

**SENATE**

*Tuesday, March 22, 2022*

The Senate met at 1.30 p.m.

**PRAYERS**

[MADAM PRESIDENT *in the Chair*]



**ELECTION OF VICE-PRESIDENT**

**Madam President:** Hon. Senators, the Office of Vice-President of the Senate has become vacant. In accordance with Standing Order 4 of the Senate, I now invite nominations for the Office of Vice-President of the Senate.

**The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne):** Madam President, I propose that Dr. Muhammad Yunus Ibrahim do take the Chair of the Senate as Vice-President.

**The Minister in the Ministry of Agriculture, Lands and Fisheries (Sen. The Hon. Nigel de Freitas):** Madam President, it is my honour to second the nomination of Dr. Ibrahim, to take the office of Vice-President in the Senate.

**Madam President:** Are there any other proposals? There being no other proposals, I now declare Dr. Muhammad Yunus Ibrahim the duly elected Vice-President of the Senate.

**Hon. Senators:** [*Desk thumping*]

**VACANT SEATS**

**Madam President:** Hon. Senators, I have received the following correspondence from Her Excellency Paula Mae Weekes:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency Paula-Mae Weekes, O.R.T.T.,

President of the Republic of Trinidad

and Tobago and Commander in Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

**TO: SENATOR THE HONOURABLE CLARENCE RAMBHARAT**

WHEREAS by the provisions of section 43(2)(e) of the Constitution of the Republic of Trinidad and Tobago, the President, in exercise of the power vested in her, and acting in accordance with the advice of the Prime Minister is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by the said section 43(2)(e) of the Constitution of the Republic of Trinidad and Tobago, do hereby declare the seat of you CLARENCE RAMBHARAT, to be vacant, with effect from 16<sup>th</sup> March, 2022.

Given under my Hand and the Seal of the  
President of the Republic of Trinidad and  
Tobago at the Office of the President, St.  
Ann's, this 16<sup>th</sup> day of March, 2022.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency Paula-Mae Weeks, O.R.T.T.,  
President of the Republic of Trinidad and  
Tobago and Commander in Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

**TO: SENATOR YOKYMMA BETHELMY**

WHEREAS by the provisions of section 43(2)(e) of the Constitution of the Republic of Trinidad and Tobago, the President, in exercise of the power vested in her, and acting in accordance with the advice of the Prime Minister is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by the said section 43(2)(e) of the Constitution of the Republic of Trinidad and Tobago, do hereby declare the seat of you YOKYMMA BETHELMY, to be vacant, with effect from 16<sup>th</sup> March, 2022.

Given under my Hand and the Seal of the  
President of the Republic of Trinidad and  
Tobago at the Office of the President, St.  
Ann's, this 16<sup>th</sup> day of March, 2022.”

**SENATORS' APPOINTMENT****Madam President:**

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency Paula-Mae Weeks, O.R.T.T.,  
President of the Republic of Trinidad and  
Tobago and Commander in Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: REGINALD ARMOUR, S.C.

**UNREVISED**

In exercise of the power vested in me by section 40(2)(a) of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, acting in accordance with the advice of the Prime Minister, do hereby appoint you, REGINALD ARMOUR, Senator.

Given under my Hand and the Seal of the  
President of the Republic of Trinidad and  
Tobago at the Office of the President, St.  
Ann's, this 16<sup>th</sup> day of March, 2022."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency Paula-Mae Weeks, O.R.T.T.,  
President of the Republic of Trinidad and  
Tobago and Commander in Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: LAURENCE HISLOP

In exercise of the power vested in me by section 40(2)(a) of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, acting in accordance with the advice of the Prime Minister, do hereby appoint you, LAURENCE HISLOP, Senator.

Given under my Hand and the Seal of the  
President of the Republic of Trinidad  
and Tobago at the Office of the  
President, St. Ann's, this 16<sup>th</sup> day of  
March, 2022."

**UNREVISED**

## AFFIRMATION OF ALLEGIANCE

*Senators Reginald Armour SC and Laurence Hislop took and subscribed the Affirmation of Allegiance as required by law.*

### PAPERS LAID

1. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Agricultural Society of Trinidad and Tobago for the year ended December 31, 2005. [*The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Proceeds of Crime Act, Chap. 11:27 Seized Assets Fund Account for the years ended September 30, 2017 to September 30, 2021. [*Sen. The Hon. Dr. A. Browne*]
3. Report on the Management of the Seized Assets Fund for the financial years ended September 30, 2017 to September 30, 2021. [*Sen. The Hon. Dr. A. Browne*]
4. Annual Report of the Trinidad and Tobago Postal Corporation for the period October 01, 2011 to September 30, 2012. [*Sen. The Hon. Dr. A. Browne*]

### URGENT QUESTIONS

**Madam President:** Sen. Mark.

#### Recent Deaths by Suicide

#### (Identification of Early Warning Signs)

**Sen. Wade Mark:** Thank you, Madam President. To the Minister of Health: Given the recent deaths of four citizens by suicide, can the Minister outline what preventative measures are being taken to identify early warning signs as well as to avoid such deaths.

**Madam President:** Minister of Health, you have two minutes.

**The Minister of Health (Hon. Terrence Deyalsingh):** Thank you very much, Madam President, and good afternoon to all, and I thank the Member for this question. I am sure that we all condole with the surviving relatives of any suicide victim. In this particular case, our condolences must go out to the surviving children and we hope that the Creator shines a path well lit for their future development.

Madam President, we at the Ministry of Health have been engaged in the training of doctors and nurses to identify early warning signs of suicide. We have done suicide risk training for all doctors in mental health. We have also done mental gap training with PAHO for all first responders; example, nurses, primary care and in emergency settings. We also launched last year a very innovative project called “FindCareTT”, which has a series of 24/7 helplines that provide services such as counseling, listening, de-escalation and also referrals.

Madam President, I think I sought and received approval to display something.

*[Minister Deyalsingh displays document]*

These ads did appear in mainstream media as recently as last month, specifically geared to suicide. Let me read what the ads say:

You are not alone. If you are having suicidal thoughts know that there is hope. It's okay to ask for help. If you are considering suicide, reach out to someone that you trust. If you are considering suicide, reach out to someone that you trust again.

Madam President, this is available both online, on social media—

**Madam President:** Minister, your time is up.

**Hon. T. Deyalsingh:** Thank you very much.

**Madam President:** Sen. Mark.

**Sen. Mark:** Madam President, can the hon. Minister indicate what assistance, if any, inclusive of counseling, will be provided to the dependants, relatives, children of these four victims that committed suicide?

**Madam President:** Sen. Mark, that question is not allowed based on the question that was posed and the answer given.

**Sen. Mark:** Can the Minister indicate what steps will now be taken, even in the face of what he has identified, to ramp up sensitivity and educational interactions with the public on this phenomenon which seems to be causing some alarm in our country at this time?

**Madam President:** Minister.

**Hon. T. Deyalsingh:** Thank you very much. So, Madam President, our FindCareTT App is available online, and if one clicks on it, as I did just before coming here, and you just type in “suicide prevention”, without saying “Trinidad and Tobago”, the first item that pops up is FindCareTT, and in that the menu talks about suicide prevention and coping materials. Under “Suicide prevention” we have things you can do if you may be contemplating suicide: Talk with someone you trust, seek appropriate help, practise new coping techniques, and we also alert the public as to what warning signs to look out for: Drastic changes in mood.

Madam President, I was very surprised in speaking to Dr. Hazel Othello in preparing for this question, sometimes we associate suicidal ideations with people who are sad, and that is correct for depressive tendencies. But she also indicated, look out for people who suddenly start to feel happy, because those persons have made a decision and they are happy with that decision. It was very informative speaking to an expert as to what are some of the warning signs. Yes, depressive tendencies, somebody suddenly decides to make a will, those are some of the signs you could look out for: Feeling hopeless, planning ways to kill oneself, increase

drug use, reckless behaviour. So these are some of the signs that we are alerting the population to look out for. We also have on that website “Suicide Mythbusters”, because there are many myths surrounding suicide.

So these are some of the programmes that we are undertaking and, again, I wish to condole with the surviving families of all suicide victims.

**Madam President:** Next question, Sen. Dillon-Remy.

**Rabies Cases in Barrackpore  
(Prevention of Further Spread)**

**Sen. Dr. Maria Dillon-Remy:** Thank you, Madam President. To the Minister of Agriculture, Land and Fisheries: Given the report of deaths of animals in Barrackpore from rabies, can the Minister indicate what measures are being taken to prevent further spread to other regions in Trinidad and Tobago?

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

**The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Kazim Hosein):** Thank you very much, Madam President. Trinidad and Tobago has also had bat transmitted rabies in the country. As of recent, there has been an increased number of bats in the southern region which has a direct correlation to the current outbreak.

The Ministry of Agriculture, Land and Fisheries has a routine rabies vaccination programme and an ongoing vampire bat control programme. Currently, the following steps are being undertaken, specific to report received:

- Vaccination of animals for rabies in Barrackpore and surrounding areas to assist those currently impacted, and those who may potentially be affected;
- Sensitization to farmers is ongoing on how to prevent this spread, working closely with the Ministry of Health to ensure any farmers or



neighbouring residents that are at risk are vaccinated.

Steps to up human health sensitization in collaboration with the Ministry of Health, the Ministry is also currently investigating more effective measures of vampire bat control, including strengthening of the staff component and working arrangements for the Anti-Rabies Unit for effective response.

**Madam President:** Sen. Dillon-Remy.

**Sen. Dr. Dillon-Remy:** Thank you, Minister. The policy for rabies vaccination in animals, you said that is an ongoing programme, or is something that is going to be put into place now?

**Sen. The Hon. K. Hosein:** No, it is an ongoing programme.

**Sen. Dr. Dillon-Remy:** You have any specifics in terms of the radius or location that you are going to be intensifying this vaccination programme?

**Sen. The Hon. K. Hosein:** We are concentrating right now on the southern region, and they have intention wherever it comes up. They have a programme in place as it comes up, to deal with it.

**Sen. Dr. Dillon-Remy:** Thank you.

**Madam President:** Next question, Sen. Lutchmedial.

### **Chemotherapy Drug Xeloda**

#### **(Procurement of)**

**Sen. Jayanti Lutchmedial:** Thank you, Madam President. Can the Minister indicate when the public health care institutions would procure the essential chemotherapy drug Xeloda which is currently not available?

**Madam President:** Minister of Health.

**The Minister of Health (Hon. Terrence Deyalsingh):** Thank you very much again, Madam President. To my colleague, the drug was in fact procured via the existing national tender process, and distributed to the public hospitals. There was

stock in the system except for San Fernando and St. James. Madam President, 2,150 tablets were identified in country yesterday and sent to NIPDEC for distribution starting tomorrow.

In addition, 150,000 tablets will come in later on in March. These temporary shortages are due to COVID supply chain disruptions. So 150,000 doses are coming in in March, and another 87,500 doses are coming in, in April.

**Sen. Lutchmedial:** Thank you. Madam President, through you, given that there was a shortage at two of the major health care institutions, had the Ministry of Health given consideration to subsidizing the cost of this lifesaving drug for patients who were not able to access during this period of shortage, to get it from the private distributors?

**Madam President:** Minister.

**Hon. T. Deyalsingh:** I also understand, using the newspaper reports, it was not even available in the private sector. The shortage is temporary and short-lived, and speaking to the doctors, it will pose no serious harm to the patients and they will start to receive their supplies from tomorrow.

**Madam President:** Hon. Senators, the time for Urgent Questions has expired.

### **ANSWERS TO QUESTIONS**

**Madam President:** Leader of Government Business.

**The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne):** Madam President, I am pleased to indicate that the Government is prepared to respond to all questions that qualify for today's sitting, and we shall proceed to do so.

### **ORAL ANSWERS TO QUESTIONS**

#### **Decline in Recoverable Gas**

#### **(Measures to Address)**

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

In light of the recent Ryder Scott audit which revealed a decline in recoverable gas in Trinidad and Tobago, can the Minister indicate what implications this will have on the future of the gas industry?

**The Minister of Energy and Energy Industries and Minister in the Office of the Prime Minister (Hon. Stuart Young):** Thank you very much, Madam President. Allow me the opportunity on behalf of the Members of the House to welcome the new Attorney General and the other new Senator, and the new Vice-President sworn in today.

Madam President, thank you very much for this question. The first point is that Trinidad and Tobago is a mature province. We have been exploiting our oil resources for well over a century, over 100 years, and we have been a gas province for the last four decades. Of course, with these resources as you withdraw them they deplete, that is the first point to note.

The 2020 Ryder Scott Natural Gas Reserve Audit Report confirmed that the domestic gas industry is moving in the right direction. The technically recoverable resources to production ratio, based on gas utilization in 2020 of 1.1 trillion cubic feet on a P1 + C1, formally 1P basis, is 9.7 years. This is a 14 per cent increase from the figure for 2019. However, the technically recoverable resources to production ratio, based on industry practice of the P1 + C1 + P2 + C2, formally 2P reserves to production ratio, using a similar expected production rate, is 16.4 years. This is a 17 per cent increase from the figure for 2019.

Gas supply. Within the last 12 months, several projects came on stream, and on ramping up to optimum capacity will provide a major boost to gas production. These include: BHP Block 3(a), Ruby Delaware project, which achieved first gas before time in May 2021, Shell Block 5(c), which came on stream in July 2021,

BpTT's Matapal, which achieved first gas in September 2021.

In 2022, a number of projects are due to come on stream. These include Shell's Colibri project involving NCMA 4 and Block 22, BpTT's Cassia compression project and the Royston project for which Primera Oil and Gas, a subsidiary of Touchtone Exploration, has recently announced a discovery, which could be brought on production along with the substantial Coho and Cascadura field developments.

In the medium term, there is the Shell Manatee field, for which a PSC was recently executed and which could come on stream as early as 2025.

Exploration resources rose from 2019 to 2020 by almost 10 per cent, largely due to leads and prospects identified by the Ministry of Energy and Energy Industries and reviewed by Ryder Scott. Several operators are carrying out work that can have a positive impact on prospective resources. These include BHP, which operates a total of six deep-water blocks, TTDA 3, TTDA 5, TTDA 6 with Shell, TTTDA 14 and Block 23(a) with BpTT. The operator and its partners have identified multiple leads, and is also appraising existing discoveries. Shell has identified several prospects in Block 5(c) and Block 5(d) for drilling in the near future.

The outlook for the production of natural gas is positive. However, we need to continue to encourage exploration as well as appraisal and developmental drilling so that resources can be moved from the categories of higher risk, such as exploration resources, to the lowest risk, P1 + C1, technically recoverable resources category. In keeping with this objective, the Ministry of Energy and Energy Industries has entered into dialogue with upstream operators to accelerate the appraisal and development of existing prospects, and has also embarked on a programme of bid rounds for new exploration.

The first of such bid rounds was the recently launched Deep Water Round in December 2021, in which 17 deep-water blocks are on offer. This will soon be followed by a land bid round and, subsequently, a shallow water bid round.

In summary, Madam President, the 2020 Ryder Scott Natural Gas Reserve Audit Report confirms that the strategies being undertaken by Government in the management of the natural gas resources of Trinidad and Tobago are effective. The industry is in a good place and will continue to improve as the current initiatives are executed.

**2.00 p.m.**

**Madam President:** Sen. Mark.

**Sen. Mark:** Yeah. Madam President, can I ask the hon. Minister, what specific incentives will the Government be engaging in as it relates to encouraging further exploration by these companies re gas discovery in T&T? Can I ask the hon. Minister to guide us on that?

**Hon. S. Young:** Thank you very much. Madam President, as we have done successfully within the last year, we have negotiated the Manatee PSC which is the most significant PSC negotiated within recent time. And what it entails is sitting with the operators, listening to them and working out the specific types of incentives that they are interested in for the development of the field. But always with the mandate that we must get maximum returns for the people of Trinidad and Tobago.

We have also at the Ministry within recent times been open to moving developmental and exploration wells from various blocks for the same operator to blocks where they had higher prospects of success. So the main incentives are really listening and working with those in the industry, recognizing the change that is taking place globally with respect to the global energy sector. So far, we have

met with success in being able to conclude those PSCs and the changes by providing specific incentives per PSC per E&P licence.

**Madam President:** Sen. Mark.

**Sen. Mark:** Madam President, can I ask the hon. Minister whether this report, the Ryder Scott audit report will be tabled in the both Houses of Parliament?

**Madam President:** Minister.

**Hon. S. Young:** Thank you very much, Madam President. Madam President, the Ministry and the Government went a step further than that and actually had public presentations where we did—and I headed it along with Ryder Scott—a public live television report where Ryder Scott tuned in from Houston, Texas and provided it. There is absolutely no reason why the Ryder Scott report should not be tabled and furthermore sent to the energy subcommittee, the Joint Select Committee of Parliament.

**Madam President:** Sen. Mark.

**Sen. Mark:** Yeah. Thanks, Madam President. Can I ask the hon. Minister, given the fact that the current recoverable gas in our country, as you have identified, is just about 1.1 trillion cubic feet for a period of 9.7 years, can the Minister indicate, with the current incentives by the Government to these companies to engage in further explorations, can the Minister indicate where—or can I put it in another way, Madam President? Can the Minister identify Government's projection as it relates to our ability as a nation to engage and to move from 9.7 years to maybe a little more, 15 years, 20 years? Can the Minister indicate where we are and where we are going?

**Madam President:** Minister.

**Hon. S. Young:** Thank you very much. First of all to correct an error, I did not say we only have 1.1 trillion cubic feet remaining. That is how much we used in the

year 2020. Currently, which are being produced, we have 9.7 years. However, as I said, the next grade, the next tier which is called technically recoverable resources, an expected production rate for another 16.4 years to what we are at now. And it is expected as we de-risk some of our gas reserves especially in the deep-water provinces, that we will be able to increase it beyond the 16.4 years to beyond 20 years. There are also other initiatives that the Government is pursuing to ensure that we have a gas industry for decades to come.

**Sen. Mark:** May I ask finally, Madam President, if the Minister can put a quantum in terms of our gas reserves re the 9.7 years and the probable or possible 16-year period that he mentioned earlier? Can he, that is the Minister, identify the quantum of gas reserves that is equivalent to the years identified, 9.7 years? And in the second instance, 16 years? Can you identify?

**Madam President:** Minister.

**Hon. S. Young:** Madam President, all of that information is contained in the Ryder Scott report. I cannot remember the exact figures off of the top of my head and I would not want to proffer something I do not have the exact figures on. Thank you.

**Madam President:** Next question, Sen. Mark.

### **TTravel Pass System**

#### **(Changes to be Implemented)**

**64. Sen. Wade Mark** asked the hon. Minister of National Security:

In light of the December 14, 2021 statement by the Minister in which he advised that the TTravel Pass system is being reviewed, can the Minister indicate what specific changes will be implemented?

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

**Hon. Senators:** [*Desk thumping*]

**The Minister of National Security (Hon. Fitzgerald Hinds):** Thank you very warmly, Madam President. Madam President, the TTravel Pass system is currently under review to resolve any detected flaws and to maintain parity with best practices regionally and internationally. Accordingly, Madam President, it would be premature to anticipate with any great precision any future changes. Thank you, Madam President.

**Madam President:** Sen. Mark.

**Sen. Mark:** Can the Minister indicate, given the current reality as it relates to the Government's recent decision to ease the restrictions surrounding this particular COVID-19 disease which is TTravel Pass is intent on addressing, can the Minister indicate whether the Government is contemplating the complete abolition of this TTravel Pass system in the medium term?

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

**Sen. Mark:** Madam President, given the fact that the Government had given an undertaking to the country that it intends to review this pass since December of 2021 and we are now in March, can the Minister indicate what factors might have inhibited the Government's efforts in reviewing this particular TTravel Pass?

**Madam President:** Minister.

**Hon. F. Hinds:** Madam President, from the time this TTravel Pass was engineered, established and put into effect, it has been, as I indicated earlier, under constant and persistent review for the sole reason or purpose of identifying if and where there might be any flaws and correcting them in accordance with best practices regionally and internationally. It is an ongoing scenario. As the need arises, review constantly and changes were and will continue to be made once the TTravel Pass is in effect.

And I might say to the Senator, the TTravel Pass regulates only one aspect



of the larger management the COVID-19 regime and platform that the Government has put in place. In other words, the TTravel Pass is one aspect of the response to it.

**Madam President:** Sen. Mark.

**Sen. Mark:** Is the hon. Minister aware whether the breach that occurred with this TTravel Pass involving a citizen who is currently before the courts, can you share with this honourable Senate whether that incident or breach prompted the Government to make this public statement that it intends to review the TTravel Pass system? Can you share with us whether that was the basis?

**Madam President:** Sen. Mark, I will not allow that question.

**Hon. F. Hinds:** Thank you very much, Madam President.

**Sen. Mark:** Madam President, I will now relieve the gentleman.

**Madam President:** Next question, Sen. Mark.

### **Mt. Hololo, Cascade**

#### **(Measures to Ensure Reliable Water Supply)**

**68. Sen. Wade Mark** asked the hon. Minister of Public Utilities:

In light of January 2022 protests staged by residents of Mt. Hololo, Cascade over the lack of a reliable water supply during the past six months, can the Minister advise as to what measures are being taken to ensure the resumption of a reliable water supply to the community?

**Madam President:** Minister of Public Utilities.

**Hon. Senators:** [*Desk thumping*]

**The Minister of Public Utilities (Hon. Marvin Gonzales):** Thank you very much, Madam President. Madam President, the residents of Mt. Hololo, Cascade are generally in receipt of a pipe-borne supply of water on Tuesdays and Fridays. However, during the month of January, the supply of pipe-borne water to an

isolated area was disrupted due to the malfunctioning of a pump at the Foncette booster station, as well as to a valve in the Hillside Drive Cascade area.

The requisite repairs were completed on January the 14<sup>th</sup>, 2022, resulting in the restoration of a regular pipe-borne water supply to the affected residents. Additionally, WASA has advised that plans are in place to refurbish the 250,000 gallons concrete storage tank at the Mt. Hololo community, as well as to replace the inlet pipeline in the tank thus restoring it to its full functionality. These works, Madam President, are scheduled to be completed by June 2022 and would result in further improvement in the water supply to the people of Mt. Hololo.

**Madam President:** Sen. Mark.

**Sen. Mark:** Yeah. Madam President, can I ask the Minister of Public Utilities to explain to this Senate, why are the residents of Cascade after decades of one institution running their affairs, are they still subject to two days' supply, as you have indicated, Tuesday and Thursdays in terms of water? Can you explain to this honourable Senate the rationale and the reasons for this situation facing the residents of Mt. Hololo, Cascade, hon. Minister?

**Madam President:** Sen. Mark, I will not allow that question.

**Sen. Mark:** Madam President, is the Minister aware that even with the repair of that defect that he adequately identified, that the residents of this community are still experiencing shortfalls even in the limited period of Tuesdays and Thursdays? Is the Minister aware of this development in that particular area of the country?

**Madam President:** Minister.

**Hon. M. Gonzales:** Madam President, I have been in constant contact with the residents of Mt. Hololo. As a matter of fact, after a protest action that erupted on January the 13<sup>th</sup>, I was advised after my intervention and the restoration of the water supply, that there were some elements in the Opposition that went to the

Cascade area to facilitate and to promote protest action. That was disrupted. The residents indicated to Members of the Opposition that their water supply has been fully restored and they are quite happy about that.

**Madam President:** Sen. Mark.

**Sen. Mark:** Well, we have a great interest in that constituency as you are aware because we intend to remove Stuart Young from that seat.

**Hon. Senators:** [*Desk thumping*]

**Sen. Mark:** But let me deal specifically, Madam President—

**Madam President:** So, Sen. Mark, how about you ask a question as opposed to making these statements. Okay?

**Sen. Mark:** Madam President, like the hon. Minister, I am in contact with the constituents.

**Madam President:** Still ask the question, Sen. Mark. You are still—please.

**Sen. Mark:** I am asking through you, Madam President, whether the Minister can explain to you and to this honourable Senate, when will his Ministry through WASA be able to ensure a regular supply of water 24/7 to the residents of Cascade, Mt. Hololo? Can the Minister share with this honourable Senate?

**Madam President:** Sen. Mark, you have asked the question. But the question is not allowed based on the question that was posed and the answer that was given. Do you have any more questions, Sen. Mark?

**Sen. Mark:** No. I will pause at this time. I will pause at this time.

**Madam President:** Next question. Sen. Seepersad.

## **NIS Contributions**

### **(Details of)**

**107. Sen. Charrise Seepersad** asked the hon. Minister of Finance:

Regarding the 2021 NIB Report, where a 10.4% increase in NIS contributors, a 3.74% decrease in contribution income and a steady increase in beneficiaries lead to the NIB's need to withdraw over \$1Bn from its investments to pay benefits to citizens in 2021, can the Minister provide a status report on:

- (i) what is being done to ensure that NIS contributions are paid in accordance with the law; and
- (ii) what is being done to boost the NIB's investment portfolio income?

**Madam President:** Minister of Finance.

**Hon. Senators:** [*Desk thumping*]

**The Minister of Finance (Hon. Colm Imbert):** Thank you, Madam President. To ensure that national insurance contributions are paid, the National Insurance Board has established a compliance unit to oversee and manage national insurance contributions with robust mechanisms to ensure that these contributions are made.

The National Insurance Board has also advised the Ministry of Finance of those Ministries, Government Departments and agencies who are in arrears in terms of their national insurance contributions. As such, in an effort to assist the National Insurance Board in its collection drive, the Budget Division of the Ministry of Finance consults with all of these Ministries and agencies to ensure that funds are made available to settle their outstanding national insurance liabilities.

The Ministry has also requested that the office of the Comptroller of Accounts undertakes a systems survey which includes among other things the provision of training to aid these Ministries, Departments and agencies in ensuring proper processing and timely remittance of national insurance contributions.

With regard to measures to boost the National Insurance Board's

investments portfolio, by Legal Notice 132 of September the 17<sup>th</sup>, 2018, the Government increased the overseas investment limit from 20 per cent to 30 per cent allowing an increase in foreign investments with a view to achieving more attractive returns.

The Ministry of Finance is also reviewing the policy mix adopted by the National Insurance Board in relation to the management of the national insurance fund as it relates to domestic and international investments. These measures have resulted in an exceptional investment portfolio return of 14.18 per cent in 2021. This resulted in an increase in the net asset value of the National Insurance Fund by 7.43 per cent or \$2.13 billion making an overall total of the fund of \$30.78 billion.

It is also noteworthy that the number of contributors in the national insurance system during 2021 was recorded at 446,116 increasing by 10.4 per cent from 404,197 in 2020. Whereas the number of beneficiaries only increased by .9 per cent from 204,613 to 206,569 in 2021.

Additionally, in accordance with sections 3 and 24 of the National Insurance Act, Government has appointed representatives to the board of management and the investment committee of the NIB who have qualifications and experience in accounting, finance and management.

**Madam President:** Sen. Seepersad.

**Sen. Seepersad:** Thank you, Minister. Through you, Madam President, Minister, in cases where it is determined that non-compliance by employers is not deliberate, will education initiatives be undertaken for these employers in addition to collecting the arrears?

**Madam President:** Minister.

**Hon. C. Imbert:** I would not want to talk out of turn. I know that the National

Insurance Board has a very strong programme of outreach to companies and individuals. But I would prefer that you pose that question on notice so I could get a comprehensive response from the board.

**Madam President:** Sen. Seepersad.

**Sen. Seepersad:** Through you, Madam President. Minister, under the current National Insurance Act, self-employed individuals fall within the definition as an employed person and should be registered with the National Insurance Board and pay contributions. What steps are being taken to have these persons included in either the NIS fund or creating a separate fund for self-employed persons?

**Madam President:** Minister.

**Hon. C. Imbert:** Madam President, Sen. Seepersad, with respect, is expanding the subject of the question. I also believe that question has been posed to me on notice in another form. So I would prefer until we deal with that matter, to deal with the whole question of the self-employed. That is not part of this question but I will respond appropriately at the appropriate time.

**Madam President:** Next question, Sen. Seepersad. Oh, do you have another supplemental?

**Sen. Seepersad:** Can I? Yes.

**Madam President:** Yes.

**Sen. Seepersad:** Through you, Madam President. Minister, is the Government also looking at reviewing NIS contribution rates?

**Madam President:** Sen. Seepersad, that question does not arise.

**Sen. Seepersad:** Can I go on to the next question?

**Madam President:** Yes. Next question.

**Liquidation of NIB Assets**  
**(Measures to Address)**

**108. Sen. Charrise Seepersad** asked the hon. Minister of Finance:

In light of concerns raised in the 2021 NIB Report that the NIB may be forced to liquidate assets in the near future should the increasing disparity between contribution income and benefit expenditure continue, can the Minister advise as to what measures are being put in place to address this situation in the short to medium-term?

**Madam President:** Minister of Finance.

**The Minister of Finance (Hon. Colm Imbert):** Thank you, Madam President, in fact this gives me an opportunity to deal with that supplemental. The actuarial report recommended three things, that we look at the feasibility of including the self-employed in the national insurance system, that we look at the feasibility of increasing the contribution rates and that we also look at the feasibility of increasing the retirement age to deal with the deficit between contributions and benefits.

At this point in time, the Government has commenced stakeholder engagement with respect to increasing the retirement age as proposed in the 10<sup>th</sup> actuarial report. So far, the Minister in the Ministry has met with the NUGFW and a meeting with the Public Services Association is being arranged. Arrangements are being made for that.

After the majority trade unions are consulted, other stakeholders will be consulted including the private sector with respect to the increasing of the retirement age. That is one of the three measures that the Government is proceeding with in this manner determining its feasibility. The self-employed recommendation is very expensive. As I said, I will deal with that at another time with respect to that question that has been posed to me otherwise. And the question of increasing contributions, that is something that we would wish to avoid unless it

is absolutely necessary.

And I want to reiterate, as I said in the answer to the previous question, the investment income of the National Insurance Board in 2021 was sufficient to cover the difference between contributions and benefits. And in fact the investment income, not the increase in net asset value, that is something completely different but the actual income was \$1 billion which was sufficient to cover the deficit between contributions and benefits.

**Madam President:** Sen. Seepersad.

**Sen. Seepersad:** Thank you, Madam President. Thank you, Minister. Minister, the minimum pension was increased from \$1,000 in 2003 to \$2,000 and then \$3,000 without a sustainable source of funding.

**Madam President:** Sen. Seepersad, can you ask the question, please?

**Sen. Seepersad:** Sorry. How is the Government going to address the issue of the subsidy funding for NIB pensions caused by the increase in the monthly pension payable?

**Hon. C. Imbert:** Again, Madam President, Sen. Seepersad with respect, is expanding the scope of the question. The question was about liquidation of assets to deal with the deficit between income and benefit expenditure. I would prefer a question of that nature which is a serious question, be put on notice so I can get a comprehensive draft reply from the National Insurance Board.

**Madam President:** Sen. Seepersad.

**Sen. Seepersad:** Madam President, can I go on to the next question?

**Madam President:** Sure.

### **Extension of Retirement Age**

#### **(Implementation of)**

**109. Sen. Charrise Seepersad** asked the hon. Minister of Finance:



Given the ongoing public discourse on the increase of the retirement age from 60 to 65 and the NIB's continued advocacy for said increase so as to reduce its benefit expenditure and given that retirement pensions, retirement grants, survivors' benefits and invalidity benefits accounted for 95% of said expenditure in 2021, can the Minister advise as to:

- (i) whether the Government still intends to increase the retirement age; and
- (ii) if the answer to (i) is in the affirmative, how does the Government plan to execute said increase?

**Madam President:** Minister of Finance.

**The Minister of Finance (Hon. Colm Imbert):** Yes, Madam President, and I am getting quite a lot of questions which are all merging into each other. Question 109 deals with the retirement age which I have already dealt with but I will repeat.

The Ministry of Finance recently commenced stakeholder consultations beginning with the National Union of Government and Federated Workers Union in February 2022. Discussions with other trade union bodies will continue in the near future.

With respect to the execution of any increase in the retirement age, once that is deemed to be feasible, discussions are still at the embryonic stage and therefore it is not possible to indicate at this time the timeline for the execution of any said increase. We are still in the consultation stage.

**Madam President:** Sen. Seepersad.

**Sen. Seepersad:** Thank you, Madam President. Thank you, Minister. Minister, could you give an indication of the estimated savings that would be realized, say on an annual basis, if this approach is adopted, i.e., the increase in the retirement age?

**Madam President:** Sen. Seepersad, I will not allow that question. Any more supplementals? No? Next question. Sen. Richards.

**Sen. Richards:** Thank you, Madam President. Good afternoon, colleagues and welcome and congratulations to those who joined us, the hon. AG and Sen. Hislop.

### **Orange Economy**

#### **(Details of Implementation Strategies)**

**112. Sen. Paul Richards** asked the hon. Minister of Tourism, Culture and the Arts:

Given the Government's commitment to diversification, can the Minister advise whether the Government intends to implement strategies to enhance this country's 'Orange Economy', particularly with regard to the following:

- (i) economic incentives to bolster growth of the cultural event/activity industry;
- (ii) updated usage policies for all national and community cultural centres; and
- (iii) development strategies for cultural infrastructure?

**Madam President:** Minister of Tourism, Culture and the Arts.

**Hon. Senators:** [*Desk thumping*]

**The Minister of Tourism, Culture and the Arts (Sen. The Hon. Randall Mitchell):** Thank you very much, Madam President. The development of an enabling environment through a suite of incentives, partnerships, policies, procedures and funding mechanisms to bolster the growth of our cultural industries is of paramount importance to the Ministry of Tourism, Culture and the Arts especially having regard to the negative impact of the COVID-19 pandemic.

With respect to part (i) of the question, improved access to allowances related to art and culture under the Corporation Tax Act, the Corporation Tax Act

provides several allowances designed to encourage corporate sponsorship of creatives and their work. The Act allows for deductions for companies which incur expenditure in respect of an artistic work up to a maximum of \$12 million in respect of visual and performing works of art. These deductions shall only be allowed for work that is produced by nationals of Trinidad and Tobago. Visual works of art must be certified by an art gallery while for performing works of art, the national rendering of such work shall be registered by the Ministry with responsibility for culture or the THA.

Allowances equal to 150 per cent of the actual expenditure incurred up to a maximum of \$12 million are also provided for companies which incur expenditure in respect of the following activities: Audio visual or video productions, a production company as well which incurs expenditure in respect of its own audio visual or video productions.

**2.30 p.m.**

It should be noted that in respect of audio-visual or video productions, the Minister with responsibility for culture shall issue a certificate in respect of a production to promote or reflect local entertainment or culture. Deductions will only be allowed by the Board of Inland Revenue upon presentation of the above mentioned certificate.

With respect to part (ii), since 2020, in an effort to assist promoters and cultural entrepreneurs in the economic recovery of the sector, the Ministry has drastically discounted fees for the rental of performance spaces under its management. These spaces presently operate as safe zones at 75 per cent capacity and discounts are as follows:

- Queen's Hall: 50 per cent discount;
- Naparima Bowl: 50 per cent discount;

- NAPA and SAPA: 85 per cent discount;

With respect to part (iii):

1. Development strategies for cultural infrastructure. Museum development is critical to the development of national pride, cultural confidence and a sustainable community tourism industry. Consequently, the Ministry is presently looking into a public-private partnership arrangement with the promoters of the carnival museum, which is being developed and is located at the site of the historic Penny Bank.
2. More sustainable models for community museums to be developed with an eye towards developing a template for similar public-private partnerships for other museums for the preservation and display of cultural and heritage assets.
3. Partnerships for digital platform service providers for the hosting and streaming of channels for the promotion of local creative content for the purpose of driving the promotion of Trinidad and Tobago's culture. And the establishment, of course, of the National Academy for the Performing Arts and the Southern Academy for the Performing Arts as bodies corporate, where these bodies corporate will increase the efficiency of their operations and create further avenues for further development through a competent board of management for cultural infrastructure.

**Sen. Richards:** Thank you, Madam President. Thank you, Minister, for the answer. Can the Minister indicate if an analysis is envisioned or has been undertaken to ascertain the comparison of the State's investment in culture and the arts, as ID'd by the Minister a while ago, versus the State's revenues to be accrued

or that have been accrued from the cultural sector?

**Sen. The Hon. R. Mitchell:** No.

**Sen. Richards:** Are there plans to do that, Minister?

**Sen. The Hon. R. Mitchell:** I have had some discussions with the CSO with respect to developing a satellite account for culture and cultural industries. Those discussions are ongoing.

**Sen. Richards:** Thank you, Madam President. Can the Minister indicate if there are targets being set for the GDP contribution of the cultural sector in T&T given the billion-dollar growth or the significant growth globally in cultural and artistic expressions around the world?

**Sen. The Hon. R. Mitchell:** No specific targets set. What we do at the Ministry with the responsibility for culture is to always try to increase the value and the contribution to GDP with respect to culture. There is no target set. Because, as I indicated, with respect to our statistical efforts or endeavour by the Ministry of Planning and Development, under the CSO, the cultural contribution to the economy is not measured. We believe that it should be measured and that is why we are having discussions with the CSO for the purpose of setting up a satellite account for the measurement of the cultural industries.

Right now, tourism is measured. We have the tourism satellite account and it is reported by the CSO and also to the UNWTO, and they publish those statistics. But we see that as a significant gap in Trinidad and Tobago where cultural industries, the entertainment industries, et cetera, are not measured and therefore, perhaps, if it were measured more respect would be placed and would be given to the cultural and entertainment industries.

**Madam President:** You have one more question.

**Sen. Richards:** Thank you. Can the Minister identify, in relation to the digital

portals the Minister had identified in one of his previous responses, if there are timelines and have those been established as yet for the distribution of the cultural artefacts and the cultural expressions?

**Sen. The Hon. R. Mitchell:** If I were to give a timeline now, within the next three months. The platform is already supported. We are entering into a partnership with the platform provider and we have quite a bit of content already, and we are also going to be engaging with the stakeholders for them to put their content on this particular platform and to discuss the revenue-earning potential and agreements, et cetera. I can also report that TTT is also involved. They are the owners of a considerable amount of content, and that is where we are at. But if I am to give you a timeline now, within the next three months.

**Madam President:** Next question, Sen. Richards.

**Cultural Heritage Studies into School Curriculum  
(Government's Intention to Include)**

**113. Sen. Paul Richards** asked the hon. Minister of Education:

Regarding the Government's commitment to diversification and the Ministry's role in effecting same, can the Minister advise whether the Government intends to:

- (i) include cultural heritage studies in the school curriculum at the primary, secondary and undergraduate certificate levels; and
- (ii) provide incentives for students pursuing cultural studies at the aforementioned levels of education?

**Madam President:** Leader of Government Business.

**Hon. Senators:** [*Desk thumping*]

**The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne):** Thank you, Madam President. On behalf of the Minister of Education,

this is a very important question. Cultural heritage includes tangible culture such as buildings, monuments, landscapes, books, arts and artefacts, as well as intangible culture such as folk law traditions, language and natural heritage such as our biodiversity.

The benefits of including cultural studies within a school's curriculum cannot be overstated as it aids in promoting patriotism and the formation of our national identity. It must be noted that at the primary and secondary levels, topics in the area of tangible culture are present in the curriculum of social studies, visual and performing arts, Caribbean history and literature.

Furthermore, the syllabus for social studies treats with culturally relevant topics such as national emblems, holidays, festivals, monuments and icons, religious festivals, local craftsmanship, and local agricultural and husbandry. Focus is also placed on the intangible cultural heritage as well as tangible heritage through the Ministry of Education supported national activities such as the following:

- the school music festival;
- the Junior Panorama and Junior Calypso Monarch competitions;
- the national Best Village Trophy Competition;
- the national and local food festivals;
- the National Gas Company's Sanfest;
- the school chutney competition,
- the school parang competition; and
- the annual UWI History Fest.

These curricula and events provide our students with exposure to a tangible, intangible and national cultural heritage, which all allow them to matriculate into existing programmes at the tertiary level. Our tertiary level institutions offer

programmes that center around the history and cultural heritage of Trinidad and Tobago. COSTAATT, for example, offers courses on comparative religion, history of Trinidad and Tobago, and introduction to the culture of Trinidad and Tobago. At the University of the West Indies, undergraduate degrees in carnival studies, dance and theatre arts place culture at the forefront with courses such as:

- Carnival and Society;
- Trinidad Calypso: History, Development and Meaning; and
- Caribbean dance.

The UWI Open Campus offers two graduate courses in the area of heritage studies: Museum Conversation Skills and Values-based Heritage Site Management. These courses help to support and preserve the rich culture of our twin-island State. The University of Trinidad and Tobago also provides a postgraduate programme in carnival studies, inclusive of a range of courses designed to preserve our rich heritage. These courses are geared to producing the nation's future artistic directors, carnival band producers, chorale directors, composers and calypsonians.

Additionally, the Trinidad and Tobago Interim Developmental Needs List has education in cultural areas as well as conservation management as priority areas. Therefore, students applying for one of the 500 national bursaries in these areas are at an advantage with respect to qualification. Thank you.

**Sen. Richards:** Thank you. Given the Minister's comprehensive response—and I thank the Minister for the response—are there collaborations ongoing between the Ministries of Trade and Industry, Labour, Education and the private sector in terms of providing job opportunities that are sustainable for graduates who pursue these cultural studies?

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

**Sen. Richards:** Well, that is it, Madam President. Thank you very much.



**JOINT SELECT COMMITTEE  
(APPOINTMENT TO)**

**The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne):** Madam President, I beg to move the following Motion:

*Be it resolved* that the Senate agree that Mr. Reginald Armour SC be appointed to serve on the Special Select Committee of the Senate appointed to consider and report on the Sexual Offences (Amdt.) (No. 3) Bill, 2021 in lieu of Mr. Clarence Rambharat, and that he be appointed Chairman of the committee.

*Question put and agreed.*

**Madam President:** Sen. Deonarine.

**Hon. Senators:** [*Desk thumping*]

**COMPREHENSIVE FOREIGN EXCHANGE POLICY FRAMEWORK**

**Sen. Amrita Deonarine:** Thank you, Madam President. Madam President, I beg to move the following Motion standing in my name:

*Whereas* availability of foreign exchange is important for investment and competitiveness in the private sector and the persistently tight foreign exchange environment can hinder prospects for diversification and economic recovery aspired to in the Government's fiscal strategy;

*And whereas* there has been improved sales and purchases of foreign exchange by authorized dealers recorded thus far in 2022 due to higher energy prices;

*And whereas* it is recognized that micro, small and medium-sized enterprises (MSMEs) and the wider population continue to experience the negative effects from the difficulty in accessing foreign exchange, notwithstanding interventions by the Central Bank and the Government to ease tight foreign

exchange market conditions;

*Be it resolved* that this Senate call on the Government to table in Parliament, within six months, a comprehensive policy framework that will guide key stakeholders, including MSME's, the Central Bank of Trinidad and Tobago and Commercial Banks on how the Government intends to navigate the tightness in the foreign exchange market to overcome downside risks in the medium and long-term.

Madam President, before I proceed, first of all allow me to congratulate and welcome the new Members of this honourable House. Welcome to both Senators. It is a pleasure to have you and welcome you in this House. We look forward to fruitful debates. And I also would like to express my gratitude to those who would have served in their formal capacities in this honourable House.

Now, Madam President, I am grateful for the opportunity to present this Motion. It actually has been on the Order Paper for some time, almost a year. As a matter of fact, it was reintroduced in this Twelfth Parliament. And I would like to upfront thank my colleague, Sen. Vieira, for offering me his space in the queue to bring this very important matter to the Senate floor for discussion. I think we can really come up with a workable solution to this problem that MSME's, individuals and the wider population continue to face when it comes to accessing foreign exchange for legitimate reasons within the domestic foreign exchange market where supply is relatively constraint.

So, Madam President, it is about coming up with a comprehensive plan necessary to improve the distribution mechanism meant to achieve government strategic objectives outlined in the previous budgets presented to this country: diversification in the non-energy sector, putting the private sector on a sustainable

path of competitiveness and growth. Remember those budget themes: Resetting the Economy for Growth and Innovation, building Resilience in the Face of a Global Pandemic?

Madam President, it is no secret that it is really difficult to access foreign exchange at commercial banks for legitimate reasons. So, first of all, we really need to accept that there is a challenge in accessing foreign exchange. Trying to deny this as a reality at this point would really go against us accepting the fact that, you know, there is a challenge with the allocation mechanism and also recognizing the fact that it is working against our ability to achieve our diversification objectives in the non-energy sector. So, it is important to admit that there is a challenge when it comes to foreign exchange availability for certain groups, certain sectors of the economy, despite being able to maintain healthy levels of foreign reserves at \$6.8 billion even with the onset of a pandemic.

So, Madam President, the limited supply of foreign exchange can be attributed to the more than 50 per cent decline in energy exports suffered between 2018 and 2020. This recent decline in energy exports, coupled with a decline in production on both the natural gas and crude oil sites, have ultimately contributed to a decline in the amount of foreign exchange converted by energy companies to meet their local tax obligations. So, it is really that conversion of foreign exchange from energy companies and the general public that is available to the general public for purchase and sale by the commercial banks who we refer to as authorized dealers. So, the energy sector is a major source of foreign exchange earnings for our country. As a matter of fact, it accounts for 63 per cent of all the sales by authorized dealers, the sales to the public.

Now, Madam President, even though sale and purchases of foreign currency

shows an increase in 2021, the levels of sales are well below pre-pandemic levels by almost \$100 billion. That is US \$1 billion. And purchases by authorized dealers have decreased from 5 billion in 2015, to an average of 4 billion annually between the years of 2016 to 2021. So, demand continues to be persistently robust. The domestic foreign exchange market continues to be very tight or emit signs, for want of a better word, shortage. Because that is what everyone perceives it to be.

So, let me stick a pin here and just explain a little bit how the Central Bank really goes about, to explain a little bit about our exchange rate. We operate under a managed exchange rate system where we have an exchange rate that is priced between a very narrow band and the Central Bank intervenes on a regular basis, providing reserves into the market to meet that demand that the authorized dealers or the commercial banks cannot meet.

So, as economic activity—and we have to recognize that economic activity is beginning to pick up or have begun picking up since we have fully reopened the economy. And even though we have seen an increase in the value of exports in 2021, the demand for foreign exchange has increased and this is attributed, not only to the aspects of economic recovery that we are experiencing, but also due to global international supply chain challenges and also simultaneous price increases with respect to global inflation. As a matter of fact, available data from the Central Bank shows that in the last quarter of 2021, imports have risen or reverted back to the levels that it was in quarter three of 2015. So, we have imports that are robust, which means that our demand for foreign exchange will continue to be very robust.

Now, Madam President, I recognize the Government's intervention to navigate this tight domestic foreign exchange market. The Government did not just sit back and do nothing. The Government has intervened via multiple ways. For

example, the Government has intervened by the creation of three special foreign exchange windows, one with the Central Bank that is dedicated towards state-owned enterprises. There are also two within the Eximbank: one dedicated to the imports of essential goods and services and pharmaceuticals, and another dedicated towards—to manufacturers who are importing raw materials to process to export.

Now, interestingly, what I found out as well is that the Eximbank's supply of foreign exchange, mostly supplies to small and medium enterprises. And actually, almost 70 or 75 per cent of their sale of foreign exchange goes towards the smaller enterprises. But with that being said, it is still not adequate. So, the Central Bank also intervenes by providing foreign reserves into the market, so we refer to that as intervention funds. And through guidelines that the Central Bank issues to the commercial banks, they tend to try and request, through guidelines, the commercial banks to prioritize areas of manufacturing and trade-related transactions when the commercial banks are selling the foreign exchange. Right now, I believe there is room for us to tighten this so much more, and I would elaborate on that a little later on.

So, Madam President, I understand the motive behind these initiatives with respect to the foreign special forex windows and the guidelines issued by the Central Bank. But, as I said, it is not adequate. If it was adequate, Madam President, we would not have been seeing so many or numerous reports of small businesses, medium businesses, individuals complaining or voicing their opinions on how difficult it is to conduct business when it comes to accessing foreign exchange. So, it appears that the current system that we are working with has some efficiency and equity issues built into it. And let me explain this by elaborating on

what are some of the current challenges that the population and small and medium businesses are experiencing.

The business community, inclusive of microenterprises and small businesses, who really want to access foreign exchange to fulfil their inventory requirements, to meet payments to suppliers, to take advantage of opportunities that arise from the full resumption of economic activity—because, Madam President, as the economy reopens, demand increases, and as demand increases, businesses need to supply to the domestic population more goods and services. And therefore, a significant part of our businesses are import oriented, we know that, especially the smaller and the microenterprises. And therefore, they are reliant on adequate supplies of foreign exchange. So, these businesses have been on multiple media platforms pleading their cases on the difficulty in accessing foreign exchange and how it has been crippling their businesses. As a matter of fact, I saw a report on *Newsday* on the 10<sup>th</sup> of February, 2022, where one particular company is indicating that it is rethinking its investment opportunities in Trinidad and Tobago, citing reasons of not seeing improvement in the foreign exchange availability despite the claims that we have adequate foreign exchange reserves.

Now, Madam President, foreign exchange challenges have caused a drastic and negative impact on sales for more businesses. Many has suffered closures or downsized, had to lay off people. Businesses are unable to maintain supply chains which resulted in delays in restocking and meeting orders. Suppliers are tightening their credit terms and conditions. Many businesses have had to narrow the range of product offerings that they are doing—that they are providing.

Now, I came across a survey that was done by the Trinidad and Tobago Chamber of Industry Commerce, in collaboration with the Trinidad and Tobago

Coalition of Services Industries, the TTCSI. And this survey was done on the 19<sup>th</sup> of February last year. And what they were indicating is that—it was a small survey, Madam President. It looked at only 204 firms. And what this survey indicated is that 83 per cent of the firms were affected by the inability to source foreign exchange, which prevented them from purchasing raw materials and some finished products from external sources. One hundred and thirty-five firms indicated that they received less than 50 per cent of their forex requirements from their local bankers. Madam President, when these things are happening we have—efficiency in conducting business tends to be compromised.

Let us zero in on our microenterprises, these firms hire less than five employees in their organization—these are firms that hire less than five persons in their organizations. They generate income of—I believe it is less than \$1 million per annum. According to CSO, these firms, microenterprises, 54 per cent of them already are partially or fully constrained from accessing credit. This is accessing regular credit from the banks. And on top of that now, we have the situation where these micro and small enterprises are being faced with the challenge of accessing foreign exchange as well. And one of the important things to note is that, when considering financing these small businesses, is that they tend to depend on foreign currency.

Now, I looked at the JSC, the Joint Select Committee meeting in November 2021, which had an enquiry of the impact of COVID-19 on the micro, small and medium enterprise sector and the San Juan Business Association came before the committee and was explaining how challenging it is to access foreign exchange. So that prompted me to do my own investigations and I myself spoke with several business chambers who confirmed what was said in this Joint Select Committee.

Trying to get foreign exchange, especially from micro and small businesses through banks, is difficult and is an issue. And it really is an issue. There is an issue of who gets priority. This is at the commercial banks. Many explained that there are—these problems or these challenges are getting worse day by day.

**3.00 p.m.**

Simply put, micro and small businesses are not being prioritized or seem to not be prioritized by financial institutions for foreign exchange sales. Their businesses are simply just too small. And these are the words of the President of the San Juan Business Association at the Joint Select Committee on November 2021. But to further add to the challenges that is being faced by the SME sector, Madam President, the MSME sector, I too have experiences from dealing with banks for business purposes. You have one commercial bank giving you US \$300 a day—a week sorry, not a day. I wish if it was a week. And mind you, in order to access that, Madam President, you have to call the bank every morning and hope someone answers quickly and get the approval to purchase. So you have to go through a process of accumulating increments of foreign exchange until you make up enough to make a purchase for raw materials or replenish stocks for your business.

Another financial institution with an established relationship for more than 10 years advises that we can no longer provide you with US currency or any foreign exchange sales unless you open a line of credit with the bank. That is, take a loan and you will get US currency. Note that when you look at the terms and conditions of the loan, nothing in there mentions that you are guaranteed US currency. It is an informal arrangement. So, astoundingly, when I spoke to multiple financial institutions it was brought to my attention that this is a practice that is



being adopted by most of the banks. I do not know if the Minister of Finance is aware of this.

At present what is happening is that larger, more established businesses are favourably positioned to get preference from financial institutions for purchases of foreign exchange. Why? For many reasons. They have good relationships with the financial institutions; they record larger revenues and profits; they hold multiple lines of credit with the banks. In other words, they give the bank a lot of business. Now, the medium enterprises too are also important. Their contribution to tax revenues and employment is far greater than micro and small businesses. But does that mean that they should get preference over micro and small business start-up? Retail distribution received 26 per cent of 2021 sales of foreign exchange to authorized dealers. That is approximately US \$1.1 billion of sales by authorized dealers. But the question is, to whom does it go? We do not know how equitably it is being distributed. What is the demand by micro enterprises and small enterprises? As a matter of fact, you know what, Madam President, what is the unmet demand? That is what we really do not understand.

So, Madam President, the reality is that right now it appears that commercial banks are making their own rules on allocation of scarce foreign exchange and micro, small and medium enterprises—more micro and small enterprises who are not established—appear to be, for want of a better word, getting penalized by not being able to access foreign exchange to ensure the viability and their livelihoods; the viability of their business and their sustainability and livelihoods.

Madam President, I think this borders on almost unethical business practices especially when these businesses continue to battle with the impact of COVID-19. There are critical equity concerns, equity concerns that have associated with it

efficiency concerns, especially when it comes to achieving the Government's strategic objectives of diversification in the non-energy sector and trying to pry micro and small businesses into becoming potential exporters and facilitating the diversification agenda.

Madam President, if you would allow me one more example. This is an example that is experienced at the individual level. What you have is parents with children who are studying abroad also going through a difficult process of accumulating foreign exchange to meet tuition expenses. It is a similar process like micro and small enterprises where you have to go through a process of accumulating small amounts until you are able to meet the full tuition expense. So you have to—an invoice no longer is sufficient. You have to present the invoice far in advance and wait, sometimes months, sometimes almost a year in order to get the necessary foreign exchange.

If someone really cannot finance foreign education and skills which are so critically necessary for this country we will not—we really are undermining the ability for our citizens to secure foreign education which is going to compromise our ability to grow. We need the foreign input especially when we are talking about digitalization, when we are talking about cybersecurity and all these different sectors that we are looking at. But what we will be doing all in all is confining our human capital skill set only to Trinidad and Tobago, not that Trinidad and Tobago education or training is inadequate, but in a globalized environment we know that it is not sufficient.

Madam President, these challenges that I have outlined, that small and medium enterprises are experiences and this case of—at the individual level is really what happens when you resort to a system of rationing scarce foreign

exchange. Evidence in Ethiopia, for example, has shown that rationing reduces trade and investment. And we all know trade and investment are key drivers for GDP growth. The bottom line is that even though this rationing system is meant to assist it affects small and medium businesses negatively. That is why we are seeing a lot of SMEs claiming that they are not getting foreign exchange.

So, Madam President, it is these uncertainties, right, that affect consumer behaviour and causes them to hold on to US dollars, open up US bank accounts rather than save in TT dollars. According to the Central Bank, for example, in its latest publication of the *Economic Bulletin* in January 2022, the Central Bank indicated that there is:

“Anecdotal evidence suggests that constrained economic conditions and attendant decline in foreign exchange inflows since the start of the pandemic resulted in businesses stockpiling foreign currency.”

So when I saw that I said, okay, the data must be able to tell. So I went in and I investigated the Central Bank database and what I came across was the foreign currency savings deposits in the banking system. The foreign currency saving deposits in the banking system for 2021 amounts to TT \$16 billion. Now, foreign currency savings deposits are savings in the system that are not readily available for access. You practically save. It does not have a high turnover. This \$16 billion that is saved in the banking system amounts to US \$2.4 billion, which is more than one-third of our foreign reserves and 10 per cent of GDP that is just saved in this system. When you compare that with the foreign currency demand deposits, which is TT \$26 billion, this is money, foreign exchange in the system that is being turned around very quickly so it is highly liquid. You see that, it is \$26 billion which is four billion.

So, if you really look at it we have approximately TT \$10 billion that is being turned over quickly but there is 16 billion in this system, 2.4 billion system that is being saved or stockpiled or is it that this is not the system and residents, businesses and other stakeholders who owned these resources cannot really cash out or use these resources. Also, this figure also caused me to question how much the commercial banks themselves are holding for their own investments because they too are a business, right. There are rising interest rates and therefore they too would want to do their portfolio investments to take advantage of these current economic conditions.

Now, Madam President, based on what I have outlined there will continue to be a gap between the demand and supply for foreign exchange. We acknowledge that. The sales for forex to retail and distribution amounts to \$1.1 billion in 2021 alone. Efforts to contain import demand from previous budgetary measures have proven to be futile due to international developments. When you look at the breakdown of sectors to which sales of foreign exchange goes to, you see that the energy sector absorbs 11 per cent of foreign exchange in 2021, while the manufacturing sector gets 9 per cent.

So while we benefit on one end from the increasing energy prices higher energy prices also mean that more foreign exchange must go towards fulfilling our fuel consumption. Hence the reason import demand is also increasing significantly. A big chunk of the increase in import demand also goes towards the fuel, satisfying our fuel needs, but a big chunk of it also goes towards capital investment in the energy sector together with fulfilling consumption demand.

So, Madam President, let me move on to some recommendations I would like to propose. These are not exhaustive and at all a list which of its entirety, it is

open for debate and consideration and also for additional suggestions. I mean, I really intend for us to brainstorm this. Should we continue the existing distribution system or the existing distribution mechanism? The gap will continue to widen, because it is not as easy for the Central Bank to intervene. If you look at the data you will see that since 2016 the intervention by the Central Bank has gradually declined and it has also stabilized over the last two years. And the reason for that is because within a short period of time we have lost also \$2 billion from our foreign reserves.

Even though, and I recognized, and even though the Minister of Finance was very delicate in the way in which he managed our reserves during 2020 and 2021, it was stable at \$6.8 billion. But it was critical at least in the short to medium term that we fix the redistribution mechanism or we try to fix the redistribution mechanism to a point where we have some more discretion over the distribution of what the Central Bank puts into the market. The Central Bank could put in some effort to ensure we build up some domestic production capacity so you can offset or mitigate that problem in the medium term. Right now the guidelines which specify manufacturing and trade-related transactions to commercial banks from the Central Bank is inadequate and there is room to allow for some equity and efficiency in this allocation or intervention by the Central Bank.

So, Madam President, I am suggesting this to support the Government, to assist the Government to achieve its diversification objective. Right now the foreign exchange allocation does not fully support this diversification agenda for the Government. If it is these challenges with the SME sector and the micro enterprises continue, it can undermine employment generation and growth of firms in new sectors and it can also avoid business start-ups from forming. As a matter of

fact, it is causing frustration amongst many young entrepreneurs brimming with ideas who are eager to take advantage of government tax incentives that are brought about, that we debated in this House within the last couple of Finance Bills. A business does not function on ideas alone, it functions on the implementation of ideas and we need resources to implement those ideas.

Now let me be clear, Madam President, I am not calling on the Government to increase the allocation by the Central Bank. Then the Central Bank will be bleeding reserves. The reserves have declined and we understand that the Central Bank cannot or is constrained in the extent to which they can intervene. It is imperative that the Government, and by extension the Ministry of Finance, sets clear guidelines in conjunction with the Central Bank of Trinidad and Tobago with respect to the availability of foreign currency for micro, small and medium enterprises, tertiary students who are studying abroad. A suggestion actually came out of the Joint Select Committee when I looked at it in November 2021. One of the stakeholders that came before the Committee recommended that, why we do not just allocate a percentage of the Central Bank allocation towards micro and small businesses and if it is that that percentage is not utilized, fully utilized, fine then let it be reabsorbed back into the commercial banking system to be reallocated to who needs it. Because what we have happening here is that legitimate business needs are not being met.

Now, I propose that these guidelines are enforceable guidelines. Rules on allocation should not be based on commercial banks' judgment because they are in conflict with profit maximization. The reason why I am asking for rules, Madam President, and for these rules to be enforceable is for the following reason. The Central Bank is a regulator, the commercial banks are not. They are profit

maximizers. As a regulator the Central Bank has the duty to defend the public's interest when it comes to the allocation of foreign exchange.

A commercial bank on the other hand has no constraint. It will discharge its function on a quarterly and annual basis to provide maximum returns to shareholders within the rules provided by or set by the Central Bank. And right now the rules set by the Central Bank with respect to foreign exchange cannot be enforced, they are just guidelines. Enforceable guidelines with penalties are regulations, with respect to the foreign exchange allocation by commercial banks. And what are regulations, Madam President? Regulations are the imposition of rules backed by penalties aimed at modifying behaviour. That is the definition of regulations. And if we are to modify the behaviour of commercial banks we do need to impose rules and those rules must be backed by penalties. Once we introduce regulations it will require the Central Bank of Trinidad and Tobago processes to conduct audits and regular checks and balances, which I understand they already do, but it is not mandatory for these commercial banks to report back to the Central Bank on who they are allocating the foreign exchange to. And this is for Central Bank's intervention funds.

I would like to also further propose that we place an Ombudsman—to create the role of an Ombudsman within the Central Bank to deal with complaints coming from the public and businesses who are unable to attain foreign exchange for legitimate reasons. A person or an individual or a body that these individuals can report a complaint to. It will also serve the function of allowing the Government and the Central Bank to gather data on the real demand for foreign exchange in the system.

Now, while putting the above in place there is an urgent need to move

swiftly in conducting analytical studies to understand the depth and breadth of the lack of availability of foreign exchange. If you realize throughout my contribution I spoke about the sales of foreign exchange, but if you really look at it the sales of foreign exchange by authorized dealers is usually interpreted as the demand for foreign exchange, but there is a significant unmet demand that is not being recorded. And we really need to get an idea of what this unmet demand is from different stakeholders, from different sectors of the economy and from different sizes of businesses. So, micro enterprises, what are their demands? How much is being met? How much is not being met? Same thing for small and medium enterprises; tertiary students who are studying abroad. These are some examples.

When we have information on the real demand for foreign exchange we need to conduct an assessment on the impact of the foreign exchange challenges on the productivity of these MSMEs. Because we need to understand how much they have been constrained so far and how much they have lost or had to lose or give up. My third recommendation is that I understand and the Minister of Finance did speak about it during his budget but I have not heard much of it since then, the move to recapitalization of the Eximbank. We need to move swiftly on that. Where are we with that?

And the final recommendation, Madam President, is that we need to have a public policy assessment of the cost of continuing to ration foreign exchange reserves—

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

**Sen. A. Deonarine:** Thank you, Madam President—versus adjusting the price of the exchange rate. Because there are costs and benefits of each one. As I said earlier, trade and investments are being restricted from this rationing or allocation



mechanism. On the other hand, we know there are significant drawbacks and costs associated with adjusting the price of the exchange rate. Now, I intentionally did not go there in terms of discussing devaluation and so on, I did not want to go there, I think that we can first try to discuss and come up with a plan to deal with the current distribution system to see what we can get out of that. And it is important that whatever policy framework that we come up with that we should really, it should be a framework that guides not only the Central Bank but it is something that guides the commercial banks and also key stakeholders who participate in the domestic foreign exchange market.

So in conclusion, Madam President, I am in agreement with Government's policy, its fiscal stance when it comes to moving away from natural resource commodities into a range of other activities, practically all of which require foreign exchange by entrepreneurs. Without a comprehensive framework to guide the allocation of foreign exchange along the lines of efficiency and equity, we are going to stymie or reduce the ability of this country to expand into a number of areas and therefore our diversification thrust and it will also compromise our growth prospects in the non-energy sector. With those few words, Madam President, I beg to move.

**Hon. Senators:** [*Desk thumping*]

**Madam President:** Someone needs to second the Motion.

**Sen. Richards:** Madam President, I beg to second the Motion and reserve my right to speak at a later stage.

*Question proposed.*

**Madam President:** Minister of Finance.

**Hon. Senators:** [*Desk thumping*]

**The Minister of Finance (Hon. Colm Imbert):** Thank you, Madam President. Madam President, I listened carefully to Sen. Deonarine, but there are some aspects of the Senator's presentation which I find a bit troubling. In 1993, April 13<sup>th</sup>, to be exact, foreign exchange controls were lifted in Trinidad and Tobago. I got the impression listening to Sen. Deonarine that the Senator would want us to reintroduce some type of control over foreign exchange. I am not sure I could associate myself with that. In addition, I got the impression from the Senator's contribution that the issue is on small and medium enterprises who want to import things. And I got the impression you are talking about fully manufactured goods with no added value that would not generate any sort of sustainable employment and would just result in a drain in foreign exchange, would not develop Trinidad and Tobago. That is the message I got. And I am a little disturbed by it I must say. So let me just put some information into the system and also give you some idea of Government policy with respect to foreign exchange.

The main sources of domestic foreign exchange are export earnings from the energy sector which are subject to the vagaries of the global energy situation as well as foreign currencies received through taxes and royalties and loans, loans that we take from international bodies, whether it is international commercial banks, international financial institutions, multi-lateral institutions and so on, are converted by the Central Bank and become part of the country's foreign exchange reserves.

If one looks at the pattern now, and taking into account what I just said, in 2017 we had a very, very difficult year. That was following 2016 when oil prices crashed to \$25 a barrel, gas prices began a downward spiral and when you look at the total purchases from the energy sector, in particular, in 2017, it had dropped

from US \$3.4 billion in 2015 to US \$2.1 billion in 2017. So there was a reduction in sales by the energy sector to the commercial banks of US \$1.2 billion between 2015 and 2016. Again, during the first pandemic year in 2020 that dropped even lower because of all the COVID-19 restrictions all around the world and the very negative effects those restrictions had on production particularly in the energy sector. The sales from the energy sector to the commercial banks dropped even further to US \$1.88 billion.

**3.30 p.m.**

I am pleased to report that there has been a significant recovery in 2021 with purchases from the energy sector improving from US 1.88 billion in 2020 to US 2.97 billion in 2021. So we have had a \$1.1 billion increase in the availability of foreign exchange from the energy sector between 2020 and 2021, and this trend is increasing, improving, with the increased prices of oil and gas at this point in time. So we expect in 2022 as well we would see an increase in the supply of foreign exchange coming from the energy sector. From the non-energy sector there has been a decline. Again, COVID contributed significantly to that and we are quite hopeful, however, that in 2022 we would see a recovery in terms of the forex that is provided by the non-energy sector.

Just to correct a statement made by Sen. Deonarine, the Central Bank does know exactly who gets foreign exchange in this country. The commercial banks are required to report to the Central Bank, and we have a quite famous case of a Governor of the Central Bank actually saying who got foreign exchange in this country in 2015. So that, that is not correct information. The Central Bank knows exactly who gets foreign exchange and how much. Our reserve position at the end of 2021 amounted to approximately US 6.9 billion, and as of March 2022 our

reserves now stand at about US \$6.7 billion over eight months of import cover, well above the international benchmark of \$3 billion.

If I look now at exactly what has been happening in this country—because there is a misunderstanding of what has been happening—we in the Government have no intention of adopting an interventionist posture in terms of the commercial banking sector. I think that the days for that have long gone. That train left the station 20 years ago. I do not think any Government would want to adopt an interventionist posture within the commercial banking sector and tell the commercial banks who they should give foreign exchange to and how much. What I know the Central Bank does is tell the commercial banks that there should be focus on trade, and certainly a focus on manufacturing. But what we have done as Government—because this is what we can do and this is not interfering with the very delicate foreign exchange system within the private commercial banking sector.

What we have done in the last several years—these are innovations of this Government—is that we created a window in the Central Bank for public sector entities that require foreign exchange. These would be entities like T&TEC, WASA, which have quite a significant foreign exchange demand because of the desalination contract entered into so many years ago by another Government. All desalination water must be paid for in US dollars. In addition, TGU, again, that was a matter that was completed by another Government. TGU must also be paid in US dollars. WASA has requirements for purchase of equipment and machinery, and so on, which must be paid for in US dollars, as does the Trinidad and Tobago Electricity Commission. So we have a window, foreign exchange window, dedicated to essential state enterprises such as what I have just mentioned, T&TEC

and so on, where we provide forex to those state enterprises, who I repeat provide the central services, separate and apart from any forex they may get from the commercial banking sector. So you have a facility and these state enterprises would apply to the Central Bank for forex.

The Ministry of Finance will look at the request, and once it is deemed to be appropriate we would instruct the Central Bank to make available a suitable quantum of forex from the Government's foreign reserves. And I want to repeat that the foreign reserves are the Government's foreign reserves, but they are managed by the Central Bank in terms of the well-established independence of the Central Bank. So we open up a window for the state enterprise sectors so that relieves the pressure on the commercial banking sector to provide substantial quantity of foreign exchange to the state enterprises, the central state enterprises. But what we did as well, we have another innovation where we have decided that we need to promote exports—and this is why I was a little troubled by the Senator's presentation because that seemed to focus on imports, not on exports—and what we have done with the Eximbank is that we have created a window to allocate foreign exchange to exporters.

The initial allocation in the Eximbank was US \$100 million and it was designed to fund the operations on import requirements of local manufacturers and exporters, because to develop and grow as a country to become competitive we must export. We cannot be focused on imports, and I would hate to think that young entrepreneurs are focusing on importing fully manufactured goods. I do not want to call them expensive toys, but I would hate to think that that is the focus of young entrepreneurs. So that is the kind of business they want to start, that they would just simply go on the Internet, buy something online, import it into Trinidad

and Tobago, add a mark-up and sell it. I would hate to think that that is the focus of our young entrepreneurs. I would think instead they would want to use domestic resources, domestic supplies, domestic inputs, and so on, and also if they can as they get larger and they grow that they will go into the export business.

I know many people who have reacted, many businesses who have reacted to the foreign exchange shortage and there is a shortage. No one can deny that, because the demand outstrips the supply—there is no two ways about it—and that is because of the significant reduction in forex that has come into this country from the energy sector over the last six or seven years. But I would hope that young entrepreneurs would take pattern from some of our more established medium-sized businesses who are now focusing on exports, are now creating their own foreign exchange so that they are getting out of this difficulty where they have to go to the commercial banking sector to get their forex. In fact, I know many small and medium enterprises who are net earners of foreign exchange believe it or not in Trinidad and Tobago and they have been pushed in this direction over the last six to seven years out of necessity. You know they say necessity is the mother of invention. But what we have done at the Eximbank is that we started off this facility to provide forex to exporters for their inputs to manufacturing and other forex requirements.

We started off with US \$100 million and we have continuously increased this amount. So we started off in 2019/2020, and then again in 2020 we increased it with an additional \$150 million. Then we continue to increase it again. So that my information tells me that as of February 28, 2022, the Eximbank has provided a total of US \$256 million to local manufacturers, providing forex to 122 Trinidad and Tobago manufacturers, the majority of which are small and medium

enterprises and I will give you the actual data: 82 per cent of the 181 companies within the system that Eximbank facilitates—because they also facilitate importers of essential items, PPE, essential foods, and so on—82 per cent of the 181 unique companies serviced by Eximbank forex facility fall into the micro, small and medium enterprise sector. That is the focus of that Eximbank facility. And I can tell Sen. Deonarine right now that we will be expanding that. It is working very well.

As far as the feedback we get, it is working very, very well because what the Eximbank does, the forex is not provided directly to the entity. The entity must produce an invoice from a foreign supplier of inputs into manufacturing, equipment, machinery, et cetera, and the money is paid directly by the Eximbank to the foreign supplier. So there is no possibility that somebody could apply for forex for a machine and then use it to buy a townhouse in Miami. These are the kinds of things that have happened in the past. So that—and I must congratulate the Eximbank. They have done a fantastic job over the last two years or so.

**Hon. Senators:** [*Desk thumping*]

**Hon. C. Imbert:** And on a curious note, the CEO of the Eximbank is no other than the son of Winston Dookeran, and he is doing a fantastic job and I want to congratulate him.

**Hon. Senators:** [*Desk thumping*]

**Hon. C. Imbert:** And it just goes to show there are patriotic citizens in this country who do not operate on the basis of politics. And when you look at the board of Eximbank as well, it is a very diverse bank and it is not populated with PNM party hats for example, and it has a very good relationship with the Trinidad and Tobago Manufacturers' Association and so on. But let me give you some key

highlights of what that Eximbank facility has done.

The Eximbank has supported companies with total exports sales just in one year of \$227 million. Let me repeat that. That forex facility at the Eximbank has supported companies with total export sales of \$2.027 billion from January 2021 to February 2022. Export sales from this same group of manufacturers increased by almost \$400 million between 2020 and 2021. Seventeen sectors in the local industrial sector of our accessed forex including food and beverages, building and construction materials, packaging and plastics. The TTMA has confirmed that this manufacturing forex facility provided through the Eximbank has enabled its members to focus on export growth; improved supply chain management; repair supplier credit relationships; reduce manufacturing downtime due to problems with inventory stock levels; expand inventory options; provide support to maintain employment levels; ensure the stability of domestic supply of goods where you have import substitution; and to invest in new technologies and equipment.

In terms of the total amount sold—and actually it is a little more than I said recently—small businesses have received US \$172 million, medium business have received US \$135 million, and large businesses have received US \$293 million. But of the entities, 82 per cent of the companies fall into the micro, small and medium sector. What we have done as well, we have continued to improve this facility to provide forex for manufacturers and to align our facility with the TTMA's strategy—because the TTMA has a strategy to double the manufacturing exports by the year 2025; that is their policy. And the new forex facility that is being managed by the Eximbank—they are calling it forex 3.0—now gives access to all manufacturers. So there are no restrictions now on the type of manufacturing.

The purpose is now for purchase and sale repayment of trade facilities, and



also for a TT loan with US dollar proceeds for equipment purchases. We are also allowing sole traders, partnerships, and small joint ventures involving in manufacturing export to access the facility. Previously it was just limited liability companies. So what we are trying to do with this Eximbank facility is to capture all types of SMEs, and we know many SMEs are sole traders, quite a few are partnerships, several are joint ventures. So you are not limiting it just to the traditional limited liability company.

In the pandemic period we agreed to introduce a forex facility at the Eximbank as well. This is the second facility that they have because they have two, one for manufacturers and exporters, and one for importers, and this second facility is for essential imports. Because it became apparent during the first COVID year that there would be supply chain problems, there would be problems in importing basic foods for example, like grain and so on. And therefore, we decided to ensure that Trinidad and Tobago was not going to be starved of essential items and we created this facility to provide forex to importers for essential items and we are going to continue to expand that particular facility. So we are now—the policy is now expansion of the export and manufacturing forex window to all types of businesses with an emphasis on micro, small and medium enterprises and also expansion of their forex facility to facilitate allocations to importers of essential items, and that is how the Government can get involved.

We can expand those windows, we can improve those windows, we can make it easier for micro, small and medium enterprises to access the forex facility through the Eximbank, but we have a measure of integrity in the system. In other words, the Eximbank system would determine whether the forex is being used for the purpose intended and for a purpose that would allow growth and development

of the country. And then we are also taking the burden of the commercial banking sector by increasing the allocation to the Eximbank for eligible local imports of essential items. That is not all. We also expect that there would be improvements in the availability of foreign exchange to the commercial banking sector from the energy sector. We expect that. When we look at the outlook for crude oil and condensate production, and we look at the outlook for gas production, what we are seeing is that there is going to be significant improvement over the medium term.

The Ministry of Energy and Energy Industries is working on a number of initiatives. I would not want to get into any great detail, but certainly with the enhanced prices that we are getting at this point in time—because we had all expected an oil price of \$65 per barrel for fiscal 2022, and when I look at the actual oil price today I am seeing, if you so allow me, Madam President, \$115. That is the oil price today. So we had budgeted on \$65 and we are getting \$115. We do not know how long that will last. The international energy agencies that have a track record of fairly reasonable forecasting of oil prices are telling us that we are looking at \$90 oil in the foreseeable future, but we will see. Oil prices are subject to all sorts of events that are completely outside of the control of most of us. But the fact of the matter is we do expect enhanced forex inflows from the energy sector as a result of the increased prices.

Gas prices are also quite promising. We now have moved away from the dependence on the US market for the sales of our gas, and a significant portion of our gas now goes to Europe, and the Far East, and South America, where the prices that are fetch for our gas is significantly more than the published price of Henry Hub. If you look at Henry Hub again today—and if you just let me take a look again—the Henry Hub is now \$5.16 today. The gas price that is used in the budget

is what is called a netback price which is the posted price of the gas minus the cost of shipping and other processing cost. But we are achieving a netback price for our gas. When you take the three or four geographic areas that our gas goes to, which will be South America, the Far East, Europe, and North America, we are achieving a netback price that is quite a little bit more than budgeted in the October 2021 budget.

So we do inspect some increase in inflows in fiscal 2022 from the energy sector. Certainly, we do not expect it to be less than 2021, but that is not the only focus. The Ministry of Trade and Industry—and I hope I am not going to be using up all of the speaking notes of the Minister of Trade and Industry. I am sorry. That is one of the dangers of somebody talking first. But the Ministry of Trade and Industry is pursuing a series of measures to increase the inflow of foreign exchange in the country.

**Hon. Senators:** [*Desk thumping*]

**Hon. C. Imbert:** These include the Trinidad and Tobago Trade Policy which has as one of its primary objectives—this is for 2019—2023—increasing the value and volume of non-energy exports of goods and services, and that involves increasing the level of export market penetration, exploring new market opportunities, pursuing commercial diplomacy and so on.

The Ministry of Trade and Industry also has an export booster initiative which is designed to again promote exports, accelerate internationalization, assist our local SMEs and larger firms with capacity building, institutional strengthening, again to increase the export value of goods manufactured in Trinidad and Tobago. We also have a national export strategy which is going to serve as a roadmap to guide the country's efforts of export diversification. There are series of trade

missions that are underway breaking into key areas in Panama, Costa Rica and other parts of the Latin America. We also have trade facilitation offices around the world. In addition, there is quite a significant programme on the way to expand local production; enhancing, upgrading, existing industrial parks; and utilizing to the fullest the new parks, the one at Moruga, the park that is under construction at Phoenix Park in the Point Lisas area, and so on, and then, of course, we have the new special economic zones regime.

We are also trying to sort out the perennial problems with the ease of doing business in terms of making it must easier for trade to take place across our borders. ExporTT also has a very significant programme in terms of facilitating access to foreign markets. So that not only do we expect to get additional forex from the energy sector, but we have a significant programme aimed at assisting local manufacturers to become competitive, and to penetrate new markets, and to boost our earning of foreign exchange, and to become net earners of foreign exchange which should be the objective of most new businesses in Trinidad and Tobago. That should be the objective, to become in due course net earners of foreign exchange.

**Hon. Senators:** [*Desk thumping*]

**Hon. C. Imbert:** I remember going to a meeting of the Andean Development Bank some years ago. It was in Uruguay, Montevideo I believe, and I went to a market, a local market, and every single product in that market—it was a huge market. Take Massy stores and PriceSmart and put them together and multiply it by 10, and that was the size of the thing. Every single product in that market was made in South America—every single product. I could not find anything in the market that was from North America, or from Europe, or from the Far East. Every single product

was manufactured in South America. And all of those countries in South America were manufacturing and trading with themselves, and thus reducing dependency on foreign exports. And therefore, it is my view that the final destination of any new business, any new entrepreneur has to be exports. It cannot be simply importing items from other countries.

So that I am not going to take up too much more of the Senate's time. What I will say, with respect to this Motion, that we are going to put considerable more money in those special windows at the Eximbank to allow many more of our local businesses to access foreign exchange for productive purposes; we are going to put much more money into the other window for importers with essential goods because we also recognize that what has happened with the war in Ukraine following the pandemic—I mean, it is a double whammy eh and I am talking about supply chains. What happened with COVID is that you found the cost of shipping going up five and six times in one year, and then comes the war in Ukraine and that has affected shipping as well. And if you look at international news in terms of what is happening to the movement of freight in the world, there are some ports where ships are just piled up in the harbour waiting. They cannot get into the port, they cannot move their goods and so on. The cost of shipping is going up.

So that we in Finance we get this information all the time and we have recognized that in terms of essential imports we are going to have to increase the allocation of forex to the Eximbank so that this will allow some of our local importers of essential items to deal with the challenges that have come their way with that double whammy from COVID and from the war in Ukraine affecting the price of commodities, and affecting the price of shipping. And in that way, by providing additional forex to the Eximbank for specific purposes aimed at

sustaining the counties livelihood and aimed at boosting and promoting exports, if we take our forex and you channel it into that area, I think is a far more useful approach than trying to tell the commercial banks who they should give foreign exchange to, how much foreign exchange they should give to who. I do not support that aspect of this Motion at all, but certainly I have no difficulty in tabling the policy.

**Madam President:** Minister, I think Sen. Thompson-Ahye wants to ask you a question.

**Hon. C. Imbert:** Oh, certainly.

**Sen. Thompson-Ahye:** Through you, Madam President, the plan of the Finance Minister to give greater allocation, is there a time frame for this that he is going to do this? I am sure people will be very anxious to hear how soon this will happen.

**Hon. C. Imbert:** Almost immediately. We do this on a regular basis and I approached the Cabinet for approval because that is the system, and I would not do anything like this without first providing the justification to the Cabinet. But within the next couple weeks I will be approaching the Cabinet to increase the allocation of foreign exchange to the Eximbank to allow increased allocations to importers of essential items and also to expand the forex availability to small, micro and medium enterprises. So I would say within the next couple weeks, that is the answer to your question.

So that coming back to what I was saying, Madam President, I do not think it is a good idea to try to—“micromanagement” is not the correct term here at all—try to control the manner in which commercial banks make forex available to companies. I do not think we should do that. I think what we should do instead is create windows for companies who are part of the national development, new

businesses, start-ups, et cetera. We can provide a window to provide preferential access to forex for companies through that window, and that way policy can be given the correct role. But to go and tell Republic Bank, or FCB as the case may be, that you should provide forex to this particular entity or this type of company in this amount at this time, as I said I think that train left the station a long time. Thank you very much, Madam President.

**Hon. Senators:** [*Desk thumping*]

**4.00 p.m.**

**Sen. Wade Mark:** Thank you, Madam, President. I wish to join this debate on a Motion moved by Sen. Amrita Deonarine addressing the issue or seeking to have, I should say, address the issue of the foreign exchange crisis that we are experiencing and have been experiencing for some time now, but I must say, Madam President, it has worsened in the last few years under this administration.

Now, in this Private Member's Motion, the Senator is seeking to deal with the availability of foreign exchange and its importance for investment and competitiveness in the private sector which has been experiencing persistently tight foreign exchange availability and is hindering the prospects for diversification and economic recovery.

Now, Madam President, we know that as an open petroleum, now energy oil and gas-based economy, foreign exchange, especially the US dollar which we are pegged to officially, constitutes the virtual lifeblood of our national economy. It is like the air that we breathe, Madam President. If we do not breathe air and get oxygen, we shall suffocate and die, and because of the nature of our economy and its very structure, foreign exchange constitutes the fresh air, the oxygen that will keep our economy healthy without which we will die, the economy will suffocate

and die. So this particular matter that we are addressing today is a very important matter.

Before I proceed, let me say, Madam President, those who were with us last week, I want to say that my colleague, former Sen. Rambharat, I want to wish him all the best in the future. I want to welcome the new Leader of Government Business, Dr. Amery Browne who has had a lot of parliamentary experience like myself, so I want to welcome him in that new position that he assumed today. And I also want to welcome our newly minted Attorney General, Sen. The Hon. Reginald Armour who I have also known for several years. I do not know much about Sen. Hislop out of Tobago but I want to welcome him as well to the Senate.

Madam President, the crisis that we face in the foreign exchange market has to do with who gets what and how much because we know we have a crisis as a result of both the reduction in the volume of production of crude oil, the reduction in gas production and of course, the volatility of prices for these commodities on the international global market space or place. So whether it is the petrochemical sector with ammonia, methanol, urea, whether it has to do with oil, crude oil, whether it has to do with gas, Madam President, all of these are tied up and tied in to our ability to bolster our foreign exchange reserve as a nation. If we do not have an adequate supply of foreign exchange reserves coming mainly from the energy sector and the petrochemical sector and the limited amount coming from the manufacturing sector through their exports, we will not be able to buy essential capital and intermediate goods that the very manufacturers require for production and for export. So there is what is called, Madam President, an inescapable interconnection with all the factors that I have outlined and this issue that we are dealing with today, foreign exchange.



Madam President, foreign exchange availability or what Sen. Deonarine spoke to as rationing of the foreign exchange is impacting negatively on productivity, on production expansion, on our gross domestic product. It is leading to a spiral in the inflationary rate in our nation. It is also leading, Madam President, to the price level going extremely south, particularly food inflation and food prices. There is a crisis in that department. And to add insult to injury, because of this shortage of foreign exchange availability and/or rationing in the economy, we have had, whether the Government wants to live in a state of denial or they want to recognize reality, we have what is called, Madam President, the parallel currency market in T&T, popularly known as the black market. That is what we have in our country and I can tell you it is having a very adverse impact on prices of basic goods and services in our country. So this particular Motion that is before us today is very timely. It is very timely because it deals with a matter that is of grave concern.

Madam President, I want to make it very clear from the outset that the foreign exchange reserves of our country belong to the people, the citizens of our nation. We are the owners of foreign exchange and foreign exchange reserves in the country and the Central Bank as the institution established under law is responsible for safeguarding our foreign exchange reserves. That is why you will see, Madam President, one of the responsibilities of the Central Bank is to manage our foreign exchange reserves. That is why in 1993 and even before that, we had, as the hon. Minister of Finance said, a foreign exchange control regime where the Central Bank was responsible for the actual control of our foreign exchange and was able to distribute that exchange as it saw fit through EC forms. We have gone past that. We have now so called liberalized the foreign exchange market. We have

now what is called a managed float at our disposal in this country.

But, Madam President, I want to bring to your attention and I want to support, before I do so, a statement made by the Mover of this Motion. The Mover of this Motion indicated that micro, small and medium-sized enterprises are experiencing huge and severe hardships in accessing foreign exchange in the system today. It is stifling, it is literally choking these small, micro and medium-sized businesses. And Sen. Deonarine shared with us earlier and we need to ask the question, even though we know we have, as the Minister said, \$6.7 billion in our foreign exchange reserves.

One of the things that the Minister did not share with us today, the hon. Minister of Finance, is the access that the Government has in going into our Heritage and Stabilisation Fund. And as you know, for the last two years, the Government has extracted over US \$2 billion from that particular fund and as you know, Madam President, when that is taken out, it goes to the Central Bank and the Central Bank puts it into this country's foreign exchange reserves in exchange for TT dollars. That is what goes on. So we are also contributing to the build-up of our foreign exchange reserves by accessing our HSF. I think we need to pay attention to that.

So, Madam President, hear what I would like to share with you at this time. There is a concept in the financial market space and that concept is what Sen. Deonarine made mention of in her contribution. The concept is called tying, T-Y-I-N-G. Tying practices in the financial marketplace where the banks use what I call devious means in order to get you as a small businessman, as a micro businessman, as a medium-sized businessman, to borrow money that you do not need in order to access foreign exchange on a limited scale. This is a matter that the Minister of

Finance did not speak to. And the hon. Sen. Amrita Deonarine asked him if he is aware of it. Because, Madam President, that constitutes unfair, unethical practices on the part of the bank.

And, Madam President, I am informed by small business owners that if you do not have \$3 million at a minimum or \$5 million at a maximum to borrow, to invest via loans with these commercial banks, you will not be able to access foreign exchange. Is the Government aware of this? Is the Central Bank aware of this? Is the Minister of Finance aware of this, Madam President? Why should the commercial banks that are being sold foreign exchange by the Central Bank so that they can have a fair and even distribution of our foreign exchange to all classes of citizens in Trinidad and Tobago, be you small, micro, medium or large, not to mention the population like you and me who would like to travel and is being told you can only get \$200 or \$400, or if you happen to be, like many of our good citizens, having their children studying abroad, you cannot access foreign exchange to service their education abroad. So why the discrimination against citizens of our nation by our commercial banks? And this is a matter that the Central Bank ought to be looking into because no bank ought to be engaging in this kind of unethical and unfair practice. Why must that be allowed? And that is why I talked about, Madam President, this concept of tying; that is the practice. They are tying you up like a crab in order for you to access foreign exchange.

And, Madam President, you know what is sad about it? The foreign exchange does not belong to the banks, they belong to the people of the Republic of Trinidad and Tobago and they are punishing the people of Trinidad and Tobago. That is why, Madam President, it is important for us to recognize the need for the Government to have a clearly defined policy on the allocation and distribution of

scarce foreign exchange in our nation. Why, Madam President, if the field is levelled and if you have an even playing field, why are some people, like in *Animal Farm*, George Orwell, all of us are equal but some of us are more equal than others.

So big business, and I have no problem with big business, Madam President, they are given an unfair advantage over small business but before they became big business, they were small business and then they grew into medium business and then they grew into huge conglomerate. But you know what, Madam President? They are being given an unfair advantage over the small, micro and medium-sized businesses in our nation. And what is the Central Bank doing? Is the Central Bank asleep? Where is the intervention on the part of the Central Bank to ensure there is an even distribution of the scarce foreign exchange in our country? Why are we leaving it up to the commercial banks and to the authorized dealers to determine how the funds are going to be distributed in a period of scarcity?

Madam President, I am not purporting or advancing or supporting any reintroduction of exchange controls, I am not advocating that because we had our lessons and experiences with that system and we know the drawbacks so we are not talking about that. We are saying, Madam President, that in a period of scarcity and shortfalls in our foreign exchange, how do we go about ensuring that there is a level playing field? How?

Madam President, I was able to visit the Central Bank website and there is a notice on that site that talks about foreign exchange authorized dealers in T&T. And before I deal with that, the Minister of Finance talked about imports and he is hoping that young people, young entrepreneurs are not getting into business simply to import and use foreign exchange. He is hoping that they would become more

innovative and creative meaning that it should be earning foreign exchange and not just importing stuff using foreign exchange. But you know, Madam President, it looks like there is one rule for the big and one rule for the small.

I just saw recently, I would not call the name, a big conglomerate opened a showroom, to sell what, Madam President? Volvo from Switzerland. Is that not importation? But the Minister just told this Parliament and the country that he does not want people to get into import, you want them to earn foreign exchange. But you know what, Madam President? A big conglomerate opened recently a showroom to sell what? Volvo from Switzerland. Madam President, Switzerland does not want TT dollars. Switzerland requires US or euros so where are we getting that money from? But you know what, Madam President? If you have a son or you have a daughter or I have a son studying in Canada, England or America, we are “ketching our aunt, nenen and uncle” to get a few dollars just to pay for their tuition, but others can get foreign exchange slapdash, no problem.

And, Madam President, I raise this because when I looked at the notice in the Central Bank and it is gazetted on December the 9<sup>th</sup>, 2021, I am seeing where we have 13, 1-3, foreign exchange authorized dealers in Trinidad and Tobago. And you know, Madam President, “yuh” ask yourself the question whether the Central Bank of our country is doing its job? You ask yourself that question. I have no problem with any business whether “yuh large, yuh ah conglomerate”, no problem, all I ask for is fair treatment. Fair treatment. That is all we are asking. So hear who are the authorized dealers and you understand, Madam President, when you look at the authorized dealers in our nation, you understand why some are more equal than others and why small, micro and medium-sized businesses are experiencing major challenges in our nation for foreign exchange.

Madam President, I am seeing the foreign exchange authorized dealers on a list issued by the Central Bank and one has to ask the question whether the Central Bank, knowing that these are authorized dealers, whether when they sell our foreign exchange to these commercial banks and these authorized dealers, are they giving these commercial banks and authorized dealers an undue advantage in the marketplace over others? I ask the question because, Madam President, we are in a foreign exchange crisis in our nation. And we are seeing in terms of foreign exchange authorized dealers, one, Ansa Bank Limited. As I said, I have nothing against any bank. Citibank Trinidad and Tobago Limited, First Citizens Bank Limited, First Caribbean International Bank, JMMB Bank, RBC Royal Bank, Republic Bank, Scotiabank, and ANSA Merchant Bank Limited, Development Finance Limited, Massy Finance GFC Limited, NCB Merchant Bank Trinidad and Tobago Limited, Export-Import Bank of T&T. These are authorized dealers in Trinidad and Tobago.

Madam President, we also have some additional operators called Bureaux de Change operators: Eastern Credit Union Co-operative, Global Exchange Trinidad and Tobago Limited, GraceKennedy (Trinidad and Tobago) Limited, Massy Remittance Services Limited and Millennium Finance And Leasing Company Limited. Now, these are the authorized dealers. When small and medium-sized businesses approach these commercial banks and these authorized dealers for support, for help to access foreign exchange to buy intermediate and capital goods to import very important goods and services into this country, how are they treated? How are they treated? Who is looking after their interest? They are left on their own and that cannot be fair. You need the Central Bank to come in and give some support and direction to these organizations that are experiencing major

challenges in the marketplace.

And, Madam President, may I tell you, this foreign exchange crisis is not going to go away. Since the PNM came into office, we have had six consecutive years of negative economic growth in our nation. Six consecutive years meaning our GDP has continuously contracted under the failed policies of this administration.

**4.30 p.m.**

So, we are talking about foreign exchange but then to attract foreign exchange to our nation, we must have the environment. It must be favourable. I read recently, Madam President, a publication called the “Index of Economic Freedom” in the world, 184 countries in that survey. Trinidad and Tobago is defined among those countries as mostly unfree. Could you imagine that?

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

Trinidad and Tobago is defined by this particular publication called the “Index of Economic Freedom”—welcome, Mr. Vice-President.

**Hon. Senators:** [*Desk thumping*]

**Sen. W. Mark:** Trinidad and Tobago is defined as mostly unfree. It is a mostly unfree country. That is something that the Attorney General needs to pay attention to, the newly-appointed Attorney General, because one of the indicators is the diminution of the rule of law. That is a serious indictment, property rights. All of these things have been identified, and Trinidad and Tobago’s average is about 58.8 per cent in those circumstances.

So, I raise this to bring to your attention that you cannot divorce, Mr. Vice-President, our foreign exchange crisis and the mismanagement of our national economy in Trinidad and Tobago under this administration. They are twin—or

they are two peas in the same pod.

Mr. Vice-President, would you believe that under our administration, between 2010 and 2015, we were able to attract close to \$50 billion in foreign direct investment; \$50 billion in foreign direct investment? Under this administration there is a minus \$500 million in foreign direct investment. So, in other words, there has been a negative outflow than a positive inflow.

So, I am predicting, Mr. Vice-President, that when we look at the assumptions governing our 2022 fiscal package, which is going to play a big role in determining our growth in GDP, our expansion in our foreign exchange reserves, you will see where, even though the price of oil has increased—as the Minister said, today it is trading per barrel, US \$115 per barrel. Natural gas is up as we speak. But, Mr. Vice-President, even though all of these things are happening, the reality is that we will not be able to experience the kind of economic growth that was predicted in the budget of 5 per cent, or as the IMF predicted, 5.7 per cent. So, what we are going to experience is a continued challenge for growth. We will get growth this year. There is no doubt, Mr. Vice-President, there will be some economic growth but it will not be 5 per cent and it will not be 5.7 per cent, but we will get some growth in 2022.

Mr. Vice-President, I want to remind this honourable Senate that in 2015, our Trinidad and Tobago GDP stood at \$171 billion. And by the end of 2021, that was reading \$141.8 billion, a decline of 17.3 per cent and a loss being translated into something like \$29.3 billion.

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

**Sen. W. Mark:** Thank you, Mr. Vice-President. So, Mr. Vice-President, I want to say that this Motion is very timely. I think that the time has come for us to go



deeper into this matter. Sen. Amrita is talking about a six-month period of a plan involving the Central Bank, the commercial banks and the stakeholders. That is what the resolution—so that the Government could come forward with a plan to deal with this foreign exchange shortage.

Mr. Vice-President, I think that we should really be calling for the establishment of a commission of enquiry to fully understand the levels of discrimination and banking malpractices in our country. We should be calling for a commission of enquiry to determine how ordinary citizens are being disadvantaged. And this exercise that we are dealing with cannot be left up to the Minister of Finance and to the Central Bank.

The Central Bank, Mr. Vice-President, along with the Minister of Finance, appears to be the problem. So, if they are the problem, how can they be the solution? They cannot be. So, we are proposing, for consideration, a commission of enquiry into this situation affecting the citizens of this country, particularly the medium, the small and microenterprise sector and the ordinary members of the population, so we will be able to hear the complaints of these small, micro, and medium-sized enterprises, along with ordinary citizens to determine, Mr. Vice-President, how they and their businesses have been negatively affected by the disproportionate maldistribution, misallocation of scarce foreign exchange resources that is hampering, stymying, undermining their business operations in T&T.

How are we going to address that? By waiting on the Minister to do something? By waiting on the Central Bank to do something? Look, we need to take action, Mr. Vice-President, and we are taking action through an independent commission of enquiry where we could really deal with the thing frontally. The

policies, or lack thereof, by the banks will be subject to scrutiny for all to see. And the banks will be given a chance to explain their malpractices before the nation of Trinidad and Tobago.

Mr. Vice-President, in closing, you know, I want to bring to your attention something. Whilst we are having major challenges in accessing foreign exchange, you have a bank, which I love, I bank with them, the First Citizens Bank, and, Mr. Vice-President, you ask yourself the question: How can the First Citizens Bank take US \$45 million of our foreign exchange and invest in an offshore company called Cornerstone Financial Holdings Limited?

**Sen. Mitchell:** Mr. Vice-President—

**Sen. W. Mark:** How can they do that?

**Sen. Mitchell:** Mr. Vice-President, on a point of order, please, 46(1).

**Sen. W. Mark:** I am wrapping up, Sir.

**Mr. Vice-President:** Sen. Mark, I am upholding the Standing Order. Please guide your conclusion. You actually have a few seconds remaining.

**Sen. W. Mark:** Yes, I am just concluding.

**Mr. Vice-President:** Yes.

**Sen. W. Mark:** I am saying that we need a forensic investigation into the actions of that bank—

**Sen. Mitchell:** Mr. Vice-President—

**Sen. W. Mark:**—called the First—

**Sen. Mitchell:** Mr. Vice-President—

**Sen. W. Mark:**—Citizens Bank of Trinidad and Tobago.

**Sen. Mitchell:**—on a point of order, please, 46(1).

**Sen. W. Mark:** [*Inaudible*]

**Sen. Mitchell:** He is going down the same road.

**Sen. W. Mark:** [*Inaudible*]—to stand again. My conclusion is here. Thank you very much.

**Mr. Vice-President:** Thank you, Sen. Mark. Sen. Seepersad.

**Hon. Senators:** [*Desk thumping*]

**Hon. Senator:** [*Inaudible*]

**Mr. Vice-President:** Sen. Seepersad is about to start.

**Sen. Charrise Seepersad:** Mr. Vice-President, thank you. Before I begin my contribution, please allow me to welcome you and the two new Senators. I would also like to thank the former Senators for their service.

Mr. Vice-President, thank you for the opportunity to contribute to the Motion on the development of a comprehensive foreign exchange policy framework. One fundamental economic assumption is scarcity. For many years, businesses and business organizations have raised the issue of the limited amount or unavailability of foreign exchange. The problem is worsening every minute as the world economy continues to be plagued by recession and uncertainty.

It must be noted that all business activities, both private and public enterprises, including those in the manufacturing and service sectors, have some degree of foreign currency input in their processes. Therefore, their uninterrupted and smooth operations necessitate the requirement of some foreign input and utilization of foreign currency.

It is therefore clear that the timely availability of foreign exchange will be required by these organizations for continuous and ongoing operations. The bottom line is that no business in Trinidad and Tobago can continue to exist without foreign exchange input. It is literally a matter of survival or, at worse,

discontinuation of operations. For example, large manufacturing companies in the oil and gas sector depend on foreign exchange for machinery and annual preventative maintenance activities.

Even in the agricultural sector, machinery such as pumps, excavators, and tractors are all imported and must be maintained using foreign exchange. In some industries, the foreign exchange input is sometimes greater than 50 to 60 per cent. Newsprint, inks and other raw materials used in the production of newspapers constitute most of the cost of production. It is evident, therefore, that not only SMEs but all enterprises depend on a comprehensive foreign exchange policy framework for their ongoing operations.

Mr. Vice-President, the availability and distribution for meeting the request for foreign exchange is at the heart of all business activity in Trinidad and Tobago. In the current liberalized foreign exchange market, there is supposed to be no priority for who gets and who does not receive foreign currency. However, there are efficiency and equity issues in the current system for sourcing foreign exchange. Let me explain. It is generally left to the commercial banks and licensed non-bank financial institutions to make their determination in this regard. They too have their too-big-to-fail clients whose demand for foreign exchange may be prioritized over others. Much lower down the scale is the broad sector of customers requiring relatively small sums for holiday travel and education abroad.

The proliferation of special purpose facilities at the Eximbank to prioritize foreign exchange access to manufacturers who export their production, importers of necessities, including state-owned enterprises, is prone to inefficiencies. Mr. Vice-President, the imperative for greater fidelity to accountability and transparency is a pillar on which free enterprise and a democratic society is

constructed, more so in these times.

How the Central Bank, commercial banks, licensed non-bank financial institutions and the Eximbank distribute foreign currency to meet the request of businesses must be rationalized. A strategic decision must be made by the Government to develop a foreign exchange policy framework which is transparent and proportionate and must be strictly adhered to. Only in this way would organizations be able to plan and invest with some degree of certainty. Business for-profit cannot function optimally without the reliable availability of foreign currency, often their major input. This is the key reason for some organizations and private citizens maintaining foreign accounts. Payments for emergencies arise from time to time and without a reliable reserve of foreign exchange, business activity or medical crisis would be impossible or a deadly situation.

Mr. Vice-President, more fundamentally, the signal is clear going forward. The time is now to focus on propelling economic growth. We need to create an environment where companies can profitably export and earn sufficient funds to meet our needs. This means shifting away from foreign exchange dependent to foreign exchange earning enterprises.

Trinidad and Tobago must find the initiative and fortitude to build an alternative approach. The non-energy sectors must mature so that Trinidad and Tobago has greater self-sufficiency and can engage in meaningful import substitution. This requires major diversification initiatives.

However, Mr. Vice-President, we are nowhere near this state. It will take time, medium to long term, to transform parts of the workforce into skilled and productive people to boost production and ramp up exports. Now is the time to factor in a comprehensive foreign exchange policy so that businesses can make

financial and economic decisions with some degree of certainty in an uncertain operating environment. Mr. Vice-President, I thank you.

**Hon. Senators:** [*Desk thumping*]

**Mr. Vice-President:** Minister of Trade and Industry.

**Hon. Senators:** [*Desk thumping*]

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

Thank you very much, Mr. Vice-President. And before I start, let me congratulate you, Sir, on your assumption to the position of Vice-President. I also join in congratulating all of my new senatorial colleagues—the both new senatorial colleagues. I also congratulate those who have assumed new positions as well.

So, I thank you for recognizing me and I rise to really give clarity and to assure the public of Trinidad and Tobago that our Government is working assiduously to ensure that we have a stable, a robust economy, where MSMEs, in particular, are vibrant contributors to the growth and development of Trinidad and Tobago.

And it is no secret that economies worldwide have had their fair share of challenges. Firstly, the COVID pandemic, which took us two years and is still reeling in some parts of the world and when we thought that was almost over, then a war erupted between Russia and Ukraine. And you would think that that is happening in another part of the world and we would be all right, and that is not so because it is affecting economies the world over.

So, here we are, an economy that has depended on the energy sector for decades. And over the last seven years—and I think the population understands where we met this economy. But over the last seven years, in particular, we have had to navigate depressed energy prices, coupled with the pandemic, and now, the

war between Russia and Ukraine. And this is no easy feat. But under the astute leadership of our Prime Minister and under the astute leadership of our Minister of Finance, I can say with certainty that we are well on the way, Trinidad and Tobago, to a path of recovery.

So, Sen. Deonarine, I know that this Motion is well intended and in the interest of the people of Trinidad and Tobago. However, I must say that there is a national policy framework, which is the roadmap for Trinidad and Tobago, transforming to a new economy, a new society, which governs how we navigate in the short, medium and long term. So, I am not talking about fixing an economy that is solely dependent on imports—that is substantially developed on imports. I am talking about a framework which will lead us to a place where we no longer depend on imports in a substantial way. So, this roadmap for Trinidad and Tobago underscores the importance of medium and small enterprises and microenterprises and points us in the direction of new sources of government revenues, new areas of innovative activity and sustainable economic growth, and with that, accompanying untapped streams for foreign exchange inflows.

So, respectfully, the solution cannot be that we focus on navigating the foreign exchange fixtures and so on, but rather it has to be the path where we do not depend on foreign exchange. And at the end of the day, we all have to take individual responsibility for curtailing foreign exchange. And in the choices that we make, again, we have to be sensible in that we must support local and, again, all of us get involve in the conservation of foreign exchange.

So, we understand the issues before MSMEs. It is well placed in our plan, in our roadmap to recovery. But the focus has to be on, not just how are they going to access the necessary foreign exchange, which will still be a requirement, the

Sen. The Hon. P. Gopee-Scoon (cont'd)

requirement for foreign exchange would not end there, but also the real issues for MSMEs—and you did not touch on that—would be the access to finance. That is the real sore point. The real issue is on capacity-building initiatives and that is where the Government's focus is. The real issue is on diversifications.

So that, when we speak about MSMEs and their opportunities, we really have to point them in a direction where they are encouraged to look at other sectors for development where they can earn foreign exchange rather than absorb limited foreign exchange. So, again, the encouragement must be there. The focus must be there on sectors which are ready for development. And this is where the Government is putting its attention.

So, the redistribution mechanism and the control of foreign exchange, which you seemed to focus on, that we see as not the solution. I am not saying that Central Bank or banks cannot train their thinking in line with the Government's but, again, the solution must be on conservation and being judicious, as I said before, in our choices, and in the sectors which we hope to expand, and the choices where persons and companies wish to invest.

So, Sen. Mark, you started off talking about crisis. I do not think this Motion even carries the word "crisis". So that, I think right away you went to the wrong direction. You want us to live in an economy that is fully dependent on imports and so on. That is a very myopic and narrow view. Very unimaginative.

**Hon. Senators:** [*Desk thumping*]

**Sen. The Hon. P. Gopee-Scoon:** And that is the real reason why the UNC will perish, eh, that they do not really understand the necessity for the reform of the economy which is where this Government is.

**Hon. Senators:** [*Desk thumping*]



Sen. The Hon. P. Gopee-Scoon (cont'd)

**Sen. The Hon. P. Gopee-Scoon:** Right? So, you are stuck on this reliance on imports and we are saying let us remove that fixation. Yes, there would be some reliance—and let us fix on earning foreign exchange and looking at sectors where we can in fact earn foreign exchange. It has to be reform-oriented.

But I am happy to say the Minister of Finance, who preceded me, just spent some time on our foreign exchange reserves, which we know are still very necessary to protect ourselves against external crises and so on, but again, supporting the Minister of Finance in saying that our current position of US \$6.7 billion is well within the rule of thumb of the three months, which is considered adequate. When I looked at what is happening in the region, I looked at Belize, for instance, the value of their official reserves, US \$830 million; Guyana, US \$810 million; Barbados, US \$3.1 billion; Jamaica, US \$3.6 billion; in Trinidad and Tobago, US \$6.7 billion. So, I think that we are in a fairly good place and well within the norm worldwide. So, as I was saying before, where we really have to direct our attention is to foreign exchange generation.

And, Mr. Vice-President, the best way to combat the strains in foreign exchange is to generate foreign exchange. And how we do that is by—and, of course, Minister of Finance seized the opportunity and went to town to speak a little bit about exports. I do not think that would stop me from speaking about the work that is going on, where we are focusing on increasing our exports, not only in goods but also in services because services really remains an untapped opportunity for exports.

So, these exports are fundamental to our ability to earn foreign exchange and I think the Minister of Finance would have spoken about the energy situation. And, of course, we look to the future because with the current initiatives we know that

there would be significant opportunity in the energy sector for increasing our exports, but notwithstanding the focus with our reform strategy is to really build on the non-energy export centre as well.

But looking at our trade figures—and I must go there—you would understand that looking at the 2021 *Review of the Economy*, Trinidad and Tobago's total exports in 2019, that is the pre-pandemic level, was valued at \$48 billion. And unfortunately, in 2020, when the pandemic hit, our total exports declined to \$37 billion. So, we took a hit and I am talking TT billion dollars.

But, Mr. Vice-President, looking at our TTBizLink data, we have estimated that total exports for 2021, really has already rebounded to the pre-COVID-19 levels. So, the figure for January to December 2021, we expect is in the vicinity of \$49 billion, which puts us over our 2019 figure, which is in a good place. So, we are encouraged by our trade performance. And as we are seeing already, our total exports in 2021, an increase of 32 per cent from 2020, and even when we look at our 2021 figure, we are seeing that it has exceeded our 2019 figures by 1 per cent. So, it is heartening and I think we are heading in the right direction.

But when I look—and you know where my interest is—at our non-energy sector exports—and during the period January to December 2021, total non-energy exports valued TT \$13.6 billion, representing a 12 per cent increase from January to December 2020, where it was just about \$11.9 billion. However, that puts us at a 2 per cent increase over our pre-COVID-19 level, where it was \$13 billion. So that is—we are already back at the 2019 levels but our focus has to be on exceeding these levels so that we can really fill the gaps.

Again, looking at our monthly average of non-energy exports, we are again heartened because we are seeing an average monthly figure of \$1.1 billion per

month, compared to the \$900 million also averaged during January to December 2020, but again, over the 2019 figure, which would have been about \$1.09 billion per month. So, there is that increase when we look at the monthly figures. So, again, Minister spoke at length—Minister of Finance—about the Eximbank forex facility.

And I must add my voice to that as well, because this facility was absolutely necessary during the COVID period to assist, as he said, those businesses who were importing basic goods. But that is not where my happiness truly lies, but really lies in our assistance given to our manufacturers giving them the ability to actually finance their inputs into manufacturing.

**5.00 p.m.**

But far beyond that, I am really pleased with the progress of the Eximbank. Not with regard solely to those two facilities, but also they have introduced and blended finance facilities. Again, increasing also the size of foreign currency to facilitate inputs, and also to secure machinery and equipment for expansion. And I think that point may have been raised before. The requirement for manufacturers is not just only for inputs into manufacturing, but even as they expand their current facilities or they look to—or we look to new manufacturers entering the space, there is the requirement for the inputs in the four securing machinery and equipment. And you can in fact secure, and I put that out there that you can in fact secure very low interest loans. I think 2 per cent or so for the purchase of machinery and equipment, and that is foreign exchange loans, that is, FX loans.

But also, they continue to offer a combination of credit, term loans, risk bearing purpose built concessional loans, and of course, Eximbank also is available to offer advisory services, and also support to small and medium-sized businesses

as well involved in exports. So, I am very, very pleased with the work of the board, and the CEO, very good work, and the members of staff by Eximbank. So—and again, particularly so, where Minister reminded us that a significant amount of the foreign exchange was made available to small and medium sized businesses.

But moving beyond that, during the COVID period the Government really put in place a number of initiatives to help businesses out of their difficult circumstances during that two-year period. And that assistance was not really just into large businesses, but again, support to the MSMEs. And I have spoken about it many times in the House, and I will just name them but not go into detail, but certain at the level of micro enterprises, facilities—a significant \$30 million facility was made available to NEDCO to get those micro enterprises back on their feet. That facility afforded micro enterprises \$20,000 in grant funding. And that facility is in fact extended all into 2022 and is still available through the credit union system. One hundred million dollars was also made available to MSMEs as well. And then another \$100 million was added to that.

But through the guaranteed loan programme for businesses, the Government paid attention in the revision of that facility in September 2021 to focusing again on SMEs. So much so, that the facility was revised to cater to them in terms of the eligibility criteria ensuring that the revenue criteria was lowered to capture these SMEs, and of course allowing them the ability to access the facility to cover purchase of fixed assets, purchase of property, goods and services—goods, and vehicles as well. And of course, and also relaxing the requirement with regard to Board of Inland Revenue and NIB payments.

So the focus was on really access to finance for SMEs. And the point I am making is that we cannot narrowly look at the ability of foreign exchange as the

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only problem to fix SMEs, but really the access to finance, and this Government has been doing that. Also, through the Junior Stock Exchange Programme which the Ministry of Finance has committed to ensuring that it is operationalized in fiscal 2022. So that what we are looking forward to are these SME listings on the Trinidad and Tobago Stock Exchange, and of course there is the advantage where these businesses will enjoy a full tax holiday for the first five-year period and receive tax exemptions on Business Levy and the Green Fund Levy and so on. And there is a mentorship programme attached to that. I have spoken about that before where the Stock Exchange in collaboration with the chamber bodies, will embark on a mentorship programme. And that mentorship programme really is going to assist these small and medium-sized businesses or these businesses that are able to move on to the Junior Stock Exchange market. Assist them with the transitioning, assist them with practicing good corporate governance, assist them with this whole question of compliance, and all of the other requirements that are necessary to operate on the Stock Exchange.

But far beyond that, the Ministry of Trade and Industry has concerned itself with ensuring that there is funding available as well for a number of small businesses in different sectors. And if I just go straight to the steel pan grant facility that has been made available to steel pan manufacturers for export, for building their businesses, but also for export. And during 2021, I can tell you that we have given out—no during the last two years we have supported nine steel pan manufacturers with funding to the extent of more than \$2 million. And many of them are now exporting within the region and they are also exporting to St. Thomas, US Virgin Islands, international markets like the USA and United Kingdom, Canada et cetera.

And I can tell you that at the Cabinet this week, there is already a Note that I have taken to ask for the expansion of that facility, that steel pan manufacturing grant facility so that we can look at the other aspects. The accessories, the steel pan, the coverings for the pans, the pan sticks, to allow them to market, to use e-commerce, to promote themselves both locally and at foreign conferences as well. That is where the area has to be. So I have gone asking for Cabinet's assistance so that we can redirect them not just to the current markets, but that they can expose themselves globally and present themselves at these trade missions and so on as well, facilitating them with all the funding that is necessary.

Only recently—and again with the focus on funding for SMEs but also in particular sectors. Only recently I would have been very proudly so, I announced and established a \$10 million facility for micro and small enterprises within the yachting sector. And this is a sector that really suffered during the pandemic period. And therefore, we thought that we should go in there and support all of these micro businesses, small businesses. And so, and the Government has done it. So that we are assisting these businesses with their working capital needs, assisting them with their business rents, their utilities, their raw material purchases, purchase of machinery and equipment, we are supporting all those involved in fiberglass work, welding, woodwork, upholstery services, those with retail shops, travel agencies, involved in the yacht brokerage sector and so on. Those are the kinds of initiative that this Government has been focusing on.

And I can tell you also, our grant fund facility within the Ministry of Trade and Industry has also been doing exceedingly well, and we have assisted a number of small and medium-sized businesses. We launched that in 2017, and I can tell you that we have disbursed \$4 million to 23 businesses involved in a number of

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sectors, printing and publishing, cocoa processing, food and agro-processing, fish processing, beauty and personal care products and so on. So that the needs—and I say all of this to say that the needs of the small and medium-sized businesses are being met. Those are the businesses that are going to start exporting. We cannot focus on the top 40. The top 40 are already exporting intra-regionally and extra-regionally. Our focus is on the small and medium sized businesses who we know, with the proper support can migrate to large businesses with great potential for earning foreign exchange. And of course, looking beyond the traditional Caricom markets and looking at the UAE, the Korean markets, the Germany, the rest of Europe. That is kind of thinking that we have.

And even so in looking at the manufacturing sector which has to be a great focus for us, key point is building the competitiveness in the manufacturing sector. And so, as it is we have realized that again, they have been focused on a narrow range of products going to particular markets. We have to encourage businesses to think outside of that. And so, there are two projects that we are doing within the Ministry and two studies that you would soon see the terms of reference being published, and that is a study on the regional value chains for the manufacturing sector. And why? And it is two-fold. Number one, we have to ensure that we do not rely on inputs that are from foreign countries. In other words, to move away from that reliance of foreign exchange for foreign inputs into manufacturing. The focus has to be on having end to end manufacturing within not necessarily Trinidad and Tobago, but within the region. And that is why study is on regional value chain for the manufacturing sector. Focusing secondly, on the Caribbean production integration, end to end Caricom-made goods in addition to those goods proudly made in Trinidad and Tobago.

So we are developing at this time this study, and again the focus will be to assist the TTMA, assist all of the current manufacturers, again, in their export strategies and so on. But with building out proper end to end made in Trinidad goods, made in Caricom goods. So that strategy is well in line with our trade policy and strategy. And again, moving away from that focus on a few primary products in the food and beverage sector and expanding outside of that, and ensuring that there are linkages where we can be assured, reliably so, of supplies of raw materials for our manufacturing sector from within the region and so on.

We are also looking as well at another study, and that is again as I talked about linkages, a study on strengthening the non-energy and the energy sectoral linkages in Trinidad and Tobago, and that is part of our export diversification strategy. So again—

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

**Sen. The Hon. P. Gopee-Scoon:** Yeah, thank you. Again, that is an area of focus for us and with the time that I have, I want to say that this Government will continue to support the TTMA and their export strategy of doubling trade by 2025. We are going to continue to focus on our market access. Of course, one understands the number of agreements that we already have, bilateral agreements and also Caricom agreements. And the idea behind it is that we have to focus on our trade missions, not just to the Caricom markets but utilizing these agreements and moving into Chile with whom we are negotiating an agreement into Chile, into Colombia, into Panama, into the DR, and of course also using our other European agreements—sorry, moving into Europe, of course using our CARIFORUM-UK Economic Partnership Agreement moving into the UK as well.

So there are trade missions that are lined up and we have to focus on those,



and now that we can move away from the virtual trade missions. And I want to say in the little time that I have as well, that in addition to assisting—we want to make sure well as well that our manufacturers have support in terms of having the right personnel.

And therefore, another project that we are doing in the Ministry of Trade and Industry jointly with the Ministry of Education, is to ensure that there is an apprenticeship programme a suitable apprenticeship programme for the manufacturing sector to ensure that we have suitably qualified, suitable employees for this sector. And we will focus in this apprenticeship programme on the mechanical engineering, industrial maintenance, electrical and electronic technology.

There is something that I want point out with one of the banks, Republic Bank. I noticed in the press more recently that they were partnering with Caribbean Exports Development Agency. Again, this is the kind of progress that we need. Not just the Government, but the private sector focusing on exports as well. And this is Republic Bank again, committing—committing, and I hope that they will also commit in providing foreign exchange for SMEs as well. But committing to increasing the export potential and capacity of Trinidad and Tobago's SMEs and larger firms as well. Very pleased with that.

I also must say that CEDA has been very good to Trinidad and Tobago. This is the export agency, the Caribbean Export Development Agency. And they have assisted again with a tremendous amount of grant funding for our SMEs. Within the last five years or so, 58 firms would have received funding to the extent of \$11 million in grant funding. And more recently, in November another 19 firms would have benefited from another \$4 million.

So across the board, not just this Government, Republic Bank and I expect other banks to join the fray as well and to really ensure that they do whatever it is necessary to ensure that there is financing available for development in all of these sectors that I am speaking about. The agricultural sector as well, the maritime sector as well, and also the tourism sector as well, the business processing outsourcing sector as well. That is where the strategy must be and I expect again, the banks to really show their hand and get involved in supporting these new sectors and also SMEs as well. I thank you, Mr. Vice-President.

**Hon. Senators:** [*Desk thumping*]

**Mr. Vice-President:** Sen. Lyder, you start at 5.17.15.

**Sen. Damian Lyder:** Thank you, Mr. Vice-President, and congratulations on your new role and your ascension to the seat of Vice-President. Mr. Vice-President, we are called to the Parliament today to debate a Motion on the state of our foreign exchange market, its impact on the SMEs and the wider economy. And I found this to be a very timely Motion brought by Sen. Deonarine. And when I looked at the Motion we are asked to debate—what we are asked to debate, Mr. Vice-President, several key concepts, and the impact of foreign exchange on them.

Firstly, the mover of the Motion would have the Senate treat with the role of foreign exchange on investment and competitiveness. And if you would allow me to demonstrate how this shortage of foreign exchange impacts on the competitiveness of an economy. Companies in this country, instead of investing locally in Trinidad are now opting Mr. Vice-President, to invest outside of the domestic market in an effort to earn foreign exchange needed to support their domestic operations. And might I say, their declining domestic operations as the economy continues to spiral downwards.

So for example, I happen to know personally, several supermarket chains who are currently looking to open supermarkets in islands such as St. Vincent and the Grenadines, in Grenada, in Guyana, right now. And in fact, I might be helping one of them to open a supermarket chain there. Business is dwindling and they need foreign exchange to be able to support and bolster their local business.

The former Attorney General made a comment in a last debate with me when he mentioned I was a big investor outside. And I say thank God I have been investing outside of this country, otherwise I would not be able to continue investing in Trinidad and getting the United States dollars I need to run my business in this country. The investment helps me to support my operations locally here, Mr. Vice-President. But what about those SMEs that do not have those balance sheets to support growing outside Trinidad and Tobago? Not only are we losing investment in our economy, but we are suffering and stifling our remaining business domestically in this country.

One only has to look when we have a look at the *Newsday* article on the 10<sup>th</sup> of February, 2022, it was titled, and I quote:

“LJ Williams rethinks Trinidad investments owing to forex shortage” So this heading alone falls squarely under what we are asked to prosecute in today’s Motion. The Chairman of LJ Williams stated, and I quote:

“Despite the country’s adequate FX reserves, we have not seen any improvements in its availability.”

This is the Chairman of LJ Williams who went on further to state that the forex shortage is restricting their growth in this country. And this is a group that is involved in the distribution of food, hardware, shipping, as well manufacturing. This is a group that returned profits during the pandemic but due to forex shortages

in Trinidad and Tobago, they have pressed pause on local investment whilst they are going full steam ahead in Guyana right now opening up a Home Store in the last quarter of 2022.

You see, Mr. Vice-President, the lack of forex has pulled the handbrakes on the economy. And the Minister of Trade and Industry is fully aware of that. You know, I honestly feel it for the Minister of Trade and Industry when she has to face so many of these manufacturers and exporters to hear the same thing each time about foreign exchange. And I sincerely hope that her colleague, the Minister of Finance understands the pains that she is going through.

But furthermore, we are asked to consider the impact of foreign exchange on diversification efforts. The first recital of this Motion speaks to efforts for diversification and economic recovery. There are several agencies that are tasked with the responsibility of boosting inward investment into Trinidad and Tobago. The Government's planned merger of InvesTT and ExporTT has contributed some degree of confusion as the Government prioritizes its boosting foreign direct investment. We have not heard what is coming out of this merger as yet. Foreign direct investment growth is essential to diversification and economic recovery as this Motion calls for.

The loss of foreign direct investment takes needed foreign exchange out of the system which aggravates the problem of diversification that we are called here to treat with in this Motion. So what is the expected improvement when we bring these two companies together? I hope the Government can expand on what is going to happen. We are still—it is a deafening silence coming out of this merger. If the Government has lost \$10 billion or US \$1.45 billion in FDI between 2015 and 2020, with two agencies existing and working on their own, how do they

expect to do better when they merge these agencies? We are still waiting. So this raises a red flag given the difference in priorities needed to boost inward investment as InvesTT is charged with, and to grow exports and by extension foreign exchange as is mandated by ExporTT.

Mr. Vice-President, interestingly enough I did some research, and I was looking at the International Trade Administration it is a report that comes out of the US. In their “Trinidad and Tobago Country Commercial Guide”, reported what I consider the abysmal failure of the Government to boost economic fortunes with several references, and one in particular of them on foreign exchange. Mr. Vice-President, besides monitoring the increase of the debt to GDP hovering above 84 per cent and the three years of recession coming up to 2019, and of course, we know we are still in that recession, this US-based international trade administration outlined challenges with foreign exchange where they are stating, and I quote:

“Due to...”—the—“...overvalued currency and excess demand for foreign exchange, smaller local companies and those that do not generate their own U.S. dollars through exports often face lengthy delays in acquiring foreign exchange to pay U.S. suppliers. The World Bank’s...Business 2020 report ranks TT 105 out of 190 countries...”

This is the agency in United States pronouncing negatively on the poor management of our local currency under this administration. The fact that it is internationally known that smaller local companies struggle to access foreign exchange, means that SMEs engaged in trade in the US will face additional difficulties getting such things as supply credit dampening the small and micro enterprise liquidities situation.

This is a hidden challenge in ease of doing business, Mr. Vice-President.

The US also recognized that even large companies that are not net earners of foreign exchange also face an uphill task in accessing foreign exchange. This puts doubt in suppliers out of the US having faith in distributors in this country being able to pay them, so credit is removed. I can tell you, there are many countries now that are not offering credit to any customer in Trinidad today.

Mr. Vice-President, we continue on when we look at the third recital, and it says:

*“And whereas it is recognized that micro, small and medium-sized enterprises (MSMEs) and the wider population continue to experience the negative effects from the difficulty in accessing foreign exchange, notwithstanding interventions by the Central Bank and the Government to ease tight foreign exchange market conditions;”*

Mr. Vice-President, foreign exchange continues to be scarce. There are a lot of products that are dropping off of supermarket shelves. This is because companies simply cannot get access to foreign exchange in addition to the supply chain issues we are experiencing because of the pandemic and of course now because of the war.

The supply chain issues also present foreign exchange issues. For example, the increase in shipping costs. If a container of foodstuff used to cost US \$20,000 in the past, now it might cost \$25,000/\$28,000. That is added forex that we must find. The end result is that these SMEs, their sales decline due to a lack of supply as well as an increase in the cost of goods. So this less sales results in less profit for these SMEs, and lower profit means that workers are sent home because companies have to cut cost any way they can. Cutting cost means that any service that is not central to the core operation of a company would be eliminated. So it is

not just importers and exporters, you know, Mr. Vice-President. The results in firing service providers such as advertising agencies, external maintenance, and other ancillary services, the lack of foreign exchange has a spiralling and a knock-on effect on several industries in this country.

In the end, the service industry who really do not depends directly on foreign exchange their business will be affected because of the companies who use foreign exchange and who are dependent on foreign exchange, simply not getting forex and having to scale down their business. What does this mean in the end? This leads to less money for persons to shop in malls, supermarkets, high streets, and a continuous downward spiral of our economy, Mr. Vice-President.

Mr. Vice-President, the Minister of Finance in response to a question on the floor from my colleague in another place, on November 11, 2021, declared that in accordance with the Exchange Control Act, the Central Bank has adopted the role of maintaining orderly conduct in and stability of the domestic market. However, this is not the sentiment on the ground with the business community today, Mr. Vice-President. On the contrary, stability is not a feature of the forex landscape domestically. This is because companies have been used to being placed on a negative list due to lack of access to forex needing to honour commitments to global suppliers.

Mr. Vice-President, the resolution of this Motion speaks to agreeing to a comprehensive policy framework to achieve several things, one of which is, to and I quote:

“...to navigate the tightness in the foreign exchange market to overcome downside risks in the medium and long-term.”

So let us unpack this conclusion in the Motion. Sen. Deonarine seeks to have

us craft a policy statement that will allow us to navigate the tightness in the foreign exchange market. The tightness of the foreign exchange market can be best illustrated by an example, Mr. Vice-President. Last year, in the Trinidad *Guardian* it reported on the 3<sup>rd</sup> of February, 2021, the headline:

“Forex crisis: Republic...”—in this case Republic Bank—“...cuts US credit card limits.”

And of course the climax of this article revealed the results of a survey conducted by the T&T Chamber of Commerce and the Trinidad and Tobago Coalition Services Industry. You know I heard Sen. Deonarine briskly speak about it but there is a reason why I am bringing this back up, Mr. Vice-President. So if you allow me.

So basically, these two entities in collaboration with other stakeholders found that the lack of foreign exchange has been a challenge. And to quote the article, Mr. Vice-President, it stated 204 firms across nine business organizations participated in the survey and the majority of firms:

“...approximately 83 per cent...”—or 170 firms—“...were affected by the inability to source forex to purchase raw materials and some finished products from external sources.”

So ultimately, the survey by the Trinidad and Tobago Chamber of Commerce and the TTCSI and other key stakeholders concluded that 66 per cent of firms received less than half of the forex needed from the local banks in 2020.

### **5.30 p.m.**

So, this makes it clear that when the Minister of Finance told the Parliament in another place on November the 10<sup>th</sup>, 2021, that the Central Bank’s intervention, and I quote:



“...enabled authorized dealers to meet demand...”

The Minister had to have been referring to some muted demand, Mr. Vice-President. In layman terms, the bank’s request for forex does not reflect the true level of demand for foreign exchange. And I heard Sen. Deonarine mention that it was “unaccessed” demand, or the unused—the “unaccessed” demand is not recorded—I think Sen. Deonarine mentioned that. Mr. Vice-President, the banks would have scaled down their request to the Central Bank based on expected shortages in forex. And sadly, if the Minister of Finance is comforted with his forex distribution being adequate, then the Government is approaching the forex needs of our economy from a false premise, Mr. Vice-President.

Mr. Vice-President, I can attest to this as an operator of a medium size distribution company in this country. I can attest to the challenges that I experienced even accessing 50 per cent of my foreign exchange needs. Furthermore, the tightness in the foreign exchange market has forced me and many of my business colleagues to open up more than six accounts. We have to open up six accounts just to be able to try to get 50 per cent of our forex needs. Besides having to open accounts with several banks, several businessmen use foreign exchange from their regional businesses to bolster their forex supply. How can that be sustainable, Mr. Vice-President? But I hope maybe when I open my seventh account with NCB Global, maybe I might get a little bit more forex there, Mr. Vice-President. I understand there is a lot of forex available there. But Mr. Vice-President, when we look, you know—

**Mr. Vice-President:** Sen. Lyder—

**Sen. D. Lyder:** Mister—yes, Mr. Vice-President.

**Mr. Vice-President:**—your last comment—

**Sen. D. Lyder:** Just want to open an account with NCB Global Mr. Vice-President. That is all.

**Mr. Vice-President:** No, no, you know very well that you were imputing improper motives in that statement.

**Sen. D. Lyder:** Mr. Vice-President, I take your advice. Mr. Vice-President and just to clarify, I simply wanted to open an account with NCB Global so I can access some more US dollars. That is all I want to do. I understand this—a fair amount. I would just like to access it, Mr. Vice-President. You see, Mr. Vice-President, it is impossible to speak to the shortages of foreign exchange and the need for a policy without outlining the law that sets the boundaries and adherence to it. The Motion speaks to interventions by the Central Bank to ease the tight foreign exchange market conditions. The Minister of Finance is speaking to the foreign exchange shortage on the 10<sup>th</sup> of November, 2021 on *Hansard* in the other place, referenced sections 5 and 6 of the Exchange Control Act which empower the Central Bank to authorize a person in T&T to be an authorized dealer, which under the definition section means, and I quote:

“...in relation to gold or any foreign currency, a person for the time being authorized by the Bank to act for the purposes of this Act as an authorized dealer in relation to gold, or, as the case may be, any foreign currency or currencies.”

Now, the survey report that two-thirds of companies surveyed by the T&T Chamber of Commerce have less than 50 per cent, half of their forex needs met from the authorized dealers, means that these companies are going to turn to the black market, Mr. Vice-President. This places them in direct contravention of section 6 of the Exchange Control Act, which makes it clear and I quote:

“...Except with the permission of the bank, no person...shall in Trinidad and Tobago, buy or borrow any gold or foreign currency from, or sell or lend any gold or foreign currency to, any person other than an authorized dealer.”

So many businessmen may not have their own internal stores of foreign exchange, Mr. Vice-President, and this results them in tuning to several persons to buy foreign exchange in the black market. This once again increases the cost of goods, Mr. Vice-President, because they do not sell it bank rate. We all know it starts at \$7.50 and go up to \$8 and \$9 taking up the cost of goods and ultimately, it is the consumer that bears the burden in the end, Mr. Vice-President.

The lack of foreign exchange, Mr. Vice-President, exposes staff members of companies that are short on forex to possible criminal charges.

[MADAM PRESIDENT *in the Chair*]

And this is because when we turn to the regulations of the Exchange Control Act, we note that:

“...where an offence...has been...”

—and I quote:

“...committed by a body corporate, any person who at the time of the commission of the offence was a director, general manager, secretary or other similar officer of the body corporate,...is”—indeed—“...liable”—to—

“(a) on summary conviction to a fine and to imprisonment for two years.”

Welcome back, Madam President, and—

“(b) on conviction on indictment to a fine and to imprisonment for five years.”

So, unless this has been amended, this is what I have seen in my research.

So, the black market trade exposes otherwise law-abiding citizens to possible criminal charges. So, this Motion in the third recital speaks to the negative effects from the difficulty in accessing foreign exchange and this is one. This borne out by the fact that an entrepreneur is seeking to purchase forex to import medicines, or educational equipment to support national development can face jail time, if they resort to buying foreign exchange from unauthorized dealers. And when we think of the black market sources of forex, they include energy contractors, foreign shipping vessel operators, individual hoarders of US and potentially persons involved in nefarious activities—money launderers, persons selling arms and ammunition, narcotics. So, this forex tightness forces businesses as well, many of them, to fabricate transactions between companies in order to cloak the purchase of US dollars between two persons or companies, and of course, so that they do not get found out from the Central Bank or whatnot. And this amounts to an element of fraud or possible money laundering.

So, based on the statistic that the majority gets less than half of their forex, Madam President, this equates to almost every single businessman getting the majority of their forex needs from the black market, Madam President, and this puts almost every businessman in this country at some point, breaking the law in order to get forex to survive so that their businesses are not shut down.

Madam President, in T&T, we are not seeing enough being done to assist small medium and micro manufacturers, as well as, importers of finished goods. The Government claims and I heard the Minister of Finance speak about Eximbank today, the Government claims that Eximbank forex tranches a viable solution, when in the words of the Minister of Finance on *Hansard* in another place on the 10<sup>th</sup> of November, 2021, stated that, and I quote:

“...the Government also provides access to forex through three US dollar foreign exchange facilities at the Eximbank. And I repeat, this ensures that state enterprises, exporters and importers of essential goods are able to access the required foreign exchange essential for their operations.”

However, Madam President, it was only on March the 10<sup>th</sup>, 2022, just 12 days ago, in their Article IV Consultation Report on T&T, the International Monetary Fund, the IMF stated, and I quote:

The—“...proliferation of special-purpose facilities at the EximBank to prioritize FX access to manufacturers, importers of necessities— including State-Owned Enterprises—have produced a hybrid exchange rate system that is prone to inefficiencies.”

That is coming from the IMF. So what are these inefficiencies, Madam President? So, to get a better understanding of this, it is right that I delve into the statistics of the users of the Eximbank facility.

Madam President, but let me say—let me just state firstly, before I get into that, I do—I am happy about the Exim facility. So I am not bashing the Exim facility. What I am simply saying is that the Exim facility is simply not enough and I will now describe that to you—describe why to you, Madam President. So, from the information that we got from the TTMA, there are approximately 550 total manufacturers in this country. From the 550, roughly 215 are actual exporters, and the balance of them are manufacturers for the domestic business. And then we saw the Minister boasting in the budget statement last year that the US \$100 million they have placed in the Eximbank has been accessed by 97 exporters and it is now increased to 107 exporters. And of course, I heard some new statistics come out in this debate today where the hon. Minister of Finance indicated that some US 265

million was accessed by 122 manufacturers. So simple mathematics will tell you that 550 manufacturers in this country less than 122, there are 428 manufacturers in this company that are not getting access to these funds at the Eximbank. So, yes, Exim is helping but the vast majority is not getting access through this medium, Madam President. And of those 428, over 100 of them are actual exporters who are not getting access to these funds.

So, as I stated in my budget contribution, is it the case that some 100 exporters are getting an excess of US funds?—because we are certainly hearing differently. But, Madam President, then the Minister went on with throwing some very sweeping figures and numbers, that one listening in, a layman listening in will say well, “Oh wow, that sounds pretty impressive”, where the Minister states that some 82 per cent of the 181 companies and I asked myself, “What were these 181 companies? I thought I heard 122?” Of course, to find out that possibly 59 of them are the importers of essential goods as pharmaceuticals, food items. I wonder who those importers are? But I guess, you know, some of us know who they are. But I will say, Madam President, that the Minister indicated that some 82 per cent of this number of 181 were small, and micro manufacturers.

Madam President, the Minister went on further, using that big number of one—of 82 per cent, when we looked to find out how the money was distributed, the Minister quoted some 600 million when he said, small and micro receiving US \$172 million, medium, were receiving US \$135 million and large a whopping US \$293 million. So, Madam President, as much as you hear that 82 per cent figure being SMEs, let me state for the record, 70 per cent of that money that 600 million quoted by the Minister of Finance, unless I heard him wrong, is going to the medium and the big boys. So, how is the small man benefiting here, especially

when we hear that more than 428 manufacturers are not getting access to these funds?

Madam President, the bottom line here—

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

**Sen. D. Lyder:** Thank you, Madam President. The bottom line here is that our small and micro manufacturers are simply not getting sufficient foreign exchange. And I would like to ask Sen. Deonarine to make an amendment to her Motion—if it is passed, if we will be able to pass it—to include the Eximbank, along with all the other stakeholders in the resolution part of your Motion. Because I think Eximbank needs to play a critical role and I think we need to put a microscope on Eximbank to understand how that money is being distributed and to ensure that it gets into the hands of the small and micro manufacturers who really need it. Because we heard the Minister speak about \$2 billion in exports—who is doing the 2 billion exports? Not the small and micro. Definitely the big boys are the ones doing it. No problem with the big boys. They drive the economy also. But, Madam President, the economy is also fueled by the SMEs and the SMEs are under pressure when it comes to Forex in this country.

The most recent available data from the Central Statistics Office, which in— from February 2019 showed that there are 16,547 micro and small businesses operating in this country. The SME sector is the engine of growth, providing goods and services and creating jobs for many in the most valuable segment—in the most vulnerable segments of our workforce from—including women, young people, residents from rural communities. The cries for help by the SME should not be ignored, Madam President. It is necessary to ensure the viable viability of these entities which is crucial to our economy. And to compound matters with SMEs, the

prevailing economic conditions in Trinidad Tobago further leads to a decline and a closure.

Madam President, when I—the Motion calls for the Government to table in Parliament within no less than six months, a comprehensive policy framework regarding foreign exchange. And when I look at a statement made by Dr. Terrence Farrell, where he made a year ago on this date, economist Dr. Terrence Farrell stated that the current forex situation is fueling a black market trade in which is against the law and this, of course, supports what I said earlier in my presentation. He further indicated that the \$100 million injected by the Central Bank monthly is unsustainable. I would just like to know if that number has changed, Madam President. Now I know the—Dr. Farrell resigned from that Government committee shortly after that so, I guess you know, he may have been hounded out. I am not certain.

Madam President, as I—how much time I have left, Madam President?

**Madam President:** Two minutes.

**Sen. D. Lyder:** Two minutes. Madam President, very quickly in one minute, I will try to say this. The resolution this Motion calls for a comprehensive policy framework that will guide key stakeholders including the Government, therefore, the question of the treatment of the more than US \$644 million IMF Special Drawing Rights allocation last August to Trinidad Tobago and the policy regarding this, it is pertinent in this debate. The IMF in an Article IV Consultation Report on the 10<sup>th</sup> of March, 2022, noted that:

The authorities indicated that they are still exploring the possible use of the SDR holdings.



So, we also as manufacturers and business people would like to know what that US \$644 is being used for because we sincerely hope that it is used to bolster the SMEs in this company, the businesses in this company.

Madam President, I have a lot more to speak about. I will have to pass on my notes to my colleagues. But it is clear the Opposition is clear that this Government has failed in the administration of the economy and cannot present a proper resolution for the forex crisis. They cannot continue to ignore the challenges and like the ostrich seek to bury the proverbial head in the sand in the face of this adversity. This requires facing the challenges head on, therefore, I think Sen. Deonarine, through this Motion is exposing the truth, I thank her for exposing the truth about the foreign exchange challenges in this nation and the negative impact trusted upon small and medium businesses in this economy, how it impacts the diversification of the economy, and ultimately its impact on the overall economic fortunes of each and every citizen of Trinidad and Tobago. And, Madam President, I thank you very much.

**Hon. Senators:** [*Desk thumping*]

**Madam President:** Leader of Government Business.

### ADJOURNMENT

**The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne):** Madam President, I beg to move that this Senate do now adjourn to a date to be fixed.

**Madam President:** Hon. Senators, before I put the question on the adjournment, leave has been granted for two matters to be raised.

**Madam President:** Sen. Mark.

**Telecommunication Services of Trinidad and Tobago**

**(Failure to Collect Outstanding Receivables)**

**Sen. Wade Mark:** Thank you, Madam President. Madam President, I have two matters that I would like to raise this time. And I would like to ask the hon. Minister and through your good self, Madam President, I would deal with Motion No. 2, first, and then No. 1 second. Motion No. 1—the matter rather—deals with the failure of the management and board of directors of TSTT to collect billions of dollars in outstanding receivables while threatening to retrench hundreds of workers.

Now, Madam President, I have in my possession, two reports Consolidated Financial Statements for the year ended 31<sup>st</sup> of March, 2021, and also, the 31<sup>st</sup> of March, 2020. Now, Madam President, I would like to ask the hon. Minister, through your good self, whether the Minister is aware of what I call huge trade and receivables that became due from customers? I would not burden him with 2016 to 2021, I will just confine my contribution to two areas or periods.

Madam President, I am raising this matter against the background of the TSTT management and board of directors through the Government to retrench close to 573 employees of TSTT. And that is coming against the background of retrenchment of some 800 or thereabouts in 2018. So, Madam President, if you go to the document I have before me, on page 62 you will see under the item, item 10 “Trade and Other Receivables”, and it states that the amount due from customers in 2020 was 1,635,048,000. So that when you run it off, Madam President, it is \$1.6 billion that was outstanding. In terms of 2021, that went to 1,393,703,000. Under “telecommunications administrators”, we have 50 million in 2020 and 31.3 or .4 million in 2021, providing us with a grand total of \$1.685 billion in 2020 and 1.425 billion in 2021.

Now, Madam President, the question that I would like to ask the hon. Minister. Who are the organizations, individuals, companies that are owing in receivables at the end of 2020, \$1.6 billion and at the end of 2021, the figure went to \$1.4 billion. Now, Madam President, the Minister, needs to explain to this Parliament why this huge amount of receivables continue to remain outstanding, to the point where action will be taken in another Motion which I will bring to your attention.

What the Minister needs to tell this Parliament is exactly who are the companies—which companies, I should say, owe, or have in outstanding receivables these sums of money? Madam President, are we talking about Government Ministries? And can the Minister in his response give us a breakdown of the Ministries involved and the amount of receivables outstanding to TSTT? Can the Minister tell us if it is state enterprises and give us an account of the names of the state enterprises? Are there—is there, Madam President, statutory authority involved or are there statutory authorities involve? WASA, as an example? Is it PTSC? Who owes or have these outstanding receivables to TSTT both in 2020 as one figure, in 2020, 1.6, and in 2021, which is your last consolidated statement we have of 1.4 billion.

Now, Madam President, it is important for Trinidad and Tobago and for the Parliament to have an understanding of what is the—who are the individuals, which organizations are involved? Because if it is that the Government had to go on the international market to raise \$600 million to retrench 573 workers, Madam President, right here in their consolidated financial statements, the TSTT is—has to collect in receivables in 2020, 1.6 and in 2021, 1.4.

Now, I would like the Minister to indicate to this Parliament, whether TSTT has turned into a church? Is TSTT a charitable organization where they can allow

so much receivables to remain outstanding? Why is TSTT's management not doing its work by collecting these outstanding receivables to make TSTT viable? Is there some internal arrangement that we are not conscious of that the Minister needs to explain to us? Why would a Government allow these receivables to mount and accumulate? And then Madam President, you retrench 800 workers in 2018. And then you come in 2022 and the information that we have is that the Government is seeking to retrench another 573 workers. That cannot be proper. So that is why I have brought this matter to the attention of this honourable Parliament, so that the hon. Minister can explain to us—because whilst these moneys are outstanding, TSTT has gone on the international capital market to raise US \$400 million. And now they have recently gone back again, Madam President to raise US \$70 million to retrench 573 workers.

So, if you have all—and Madam President, this is a trend, you know. From 2016 right up to the present time, you have outstanding receivables. So I am asking, Madam President, for the Minister to explain to Trinidad and Tobago, to explain to the Senate, to explain to the workers, why TSTT management and board of directors allowed these receivables to accumulate to a point where when we come to the second Motion, they are going to write them off. So, Madam President, I lay my case, I ask the hon. Minister to come clean, and tell us what is the truth?

**6.00 p.m.**

**The Minister of Public Utilities (Hon. Marvin Gonzales):** Thank you very much. Thank you very much, Madam President. Madam President, let me start by first saying that as Minister of Public Utilities, I am very committed to my role and my responsibilities insofar as it relates to the Parliament of Trinidad and Tobago, and to give account to the Parliament of Trinidad and Tobago on matters

concerning the Ministry of Public Utilities. It is also my duty, Madam Speaker—Madam President, sorry, to protect the collective bargaining process between the employers and union representing workers.

The Motion by Sen. Mark, like other Motions on this Order Paper and previous Motions, signifies to me, Madam President, a pattern of behaviour by Sen. Mark to litigate on matters that are within the domain of the collective bargaining process, and to put in the public domain matters that fall within ongoing discussions between TSTT and the union representing employees of TSTT. And I will not be baited by Sen. Mark to engage in behaviour that can tantamount to inappropriate behaviour, by a Minister of Public Utilities, on matters that are the subject of ongoing discussions between the CWU and the Telecommunications Services of Trinidad and Tobago.

Madam President, TSTT has advised that it has a comprehensive collection strategy in place to facilitate prompt and timely collection of receivables, which allows for aggressive follow-up of delinquent account comprising the following: Preparation of accounts receivable and ageing reports; the issuing of past due letters informing customers of their delinquent status for the accounts; negotiating payment plans with customers and the use of debt collectors. TSTT has further advised that the company's collection efforts of outstanding receivables have been adversely impacted by the onset of COVID-19. However, due to the relaxing of COVID-19 restrictions, their collection initiatives have seen a healthy collection percentage of revenue of roughly 98 per cent in the third quarter of the current financial year, which ends on March 31, 2022.

The company has further advised, Madam President, that as at March 31, 2021, the company consolidated gross receivables stood at \$1.4 billion of which government and state enterprises receivables accounted to 59 per cent or \$847

million. The Ministry of National Security CCTV receivables, which accounted for 69 per cent is currently due, is currently the subject of arbitration. Other government and state agencies have been making payments against the outstanding balances, an amount of \$80 million in outstanding, greater than one year, as at March 31, 2021.

With respect to enterprise and residential debts, over one year, totalled \$242 million. The residential portion has been transitioned to debt collectors and the enterprise portion of customers who have no promise—who have not made any promise to pay, sorry, or enter into payment arrangements have been disconnected and have not indicated their willingness to pay, were also transitioned to debt collectors. I thank you, Madam President.

**Hon. Members:** [*Desk thumping*]

**Madam President:** Sen. Mark.

**Telecommunications Services of Trinidad and Tobago**  
**(Decision to Write off Debts)**

**Sen. Wade Mark:** Madam President, I want to make it very clear that this is the Parliament of the Republic of Trinidad and Tobago, and the Minister is accountable to the Parliament, and we are raising issues that are legitimate and within our purview. So, I do not support the view expressed by the Minister.

Madam President, may I go to my other point or area, and it deals with the need for the Government to explain the decision of the management and the board of TSTT to write off some \$2.4 billion over the last six years. I do not think this is a subject for negotiations. This is a decision taken by the management and the board of directors. Madam President, we would like to know who makes the decision to write off outstanding debts, and whether the Minister could indicate whether there is an approved write-off policy and could he provide same to this

honourable Senate.

We would like to know if the Minister can provide to this Senate, a listing of these debts provided and how many of these customers are politically aligned persons? How many are state run companies? Because, Madam President, we are seeing where between 2015/2016 to the present time, TSTT has written off, from our estimation—the Minister can correct me if I am wrong—over \$2.4 billion. How can a company like TSTT write off over \$2 billion, and then you are coming to tell this country that we have no business to enquire into these matters? Madam President, this is a question that we need the Minister to answer.

We would like to know, Madam President, how old are these debts by year, and after, how long have these debts been written off? We are told that there is some debt collection policy. We would like the Minister to indicate to this Senate this debt collection policy. Could he make that available to us?

Madam President, we would like to know how many persons employed at TSTT are directly involved in recovery action as at 2022, and how many are involved or were involved back in 2016. If TSTT were to collect all the debts already written off, what would be the financial position of this company? This company would not be making losses. This company would be a profitable company but, instead of that, Madam President, the company has been deliberately writing off moneys that are owed to them amounting to \$2.4 billion and you are retrenching workers. There can be no justification for this action on the part of this company called TSTT.

Madam President, we would like to know whether TSTT, in its effort to ensure that it collects its moneys that are outstanding that it is now writing off, whether they had any discussions with powerful interest organizations that can help it. I understand there is an organization called TransUnion. It is a credit

bureau. I understand Digicel is part of that arrangement. Many banks are involved with TransUnion and other financial institutions. Why is TSTT not involved in this particular organization? I would like to ask.

Madam President, who at TSTT is going to be held accountable for substantial losses that this company has sustained that we have to write off \$2.4 billion? And can the Government and the Minister justify the retrenchment of so many workers in this country when you have taken a decision, a policy decision to write off \$2.4 billion between 2016 and 2021?

Madam President, the Minister and the Government must get serious, because this seems to be more than the ordinary situation that is occurring, and the Government must come and tell this country what is the link, Madam President, between the purchase of Amplia and the losses being experienced by TSTT. Did Amplia bring about these losses and now the Government is seeking to get rid of TSTT and have Amplia replace it? The Government must come clean on this matter and the Minister who is in charge of this company must come clean with the facts so that we will know whether this information that we have—

**Madam President:** Sen. Mark, if I could just ask you, please, you keep using the phrase “come clean”.

**Sen. W. Mark:** All right, sorry. All right, cool. All right. He must just provide us with the facts, Madam President, because we have the 2021 consolidated statement here, we have the 2020 consolidated statement and this is where the proof is in the pudding. Let the Government explain why it is taking this particular course of action to allow so much money, so many billions of dollars to be written off and then tell this nation that the company is unviable, it has to be restructured, and to restructure it, you must get rid of workers.

Madam President, in closing, I want to ask the Minister, you get rid of 600



workers and you continue to have receivables outstanding, and you continue to have debts being written off in the way that these debts are being written off. What will happen five years from now? You are going to retrench more workers? Madam President, I rest my case. I ask the Minister to clear the air on this matter. This is a very, very serious matter, and if we do not get answers, we will get answers some day on this matter. You do not provide us with answers today, properly speaking, Madam President, we will get answers tomorrow. Thank you, Madam President.

**The Minister of Public Utilities (Hon. Marvin Gonzales):** Thank you very much, again, Madam President. And as I have said in my previous opening statement, again, Sen. Mark has proven my concern as expressed a short while ago. Madam President, 90 per cent of his contribution in this Motion is about restructuring and Amplia and the management of TSTT and loss of jobs and restructuring and transformation and what have you. And if Sen. Mark wants to really engage in a discussion or a debate on transformation, I would want to suggest to him, most respectfully, to file an appropriate Motion and I will be here almost and always dressed clean and to have that robust interaction with him.

So, again, Madam President, as relates to this Motion and the Motion that he filed and the Motion that was approved, had absolutely nothing to do with the restructuring efforts that are underway between TSTT and the ongoing discussions between TSTT and the Communication Workers' Union. And as a responsible Minister of Public Utilities, I will not be baited by Sen. Mark and his colleagues in the Opposition to engage in any behaviour or making of any public pronouncements that will impact, in a negative way, the ongoing discussions or prejudice the ongoing discussions between TSTT and the Communication Workers' Union. I am a PNM Minister of Government, and in the true tradition of

the People's National Movement, I will always act responsibly. And that being said, Madam President, I wish to also clarify that TSTT is not involved—that Government, sorry, is not involved in TSTT financial reporting.

TSTT produces audited financial statements every year, following the end of its financial year, March 31<sup>st</sup>, which are prepared in accordance with International Financial Reporting Standards, IFRS, which determines inter alia, the policy for writing off and he knows that. I think he knows that and he understands that. The financial statements are prepared by the management and approved by the board of directors. The accounts are also independently audited by external auditors who evaluate and assess the accounts for accuracy and compliance with IFRS standards, including, write-offs.

TSTT has advised that there were IFRS audited write-offs of \$1.67 billion for financial years 2016 to 2021 as follows. Impairment allowances, primarily driven from reduced revenues associated with fixed-line copper and profitability reduction over several years to the tune of \$932 million. Provision for obsolescence primarily driven by aged inventory products that have been superseded with new technology to the tune of \$143 million and an expected credit loss charges driven by an audit approved calculation based on historical payment patterns of TSTT customers, also negatively impacted by the COVID-19 pandemic, in the most recent years, to the tune of \$641 million. I thank you, Madam President.

**Hon. Members:** [*Desk thumping*]

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 6.16 p.m.*