to say that “adequate facilities and amenities in the Zone for occupational” health and safety, that is fine. That is just statement. Can the Minister assure us that there are an adequate amount of inspectors within the Occupational Safety and Health Agency that will ensure that there are proper health and safety standards in these workplaces in the respective economic zones?

In addition to that—I ask that question because there was an explosion at NiQUAN Energy, and there was a fire recently on the Point Lisas Industrial Estate, and you know we were told in this very Parliament that investigations were being pursued by OSHA and, I think, that these investigations will be made public. Up till today, we cannot hear about the status of these investigations.

Mr. Deputy Speaker, the Minister indicated—and he quoted about the success story of Bangladesh, but I want to tell “de” Minister, if he read documentation as it relates to these Special Economic Zones, and that of social protection and conditions of work, as it relates to—for example in Bangladesh—and I am quoting from a document here this afternoon, there are indications or difficulties as it relates to hours of work, overtime and wages, occupational safety and health leave, provision of food and night transportation, social security and the special needs of women workers and single mothers. And this is a government that will tell you that they care about single mothers, they care about workers, they care about families who are on the breadline and living under the poverty line.

I want to ask the Minister in her winding up, will this Government through adherence to national law and domestic law, will they be prepared to tell all operators that there must be the freedom of association, and freedom of what we would call “collective bargaining”? Will this Government be prepared to facilitate that, in these special economic zones, so that it can address the dignity of workers, and also to ensure that minimum wage—the minimum wage level is adhered to in these facilities? Because, at the end of the day, Mr. Deputy Speaker, there are many horror stories in zones like these.

Mr. Deputy Speaker: Member, you have two more minutes.

Mr. R. Indarsingh: Mr. Deputy Speaker, the reality is in Trinidad and Tobago, sometimes national insurance contributions are deducted and they are not remitted to the National Insurance Board, and workers who earn in and around the minimum wage level in this country, we know of the horror stories that exist. That is why I would want “de Government” to clarify whether it is prepared to ensure that the 1998 declaration on the Fundamental Principles and Rights at Work, which commits Trinidad and Tobago, as all members, to promote the principles and rights:

“freedom of association and the effective recognition of the right...”—of workers—“to collective bargaining, the elimination of forced labour or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation...”—in the workplace, will be facilitated by this Government, as it relates to the establishment of special economic zones that is being sought after through this piece of legislation, Mr. Deputy Speaker?

If they cannot, then they are engaging in an exercise of public relations here this evening. They do not care about our nationals. In their pursuit of wanting to attract

foreign direct investment, they do not have a sense of patriotism, and whether with this particular piece of legislation there was thorough consultation, or a level of consultation with the Joint Trade Union Movement, the National Trade Union Centre and the Federation of Independent Trade Unions. I thank you, Mr. Deputy Speaker.

Hon. Members: [*Desk thumping*]

Mr. Deputy Speaker: I recognize the Minister of Finance, and you have 20 minutes.

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Deputy Speaker. I am not sure I will need all of that time. In listening to the contributions of Members opposite, two things arise. The usual problem with contributions from the Opposition: The lack of intellectual content, the lack of research and the lack of focus on exactly what we are about and what we are discussing. That is problem one.

Problem two is the resort to irrelevancy, hyperbole and this desire on the part of the Opposition that has to bring up anything under the sun that has nothing to do with the legislation before on the merits and demerits of the legislation. So let me try and put things into perspective.

We have had a Free Zones Act existing in Trinidad and Tobago since 1988, Act No. 19 of 1988. As another speaker indicated, this legislation was brought in by a former administration, by the NAR administration, and the intention at the time was to encourage investment, create jobs, stimulate economic activity, generate exports and so on, by providing a preferential regime in a particular location designated as a free zone. That was 1988, more than 30 years ago. What has happened since then?

Free trade zones, it is well recognized all over the world, offer very

important economic benefits. I am told there are more than 3,000 free trade zones in the world, at this point in time. They operate in over 130 countries in this hemisphere, in North and South America, Asia Pacific region, Europe, Africa and so on. If one looks at the evolution of free trade zones over the period, over that 33-year period since our free zone legislation was established, you would see there has been an almost exponential increase in the establishment of free zones all throughout the world.

These zones facilitate trade, by offering businesses preferential tariffs, lighter regulation on the financing of these ventures, the ownership, taxation and so on. There is absolutely no doubt, if one looks at the history over the last 30 years, that free trade zones have helped emerging economies like Trinidad and Tobago to attract foreign investment, generate jobs, economic growth and build exports.

But what has happened over that 30-year period? And this is what this discussion should be all about, because we are here for a reason. It is not simply the fact that this is a requirement of the European Union, or a requirement of the OECD or Global Forum. That is a fact. We do not need to beat around the bush. Both the EU and OECD have indicated quite clearly that there is need to reform our system of free zones. But why? The question is why.

If one looks into the history—and this is the type of discussion we should have had here, because there should be no one who would object to this legislation if one understands why we are doing it.

What has happened with these free trade zones over the last 30 years is the problem of illicit trade, and that is why this legislation is not simply a methodology towards getting us off the list of countries that have “harmful” tax practices. It is not just that. There are other issues. Free trade zone activities affect our standing within the World Trade Organization. They affect our standing in terms of

complaints by manufacturers in other countries about unfair subsidies that could lead to dumping, and would lead to antidumping and countervailing suits by manufacturers in other countries. Because they would say that the companies in our free zone may be benefiting from subsidies that they should not benefit from and, therefore, are able to export to these countries at a subsidized price, prices subsidized by the Government. So these are the issues that have arisen over the last 30 years or so.

While all of that is going on, I am advised—I am looking at an article here, a 2019 article from an online magazine called, *Global Financial Integrity*. This article tells me that in Dubai, the Dubai Multi Commodities Centre announced that 1,868 new companies registered in its free zone in 2018, an all-time record. Even in the UK, Prime Minister Boris Johnson has announced plans to create up to 10 free ports in the UK. If one looks at the Bill, one would see the different types of Special Economic Zones that we intend to create in Trinidad and Tobago.

I want to compliment the Minister of Trade and Industry, because just today we approved the establishment of the board of the new Special Economic Zones Authority. So the Minister is moving with speed to operationalize this new system, once this legislation is passed through the Parliament. It is already passed the other place, and we expect that it will get the support of the Parliament today.

But the fact of the matter is that free trade zones have been shown to have a dark side. Criminals see them as perfect places to manufacture and transport illicit goods, as the controls and the checks in free trade zones are not as robust as they are outside in the normal economy. Illegal transactions in free trade zones can be easily disguised as legal, allowing money laundering and many other activities within free trade zones, such as counterfeiting. I was actually looking at an article coming out of Chile, where they were looking at the manufacture of illegal

cigarettes in a free trade zone there, that was giving serious competition to the legal manufacturers of tobacco products in that country. So these are the issues that have arisen over the last 30 years.

It started off very well as a regime to attract foreign investment into a country, to create jobs, to stimulate economic activity and to grow exports. That is why free zones were created in the first place. Now as I said, there are thousands of these zones all over the world, but over the years, all sorts of problems have become associated with free zones. I just want to repeat the main issues that countries are zeroing in on, money laundering, counterfeiting and the use of these zones by criminals to get involved in illegal activities.

So both the EU and the OECD and the other agencies, it is not just those two, the WTO and all of the other organizations in the world that look at trade and look at criminal activities as it relates to trade, and look at unfair practices as it relates to trade, are now demanding that countries all harmonize their systems to create a far more robust and a far safer system with proper oversight, so that all of these harmful practices, the use of free trade zones by criminals, counterfeiting, manufacturing of illegal goods like illegal narcotics and so on, under the guise of some sort of illegal activity and so on. All of these things can now be eliminated, and this Bill before the Parliament today intends to do just that.

It intends to create a far more robust system of checks and balances, so that the Ministry of Trade and Industry will be able to regulate activities within these Special Economic Zones and, therefore, be compliant with the new world order, which is intense scrutiny on criminal activity, money laundering, terrorist financing, counterfeiting and all of these things that it has been observed have crept into the free trade system over the last 30 years.

So we should welcome this, because what Trinidad and Tobago is taking

what my colleague, Minister in the Ministry of Finance, has described as archaic legislation, over 30 years old, and bringing it into the modern era and bringing us into compliance, not just with the entities that look at tax practices, but also the entities that look at fair trade.

I just want to make one final point, because as I said, I would not be talking for long, because the need for this legislation is obvious to anybody who has studied what has happened in free trade zones and the problems associated with free trade zones over the last 30 years. It is obvious. Anybody who had done any research, a smidgen of research, would have realized that, that this is what is required because of the presence of criminal activity and tax evasion within free trade zones over the period.

5.00 p.m.

But I just want to make one final point. I heard the Member for Barataria/San Juan carrying on at a rate about the composition of the board of the authority and making all sorts of wild statements about the authority will not be independent and the members will be selected by the Minister. I have never heard such nonsense.

Under the Constitution, Ministers are accountable to Parliament and the electorate in an election votes in a government and it gives that Government a mandate. And I reject absolutely this concept that is being pushed by persons who are not elected and who are not subject to the majority mandate of the country. In other words, they are not the Government. They are not in the Parliament but they want to run the country. And that is where this whole concept of making everything independent comes from. It is an unworkable and impracticable concept because they are not accountable. It is we in this Parliament and especially the

Government that is accountable to the people of Trinidad and Tobago through the systems of Government and through the systems of the Parliament.

And therefore, that it should be obvious that if you are creating an authority, a statutory authority responsible to a Minister, that the majority of that board should be selected by the Minister. Who else is going to select these people? They push-back movement? You want them to select the board of an authority? It is a nonsensical argument. I reject it absolutely. It makes absolutely no sense. When you look at all the statutory authorities in this country, there is always the overriding mandate of the Government to have direction and control over these authorities especially in economic matters.

So without saying much more, Mr. Deputy Speaker, as I said, anybody who did any research would understand that what we are doing is absolutely necessary. We are bringing Trinidad and Tobago into the modern era. We are reforming 33-year-old legislation. We are bringing ourselves in step with the world. We are taking cognizance of developments in world trade. We are taking cognizance of the movements of the world organizations such as the Financial Action Task Force and all of the other entities that look at money laundering and terrorist financing, and over the last 20 years have insisted that countries of the world all come together to get rid of money laundering, terrorist financing and other criminal activities. This is what we are about today.

And I end by saying that any suggestion that an elected government should abandon its responsibilities to the people, abandon its responsibilities to the Parliament and just give up its mandate to unelected people in order to allow them to do whatever they please with respect to matters as important as this, the creation of jobs, the stimulation of economic activity, the attraction of foreign direct

investment, I reject that absolutely and it is time that we push back against that foolish argument. I beg to move. I thank you, Mr. Deputy Speaker.

Hon. Members: [*Desk thumping*]

Mr. Indarsingh: [*Inaudible*]

Mr. Deputy Speaker: Couva South, you need to enter the debate again?

Mr. Indarsingh: No. No. No.

Mr. Deputy Speaker: Okay. Fine. I recognize the Member for Oropouche West. You have 20 minutes.

Hon. Members: [*Desk thumping*]

Mr. Davendranath Tancoo (*Oropouche West*): Thank you very, Mr. Deputy Speaker. Thank you again for the opportunity to engage in the debate on:

“An Act to provide for the designation, development, operation and management of Special Economic Zones, the establishment of the Special Economic Zones Authority, the repeal of the Free Zones Act, Chap. 81:07, the regulation of Special Economic Zones and matters related thereto.”

Mr. Deputy Speaker, when I listened, and I listened to all presenters today. When I listened to the Minister of Finance and the Minister in the Ministry of Finance in their recent utterances here, I understand now why this country is in the crisis that it is in, because they do not even have consistency of information. I could spend all my time critiquing what was said by both Ministers but that will mean that I would not contribute further, I would be caught up in their distractions. Just one issue, if I may, Mr. Deputy Speaker.

The Minister in the Ministry of Finance today said that there were 3,500 economic zones in 134 countries. That phraseology and numbering was repeated by the very same Minister of Finance who came here just before me and said the same thing. I do not know if they are simply unaware or if both Ministers did not

do basic research or even if they did not even listen to their colleague the Minister of Trade and Industry when she referred to in other places and which we could find in the World Investment Report 2019 published, it is a published document, published by the United Nations Conference on Trade and Development in which it was clearly stated that in 2019, 2019 there were over 5,400 zones in a 147 economies worldwide. But the Minister of Finance here and the Minister in the Ministry of Finance seemed oblivious to this. Maybe they should go home and do a little bit more research before they come to misdirect the Parliament of this country.

Mr. Deputy Speaker, this is the reason why we have some concern. Done right, this legislation will have tremendous value and benefit to this country. It can, in theory, engage in job creation; result in revenue generation; foreign direct investment inflows; the enhancement of the manufacturing sector; transformation of structural and economic characteristics of the country. It can enhance domestic skills and technical expertise. We can increase financing opportunities and business transactions, et cetera. Done right, those things could happen. But we all know, Mr. Deputy Speaker, that this country is saddled with a Government that does not do anything right. It simply cannot. It is incompetent.

That is why since 2015 the value of the output of this country has collapsed by over \$30 billion in real terms; why over 6,000 small and medium sized businesses are closed down under this Government while over 112,000 jobs have been lost under this Government; why the constant raiding of the Heritage and Stabilisation Fund has resulted in the loss of savings of this country of over US \$2.5 billion; why there is a foreign exchange crisis; why Standard and Moody's and all these international rating agencies have continuously downgrade this country under this Government and this Ministry of Finance; why we have a

foreign exchange crisis; why we have runaway high food prices; why we have mass unemployment while our health sector is in shambles; while our educational sector is in shambles; why public utilities is failing; why our agricultural sector is in crisis.

Mr. Deputy Speaker: Hon. Member, please, you are making the necessary statement but I would like you to tie it in with regard to the debate that is before please—

Mr. D. Tancoo: Thank you.

Mr. Deputy Speaker:—rather than just.

Mr. D. Tancoo: Thank you. The point I am making, hon. Speaker—hon. Deputy Speaker, is that this legislation if done right can result in tremendous benefit to this country. But the history of this Government is that even with the best legislation in their hands, they fail to implement and that is the fear I have with this legislation because you are shutting down the Free Zones Act, putting in place a structure which does not operate on its own. On its own this is just a very nice piece of legislation likely to not be effected properly, not impact, not receive the kind of impact to this country that we would want to have because all the other factors required for proper implementation have been disregarded.

Mr. Deputy Speaker, I want to refer to the same UNCTAD, the United Nations Conference on Trade and Development, a 2021 publication, called the “Handbook on Special Economic Zones in Africa Towards Economic Diversification Across the Continent”. I refer to this, Mr. Deputy Speaker, because this is an example for us to learn from. They have implemented the special economic zones and have done phenomenally well with it and some of the issues that they raised are directly applicable here because it is missing in the legislation here. It is missing in all the presentations of the Ministers who have come before.

According to this Handbook on Special Economic Zones four steps are required. The first:

“(1) thoroughly assessing and country’s endowments and the main factors that act as growth catalysts and as potential inhibitors;”

Second:

“(2) designing the SEZ policy and all its components, including the incentives offered, requirements imposed on investors and the type of zones to be implemented;”

Mr. Deputy Speaker, just those two are critical because in Schedule 3 of this legislation, the Minister has indicated several areas that they want to consider as areas of priority. Now, there is space for more clearly but she has focused on several areas that they believe that these special economic zones can now focus on for development in this country.

If I may go quickly, Sir, to that section, the Schedule 3. And in Schedule 3 we list:

- “(i) manufacturing;
- (ii) maritime services;
- (iii) aviation services;
- (iv) fishing and fish processing;
- (v) agriculture and agro processing;
- (vi) information and communication technology;
- (vii) creative industries;
- (viii) financial services;
- (ix) medical tourism services;
- (x) renewable energy;
- (xi) logistics and distribution;”

—business practice;

“(xii) business process outsourcing...”—et cetera.

I would just want to hold onto two of those items.

Let us look at agriculture and agro processing as one of the issues that the Minister wants us to focus on. In the last year we have had—in fact, in the last two years we have had the Minister of Finance allocate to himself \$500 million in the 2021 fiscal package and \$300 million in fiscal 2022 fiscal package. And the focus for that was, according to the Minister of Finance, was to provide for a fiscal incentive programme which would have been designed to improve agricultural production in this country.

Now, how can we be proposing, how can we be proposing, hon. Minister, Mr. Deputy Speaker, and hon. Minister to you, through the Deputy Speaker, how can we be proposing the development of this sector, the development of agriculture and agro processing as a special economic zone?—when even the productive capacity for agriculture in this country has been compromised by the abandonment of the Minister of Agriculture, Land and Fisheries and this Government on the whole.

We have farmers, Mr. Deputy Speaker, I have farmers in my constituency who are subjected to flooding, drainage issues, agricultural crisis with regard to access to their incentives, tax and other incentives, major infrastructural problems and praedial larceny is a major factor affecting agriculture in this country. But we are busy proposing the development of agriculture and agro-processing in the arguing that somehow this will redound to the benefit of the agricultural sector in Trinidad and Tobago. Well if you do not have the facilities in place, if you have not encouraged agriculture, how at all is it possible that agriculture will benefit from this incentive?

One of the other incentives, one of the other areas of focus that they have identified, Mr. Deputy Speaker, is medical tourism. Mr. Deputy Speaker, it is sad, it is sad that the Ministry, this Government, has chosen to ignore the true state of our medical fraternity and the true state of our medical services in this country. That is frightening, because you are going to encourage people to come here but citizens of Trinidad and Tobago are suffering greatly because of poor access to health care, quality health care in Trinidad and Tobago, and that is a fact. We can pretty it up as much as we want. The Minister of Health could make as many pronouncements that all the hospitals have all that it requires. Medical practitioners and persons in the actual field know that that is not so. And if the hon. Minister is not aware, well maybe he needs to get down into the ground and listen to what they are saying so that he will inform himself even better.

Continuing with regard to the UNCTAD handbook, because it relates to other matters as well, Mr. Deputy Speaker. The third out of the four steps reads:

“(3) embedding a robust and original value proposition into the specific SEZ set-up, which implies endowing the zone with locational advantages, high-quality infrastructure and relevant services targeted to the type of investors;”

The fourth item also refers to ensuring that there is an institutional structure and infrastructural structure.

Mr. Deputy Speaker, one of the functions of the authority as identified by the Minister and identified in the legislation, one of their functions is to—bear with me one second while I identify it. One of their functions is to put in place—to ensure that what is in place includes:

“(g) the infrastructure and other utility requirements, including water, power, sewerage, telecommunications, solid waste and”—water waste—“management”—facilities.

Mr. Deputy Speaker, so on one hand this is a function that the Government is supposed to be providing. These are one of some of the things that you are supposed to provide as incentives outside of the incentives listed in Schedules 1 and 2. These are the incentives that should be in place that would attract investors to come into Trinidad and Tobago to invest in these SEZs. The fact is everybody in this country knows that those facilities do not exist. They are hopelessly bad. My colleague from Couva South raised the issue before. In a free-zone area the infrastructure is hopelessly bad. So how then are we going to create facilities now? How are we going to attract people to come to this country when the infrastructure in which they are supposed to operate is in horrendous, horrendous situation.

Is it that the hon. Minister is expecting that the operator of the SEZ will be the one putting the infrastructure in place? Because while the entity will operate in a form where within the confines of the zone, you may have good facilities. the fact is that that zone does exist in isolation. Operators and equipment and material must come from outside from port to source, from port to site and then return. And if we do not have proper facilities, if our port management structure is hopelessly bad, that will affect the ability to do business here. And the fact is that all of those things are in crisis. So that the very infrastructure that we depend on to make this effective does not exist, it does not exist for ordinary citizens of Trinidad and Tobago and it does not exist for the special economic zones that the Minister wishes to create and to formulate. Mr. Deputy Speaker, can you advise me of what time I am supposed to finish?

Mr. Deputy Speaker: You finish at 5.24 p.m.

Mr. D. Tancoo: Thank you, Sir. I heard too, Mr. Deputy Speaker, and I want to tie in why some of the issues that were raised on this side with a statement made by the very Minister of Finance. The Minister of Finance took offence and ranted and raved in his theoretical structure about the concerns raised by Members on this side about the level of involvement of the Minister in the existence and operation of the Special Economic Zones, the authority that establishes that. This is a genuine concern and I think it is only incumbent upon the Government when concerns are raised here not to simply dismiss them as irrelevant. The concern is valid.

You have a situation where the Minister is directly responsible for selecting, for hand selecting, if I may with those words, for hand selecting specific directors, the majority directors. That same Minister is also responsible of selecting the chairman accordingly to the legislation and for giving policy directives. So she has literal day-to-day control over the operations of this board and this authority. That is a worrying concept especially since the history of this Government been, wherever possible, to facilitate the transmission of resources of the State to persons who may be considered friends, family and financiers. That is a valid issue.

Mr. Al-Rawi: Standing Order 48(6) please.

Mr. Deputy Speaker: Could you retract and rephrase or move on, one out of the two.

Mr. D. Tancoo: I will retract, Sir, as directed. It is a history of this Government that persons known, closely associated which is why I understand the Minister, the Attorney General will get up because he is now part of the recusal twins. But the fact of the matter is—

Mr. Al-Rawi: 48(6) again.

Mr. Deputy Speaker: Again, Member, I will prefer that you stay away from those particular comments and aspects. So retract, move on accordingly.

Mr. D. Tancoo: I do so, Mr. Deputy Speaker.

Mr. Deputy Speaker: No. Retract please.

Mr. D. Tancoo: I retract and I will move on. The reason that the issues were raised by Members of this side of the level of involvement of the Minister is because there are concerns that those involvements can be abused. Very recently, given the level of operations that must—the size, the financial size of the operations that must exist for somebody to be an operator, given the kind of responsibilities including infrastructure that is required to be put in place to facilitate the SEZs, that must be sizable. Recent actions and recent transactions raised issues of concern whereby very large conglomerates may be the only ones in position now to benefit from this. But it comes back to the issue—it comes back to the issue—

Ms. Cudjoe: How? How is it connected?

Mr. Al-Rawi: Not even a clause.

Mr. Deputy Speaker: Again, Member, this is basically the third time, so again, I would like you to tie in with regard to the Bill based on what you are identifying.

Mr. D. Tancoo: Mr. Deputy Speaker, I said when I started that very statement that the concerns we have exists in the Minister's involvement in the authority which is part of the legislation here. The legislation that we are referring to has a section in which the authority and the functions of the authority is listed. It has a section on which the Minister's appointment of the board of directors. For my colleague opposite, it is Part III of the Bill before the House. Part IV of the Bill before the House, Part V of the Bill before the House, Part VI of the Bill before the House and the Schedules. That is where the concern comes from, that there is a significant amount of involvement of the Minister and there is room for questions, it leaves space for interpretation.

Mr. Deputy Speaker, this Act, like the procurement Act, comes into effect on proclamation. There are several kinds of similarities involved including the requirement to bring regulations to Parliament. We have seen where in the history and again that is part of the law, that is part of the Act. Again, the concern is the delay which is likely, given the history that the Government's inability to implement. And I think that is a valid concern.

So if the Minister will, in her wind up, provide some level of comfort to those of us on this side that there is a timeline for implementation with a point somewhere where we could hold the Minister and the Government to account for implementation of this legislation and for all the things that are required to be put in place to ensure that the legislation works, the infrastructure, the proper functioning of the ports, those kinds of facilities, the water and sewerage, the road network, et cetera, if the Minister could provide some sort of assurance that those things are in place, then we will be satisfied. Until then we will remain very concerned that the Minister will not implement. With those few words, I thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker: Thank you, Member. I will now recognize the Minister of Trade and Industry.

Hon. Members: [*Desk thumping*]

Mr. Deputy Speaker: And you have 20 minutes in your winding up.

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon): Thank you very much, Mr. Deputy Speaker. And really I wish to thank all Members who would have contributed to the Bill, many of the constructive comments would have come from our side but I still recognize the questions and concerns that were raised and I will respond to those in the course of my wind up. And again, I will speak to the population and, of course, send the words of comfort

and ensure the population that this Bill, this very critical Bill which we brought here is indeed one that is quite transformative and that will serve this nation well. This is one that will promote economic diversification and again it reinforces our Government's commitment to ensuring sustained economic growth and competitiveness and all that is necessary for businesses to do well, businesses large, businesses small, in this country.

I will just remind the other side that indeed when they talked about us not acting very swiftly but they were in office for five years and there was no attempt in those days to transform the free zones company which knew at that time was not working well. I mean, there was talk about growth poles and so on but really nothing concrete came out of it.

And I could tell you the free zones company under that regime introduced, I said it before and I will say it again, they introduced four new entities into the free zone regime, four new entities but one fell away and I will tell why after. But, so three of them survived and are within the existing regime. But I will tell you, they had 11 board members—and they are talking about board members and friends and family. They have 11 board members receiving board fees every month for 12 months for five years and all that came out of it were three workable entities. And I say workable entities because they lasted until now. One of them which did not survive but believe it or not and I do not mean to criticize any small business or so because this Bill is about big and small business. But one of them that did not survive, it was because it was granted to an accountant operating below his mother's house. And, of course, not to say again, we welcome the services industry to this particular Bill. But there was no export of services or anything like that. So naturally it did not survive. So after two years that fell away. But again, no real work, that is the point I was making, to ensure that the free zones regime under

their eyes when they were in office, no effort and was made and therefore you got no good result. But again, when we came into office in 2015 we did, we started doing the work, looking at what we needed to do and what was being done globally, looking at the compliance that was necessary and we got to work.

Let me look at some of the specific issues that were raised during the debate. MP Mayaro—MP for Mayaro raised this whole question of illicit trade that is a big issue in this country and nothing is being done about it. Nothing could be further from the truth and I promised myself that I am not dealing with any untruths. I am not dealing with any tango with the AG or anything like that. I am going to speak legitimate concerns.

So, MP for Mayaro, you know for a fact that this national action plan to combat illicit trade in consumer goods in Trinidad and Tobago was developed, it was approved by our Cabinet, and not only just approved, it was put in place. It is in effect. Right? And it has some 26 measures and objectives that they are dealing with and this work has been categorized and there are now three working groups to examine illicit trade, dealing with the specific products that are under threat, alcohol, cleaning agents, pharmaceuticals and so on. So the working group has begun to develop their recommendations aimed at countering illicit trade and all of this has been going on in 2021 and there is clear work for 2022 with a national awareness campaign, a specific working group on tobacco and, of course, a sectoral working group on legislation to spearhead the strengthening legal framework to combat illicit trade and so on.

And I want to say, I think they were criticizing the TTMA and the TTMA's concerns with this Government. But let me tell you something. And I refer to a release from the TTMA, November 30, 2021, and I quote from Loop news.

“The...(TTMA) is applauding the Government’s stance on illicit trade and believes with continued policing and stronger enforcement of the requisite laws, more cases will reach the prosecution stage.”

They were speaking because at that time there was a raid on two establishments, very active. Only in November last year, a few months ago, a raid on two establishments; and these were their words.

5.30 p.m.

“This is the first time in the history of T&T that two owners of large retail outlets have been held accountable and will face the court for their role in selling and trading illicit goods.”

And so, therefore, I think the TTMA—and they said it. They are:

“...proud to be part of the joint operational Anti Illicit Trade Task Force...”
—which has been developed, and I want to commend the Trinidad and Tobago Police Service, Crime Stoppers as well, they have all been doing great work; Trinidad and Tobago Bureau of Standards, and we are reaching somewhere. And I can tell you that the private sector is recognizing the work that has gone on under this Cabinet appointed Anti-Illicit Trade Task Force.

And then I think, what did he bring up again? The Member for Mayaro talked about the attractiveness of investment climate in Trinidad and Tobago. They love to beat up on our country. Right? And I want to say, and he spoke about invesTT, and I want to say that despite being in a pandemic, that the Ministry and eTecK facilitated a series of investment projects and targeted areas of economic activity, and we recognize all of those investors, be they foreign, be they local, be they small or what. We recognize the contribution of these investments into Trinidad and Tobago.

And I could tell you, and I have said it, it must have been in the budget statement, that in 2021 there was more than a half a billion in the system despite the economic climate. There was close to half a billion dollars in investments demonstrating the confidence of the business people in Trinidad and Tobago in the economy and in the Government, and I can tell you that these investments created something like 1,000 jobs. And there is more, I think there is more to talk about. I will continue. But stop speaking your country bad.

Hon. Members: [*Desk thumping*]

Sen. The Hon. P. Gopee-Scoon: Trinidad and Tobago has strong investment attributes. I speak about it all the time, investTT speaks about it, Trinidad Tourism speaks about it, NEC speaks about it, and there are living examples here of foreign companies existing in Trinidad and Tobago and thriving and continuing to reinvest. So our location and business continuity, operational advantages, all of our infrastructure, electrical infrastructure, our trade agreements.

We reach, I can tell you, we reach throughout our trade agreements something like just under a billion people in the Latin American hemisphere, in North America, and in the region, et cetera, because of all the agreements that we have entered into, and this is through our bilateral agreements with Panama and so on. But through the Caricom, with the US and the UK, and with the rest of the European countries, through the EU EPA, with Colombia, and of course we are working also on an agreement with Chile now. We have just finished our second rounds of negotiations and are about to go into the third round. So in Trinidad, again another attribute, our IT capabilities. And I can tell you only today the Chairman of investTT, Franka Costelloe contacted me to say yes, we booked foreign direct investment in terms of a new company, let me get it for you. I do not have my phone with me.

[MADAM SPEAKER *in the Chair*]

A new investment, \$4 million, but immediately hiring a number of persons, and intended in the next six months to hire some 250 persons involved and to be a part of this BPO sector, which is proving to be quite worthwhile. Again, our available real estate. I can tell you and someone raised the point, I think it was the Member for Mayaro again, about the Moruga Agro-Processing and Light Industrial Park. That is a success, I can tell you. There are five shelves, five shelves in the Moruga Agro-Processing and Light Industrial Park; three of them are already gone for root crop processing, chocolate processing, and the other one, I think it is pepper processing, and of course there is anotherland lot has already gone.

I am saying these are agreements that are signed and keys handed over, and there is a pipeline of some 10 or 11 probable investors. I do these meetings all the time with invesTT and with the Ministry as well, reviewing the pipeline of investments, not only for Moruga but also for the Phoenix Park Industrial Estate, which is under construction and estimated to be completed by end of May 2022. That park is going to be a total success. I can tell you that there are a number of companies in that pipeline, at least about 30, and our anchor tenant PriceSmart, with three new investments; one for just outside the park and two within the park, those are executed, work is going to start this year. So I have no real concern, but we must continue to work on our attributes, we must continue to work on our infrastructure, and all of the other things that we are committed to, including the ease of doing business. We are not running from it. These are a must and this Government is committed and will continue to work on it.

And looking at the next point, the next point would have been by—again we are improving the ease of business, I talk about it all the time, the general simplification and modernization of our regulatory processes and so on. And this is

not only work being undertaken by the Ministry of Trade and Industry, but the Ministry that has responsibility for Digitalization, and the Attorney General's Office. So that we have been very committed and serious, and in particular we are concerned about all of the transactions, all of the recommendations that are necessary to improve trading across borders. So, we continue to work on our port community system and enhancing our TTBizLink software application, increasing or to approvals by all of the border agencies, looking at expanding the working hours of our border agencies and so on. That kind of work is going to continue side by side as we implement this new legislation.

Member for Barataria/San Juan, MP Hosein was very concerned—I could understand, you know—about appointing eight of the 11 persons on the board, and the board not being independent, et cetera, et cetera. Listen, we were so very careful about this, because one of the things, and I said it in the beginning, one of the things that we were very focused on and not making the mistakes of the past, making sure that we have the adequate expertise on the board. And therefore, those that are to be appointed by the Minister, which is by Cabinet, would be those that have specific attributes in finance, logistics and supply, chain management, international affairs, et cetera. And in addition to that, two attorneys, not just appointed by us, you know, two attorneys being appointed on the advice of the Judicial and Legal Service Commission. Again, a senior officer of the Town and Country Planning Division, nominated by the Permanent Secretary, not the Minister, nominated by the Permanent Secretary of the Ministry responsible for planning. And again, a senior officer nominated by the Chairman of the Board of Inland Revenue will also be on the board. This is not about friends and family. Maybe you all are not familiar with the notion of fairness and so on. Maybe these are not values that are attributable to you all.

Hon. Members: [*Desk thumping*]

Sen. The Hon. P. Gopee-Scoon: But you have to grasp that governments are elected and they can operate with integrity and fairness, and that is what this Government is about. Right.

So the Member for Pointe-a-Pierre, again he talked a lot about the AG, and I am not here to deal with your obsession with the AG. And you talked about the relationship of legislation with international commitments and so on, and you are saying it is just a tick box because of our Global Forum commitments and not a serious attempt to diversify the economy. Well, that is far from the truth. Because as I have said before, even before we became members of the BEPS in October 2017, when I came into office in 2015, we started the work on this. I said it and I said it in the beginning as well, we started looking at the jurisdictions, we started doing the research internationally with the international organizations, even before we joined the BEPS framework it was our intention, it was my intention as Minister to have that work done within the Ministry and put it towards Cabinet, at that intention to create this new special economic regime as part of the larger strategy to create a national investment framework. That is what—it is not ill-conceived at all. That was our intention and that is the work that we have done.

So the transitional arrangements you were concerned about, Member for Pointe-a-Pierre, and clause 88, I mean, I do not know if you read the Bill—and I would be concerned as well, but maybe you should have read the Bill. Clause 88 will deal specifically, the repeal, the transition arrangements and the savings provisions as well, related to the existing free zone companies. And 88(3)—how much time do I have, please? How much time do I have?

Madam Speaker: Minister, your time expires at 5.45. You have five more minutes.

Sen. The Hon. P. Gopee-Scoon: Thank you. Yes, 88(3), and you could go to the legislation:

“An Enterprise granted approval under the provisions of section 15(2) of the Free Zones Act...shall be entitled to all benefits under that Act until 31st January, 2022, or such other date as the Minister may, by Order, prescribe.”

So that date with the existing fees on companies whom we all—whom the Attorney General and I met last year and spoke to all of them and they are well aware of the Bill. They are well aware of what is happening in the international community. They understand that this has to take place, and so they will continue to enjoin the benefits until January 31st, or unless some other Order is prescribed. 88(4) provides that:

“During the period referred to in subsection (3)...Free Zones...may apply to the Authority...”—to receive—“an Operator Licence, SEZ Enterprise Licence or a Single Zone Enterprise Licence...”

In other words, then they have six months after the coming into force of the Act. What I am saying is, there are provisions in the Bill which address the existing free zone companies, and it is our firm belief that many of these companies will apply to the authority to become licence holders in the future.

The question of the operator and the tenanting of zones raised by Member Hosein as well. Now, if an operator is going to make an investment into a zone, you are talking about extensive capital expenditure. In other words, you are buying lands and you are making plans, so that this is a financial success, you are going to have to present plans to the bank. Obviously, the responsibility will lie on the operator as well for promoting the zone. There is nobody who will enter into a financial commitment without an understanding that this is going to work. So that

responsibility clearly must lie with the operator as well as your responsibility for the promotion of the park, as I said before, will lie with the new trade and investment promotion agency.

So, the question—you were trying to give the notion that these operators would be left out at sea with their investments. But no operator would get involved unless they knew, they were satisfied that there would be returns, and that is easy to see. Member for Barataria/San Juan—no, Member for Couva South, you know, you are concerned about labour, et cetera. And I want to give the population the assurance that even though it is not embedded in the legislation, there are still regulations to come, and all of the labour laws that apply in Trinidad and Tobago, whether they are foreign investors or whether they are local investors they would be subjected to our labour laws.

Now, I am running out of time, there is a point that Member Tancoo had raised that he is not sure that we are committed and they will actually happen. And the Minister of Finance spoke to it. I can tell you, that the recommendations for the board are already made in terms of the board, and all of the next step arrangements are already being developed. We have already sat in the Ministry, and together with the team from the Attorney General's Office we have already started developing the policy which would inform the regulations, which would be brought before the House. So at the end of the day, I give the population the assurance that we are on this, we understand the benefit of it. This is for Trinidad and Tobago, a modern investment destination, not only for big business, for small businesses as well; not only for the urban areas but for the rural areas as well. And if you look at the Schedule 4 you will see that we have ensured that the eligibility criteria for small businesses, attention has been given to that as well.

As I close, I want to thank all of my colleagues who have spoken today on the Bill again, and I thank the Opposition, and I get the sense that they understand that this is absolutely necessary regime. And I give the commitment to ensuring that it is in fact implemented. Thank you very much.

Hon. Members: [*Desk thumping*]

Madam Speaker: Hon. Members—Minister, I beg to move.

Sen. The Hon. P. Gopee-Scoon: I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Madam Chairman: This Bill has 90 clauses and five Schedules.

Mr. Al-Rawi: Madam Chair, before we begin, insofar as there are no circulated amendments from the Opposition, may I suggest subject to any advice otherwise, we consider it in batches?

Madam Chairman: I have not seen any amendments, and the Bill is already in Parts, so I think it will make sense for us to go—do the clauses as they appear in Part.

Mr. Lee: And just, Madam Chair, just to confirm, I mean, does the AG have any amendments?

Mr. Al-Rawi: No, Madam Chair, we went through this in detail in the Senate. We had some observations from the Independents that we took on board together with our amendments for the substantial economic testing, et cetera, so we have no amendments here. And just for the record, the Bill has been approved by the international assessors as being entirely in order with our international obligations.

Clauses 1 to 65 ordered to stand part of the Bill.

Clauses 66 to 71.

Question proposed: That clauses 66 to 71 stand part of the Bill.

Madam Chairman: Members. Members, could we have one committee meeting please.

Question put and agreed to.

Clauses 66 to 90 ordered to stand part of the Bill.

Schedules 1 to 5 ordered to stand part of the Bill.

Question put and agreed to: That the Bill be reported to the House.

House resumed.

Bill reported, without amendment.

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

Mrs. Persad-Bissessar SC: Division.

Madam Speaker: Hon. Members, a division has been called for, so that we will wait three minutes for Members who are otherwise in the precincts to make their way to the Chamber before the vote commences. As you know, even if a Member's turn has passed, once the Member arrives in the Chamber before the vote is announced, he or she will be allowed to vote. The three minutes commences now. [*Pause*]

6.00 p.m.

Madam Speaker: Are you ready? Clerk—

The House voted: Ayes 32

AYES

Rowley, Hon. Dr. K.

Al-Rawi, Hon. F.

Imbert, Hon. C.

Young, Hon. S.

Beckles, Hon. P.

Hinds, Hon. F.

Deyalsingh, Hon. T.

Forde, E.

Webster-Roy, Hon. A.

Cudjoe, Hon. S.

Gadsby-Dolly, Hon. Dr. N.

Gonzales, Hon. M.

Mc Clashie, Hon. S.

Cummings, Hon. F.

Manning, Hon. B.

Morris-Julian, Hon. L.

de Nobriga, Hon. S.

Scotland, K.

Munroe, R.

Lee, D.

Persad-Bissessar SC, Mrs. K.

Ameen, Ms. K.

Charles, R.

Paray, R.

Indarsingh, R.

Hosein, S.

Tancoo, D.

Mohit Ms. V.

Madam Speaker: Members, if we can have a “lil” silence in taking the vote.

Thank you.

Ragbir, Dr. R.

Ram, A.

Seecheran, Dr. R.

Ratiram, R.

Question agreed to.

Bill accordingly read the third time and passed.

Hon. Members: [*Desk thumping*]

ADJOURNMENT

The Minister of Health (Hon. Terrence Deyalsingh): Thank you very much, Madam Speaker. Madam Speaker, I beg to move that this House do now adjourn to Monday 24th January at 1.30p.m. On that day it is the intention of the Government to debate the variation of appropriation Bill for fiscal 2021, the closing of accounts.

Madam Speaker, I will also like to remind, there will be a sitting of the Standing Finance Committee this Friday, Friday the 21st of January at 1.30p.m. Thank you very much, Madam Speaker.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 6.06 p.m.