

SENATE*Tuesday, April 26, 2022*

The Senate met at 1.30 p.m.

PRAYERS[MADAM PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Madam President: Hon. Senators, I granted leave of absence to Sen. The Hon. Hassel Bacchus and Sen. Evans Welch, both of whom are out the country, and to Sen. The Hon. Donna Cox, who is ill.

SENATORS' APPOINTMENT

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

“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: MR. NDALE YOUNG

WHEREAS Senator the Honourable Hassel Bacchus is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, acting in accordance with the advice of the acting Prime Minister,

UNREVISED

in exercise of the power vested in me by section 44(1)(a) and section 44(4)(a) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, NDALE YOUNG to be a member of the Senate temporarily, with effect from 26th April, 2022 and continuing during the absence of Senator the Honourable Hassel Bacchus from Trinidad and Tobago.

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 26th day of April, 2022.”

“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: MR. MICHAEL SEALES

WHEREAS Senator the Honourable Donna Cox is incapable of performing her duties as a Senator by reason of illness:

NOW THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, acting in accordance with the advice of the acting Prime Minister, in exercise of the power vested in me by section 44(1)(b) and section 44(4)(a) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, MICHAEL SEALES to be a member of the Senate

temporarily, with effect from 26th April, 2022 and continuing during the absence of Senator the Honourable Donna Cox by reason of illness.

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 26th day of April, 2022."

“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: MR. JOHN HEATH

WHEREAS Senator Evans Welch is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(c) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, JOHN HEATH to be a member of the Senate temporarily, with effect from 26th April, 2022 and continuing during the absence of Senator Evans Welch from Trinidad and Tobago.

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 26th day of April, 2022."

UNREVISED

AFFIRMATION OF ALLEGIANCE

Senator Ndale Young took and subscribed the Affirmation of Allegiance as required by law.

OATH OF ALLEGIANCE

Senators Michael Seales and John Heath took and subscribed the Oath of Allegiance as required by law.

PAPERS LAID

1. Annual Report of the Environmental Management Authority for the year 2019. [*The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne)*]
2. Annual Report of the Environmental Management Authority for the year 2020. [*Sen. The Hon. Dr. A. Browne*]
3. Annual Administrative Report of the San Fernando City Corporation for the period 2016/2017. [*Sen. The Hon. Dr. A. Browne*]
4. Annual Administrative Report of the Occupational Health and Safety Authority and Agency for the period October 2017 to September 2018. [*Sen. The Hon. Dr. A. Browne*]
5. Annual Report of the Trinidad and Tobago Postal Corporation for the period 2012/2013. [*Sen. The Hon. Dr. A. Browne*]
6. Annual Report on the Freedom of Information Act, Chap. 22:02 for the year 2014. [*Sen. The Hon. Dr. A. Browne*]
7. Annual Report on the Freedom of Information Act, Chap. 22:02 for the year 2015. [*Sen. The Hon. Dr. A. Browne*]

JOINT SELECT COMMITTEE REPORT**Social Services and Public Administration****Unemployment during COVID-19 Pandemic**

(Presentation)

Sen. Paul Richards: Thank you, Madam President. Good afternoon, colleagues. Madam President, I have the honour to present the following report as listed on the Order Paper in my name:

Second Report of the Joint Select Committee on Social Services and Public Administration, Second Session (2021/2022), Twelfth Parliament, on an examination of unemployment during the COVID-19 pandemic and the State's capacity to provide support to persons who became unemployed as a result of the pandemic.

URGENT QUESTIONS**Guaico/Tamana Road****(Measures to Address)**

Sen. Wade Mark: Thank you, Madam President. To the Minister of Works and Transport:

In light of the recent protest staged by villagers in respect of the road conditions along the Guaico/Tamana Road, can the Minister indicate what is being done to address the issues raised?

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Thank you, Madam President. Madam President, the Guaico/Tamana Road starts at the Eastern Main Road and extends approximately 24.5 kilometres. From the zero to 12 kilometre, the roadway is in a good condition and from the 12 kilometre to the 17 kilometre, it is in a fair condition. The limit of the general community extends to about a 17 kilometre mark and there are a few localized houses from the 17 kilometre to the 19.2 kilometre.

Thereafter, the roadway comprises of a dirt road which is utilized by loggers. The logging contributes to the poor conditions from 19.2 kilometre to the

24 kilometre, and the Highways Division has recently undertaken its first phase restoration works to the Carmichael road, inclusive of earthen roadside drains and subbase and base course in localized areas to facilitate connectivity from Guaico/Tamana Road, through the Carmichael, on to the Cumuto Main Road.

The Highways Division will continue with such works along the Guaico/Tamana Road and the Carmichael Road once funding is available. Thank you.

Madam President: Sen. Mark.

Sen. Mark: Yes. Can I ask the hon. Minister, the area where the protest took place involving these villagers, can the Minister indicate, in that specific area, to this honourable Senate, through you, Madam President, when will that portion of the roadway be repaired?

Sen. The Hon. R. Sinanan: As I said, Madam President, from the 17 kilometre mark on, it is a dirt road where a lot of logging is taking place. So, the priority is the areas that we have the houses and so. Work has already started. A contract has already been issued and based on the availability of funding, the entire roadway will be worked on to ensure that the road is passible. Thank you.

Sen. Mark: Can I ask the hon. Minister, through the President, can you give this Senate any commitment or assurance that you will be able to use your good offices to convince the Minister of Finance to allocate the appropriate sums of money needed to complete those works that are needed at this time?

Sen. The Hon. R. Sinanan: Madam President, the hon. Senator would have been in the Parliament for a long time, he would have served in government and he understands that the process used for budgetary allocations, where the Ministry would put forward its budget. But it is all up to the Minister of Finance on the allocation—based on the allocation that is committed to the programme and we

would function based on the allocation received from the Ministry of Finance.
Thank you.

Madam President: Next question, Sen. Mark.

Brighton AC Primary School

(Details of)

Sen. Wade Mark: To the Minister of Education:

In light of the decision of parents to keep their children home because of the unhealthy and unsuitable conditions at the Brighton AC Primary School, can the Minister state how soon will the parents' concerns be addressed?

The Minister of Education (Hon. Dr. Nyan Gadsby-Dolly): Thank you, Madam President. Madam President, the parents of Brighton Anglican Primary School have not kept their children at home nor are the conditions at the school unsanitary and unsuitable. The school was recently decanted due to infrastructural issues at its original building and one classroom space at the school, having been recently refurbished, was carded to be used by students on Tuesday 26th April.

On Monday 25th April, some parents of Standard 3 brought their children to school but they could not be accommodated in the space as the paint fumes needed be diffused. These parents returned home with their children on Monday 25th, and today, Tuesday 26th, they are at school physically and all classroom areas have been sanitized and are in readiness for occupation.

Sen. Mark: Madam President, can the Minister give this Senate the assurance that given the works that have been done by the Ministry, there is no possibility of a repetition of this incident that recently occurred at this particular primary school? Can you provide us with that assurance?

Madam President: Minister.

Hon. Dr. N. Gadsby-Dolly: Madam President, as I have said, all the classroom spaces are ready for occupation. They have been sanitized and therefore, they are available for the use of the children of Brighton Anglican at this time.

Madam President: Sen. Mark.

Sen. Mark: Can the Minister indicate whether that particular primary school is in a state of dilapidation and the parents are seeking alternative accommodation for their children at this particular point in time? Can the Minister indicate whether the Brighton AC Primary School is in good condition for children's occupation?

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

ORAL ANSWERS TO QUESTIONS

Madam President: Leader of Government Business.

The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne): Madam President, the Government is in a position to respond to all the questions for oral answer on the Order Paper today.

Madam President: Sen. Mark.

Unvaccinated Public Sector Workers

(Government's Policy)

72. **Sen. Wade Mark** asked the hon. Attorney General and Minister of Legal Affairs:

In light of public concerns that the Government's proposed policy to furlough unvaccinated public sector workers has been perceived as an infringement of their fundamental human rights to life and livelihood, can the Attorney General provide a rationale for the implementation of said policy?

The Acting Attorney General and Minister of Legal Affairs and Minister of Rural Development and Local Government (Hon. Faris Al-Rawi): Thank you,

Madam President. Madam President, the Government does not have any policy to furlough unvaccinated public sector workers and accordingly, the hon. Senator's question requires no further answer as it is based on a false premise.

Hon. Senators: [*Desk thumping*]

Madam President: Sen. Mark.

Sen. Mark: Can I ask the Attorney General, through your good self, whether the Government has abandoned this public policy or proposed policy to furlough unvaccinated public sector workers, through you, Madam President?

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

Sen. Mark: Can the hon. Attorney General indicate whether out of public resistance, militant action, that the Government was forced ultimately not to pursue this draconian policy?

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

Sen. Mark: Can the hon. Attorney General indicate whether there is any intention, Madam President, of the Government to revisit its decision to address this policy measure in the future?

Madam President: Sen. Mark, that question does not arise based on the question that was posed and the answer received.

Sen. Mark: Sure. Can I ask the Attorney General, therefore, that the Government has allowed good sense to prevail in this matter and therefore, the Government has abandoned this policy, Madam President?

Madam President: Sen. Mark, was that a question?

Sen. Mark: Yes.

Madam President: Well, had that been a question, it would not arise. Can we move on to the next question, please?

Unvaccinated Public Sector Workers

(Investigation of)

73. Sen. Wade Mark asked the hon. Prime Minister:

Given reports that public sector workers are being asked to reveal their vaccination status, which request is contrary to the rights enshrined in the Constitution and in the Data Protection Act, can the Prime Minister indicate the following:

- (i) whether an investigation has been launched into said reports; and
- (ii) if the answer to (i) is in the affirmative, what are the findings of said investigation?

The Minister of Public Administration (Sen. The Hon. Allyson West): Thank you, Madam President. Madam President, the Permanent Secretary, Ministry of Public Administration's Circular Memorandum to Permanent Secretaries and Heads of Department, dated December 31, 2021, on the subject of public service and public sector vaccination programme sought to do three things:

Inform Permanent Secretaries and Heads of Department of the Government's proposed policy to have the public sector operate as a quasi safe zone with effect from January 17, 2022;

Advise Permanent Secretaries and Heads of Department of the vaccination programme that was ongoing; and

Solicit information that would allow for proper planning and efficient rollout of the proposed vaccination programme.

Nowhere in the Permanent Secretaries Circular Memorandum was any request made for public sector workers to reveal their vaccination status. The Permanent Secretaries' request to PSs and heads of divisions was to provide information regarding the vaccination status of their organizations, that is the number of persons vaccinated, not who; and number of persons not vaccinated, not who.

Madam President, it is my considered opinion, therefore, that this request was in no way contrary to the rights of workers as enshrined in the Constitution and provided in the Data Protection Act. And I wish to reiterate, as stated before, that the request for information was solely for the purpose of proper planning and the efficient rollout of the then proposed vaccination programme, which in itself was intended to suppress the spread of COVID-19 in the public sector and the wider national community.

In the circumstances, Madam President, no investigation has been launched because none is necessary and since no investigation has been launched, there are no findings to be provided. Thank you, Madam President.

Madam President: Sen. Mark.

Sen. Mark: Madam President, can I ask, through you, to the hon. Minister, whether the Government has abandoned this policy?

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

Sen. Mark: Can I ask, through you, to the hon. Minister: What would have been the consequences of any worker in the public sector not willing to share his private and personal data with the Permanent Secretaries in the various Ministries? Can I ask, through you, Madam President?

Madam President: Yes, I have heard the question and it is not allowed.

Sen. Mark: Can I ask, through you, that, again, Madam President, given the militant resistance put up by the working class against this draconian policy, the Government had no choice but to discontinue this policy as proposed? Can I ask that, through you, as a question?

Madam President: That question does not arise.

Sen. Mark: Can I proceed to my other question, Madam President? Madam President?

Madam President: Yes. Next question.

Sen. Mark: I did not hear you.

Madam President: Next question, yes.

Sen. Mark: Okay.

**Unvaccinated Public Sector Workers
(Government's Liability)**

74. Sen. Wade Mark asked the hon. Attorney General and Minister of Legal Affairs:

In light of the Government's proposed policy to furlough unvaccinated public sector workers, can the Attorney General indicate whether the Government will assume liability for any adverse effects of the COVID-19 vaccine suffered by any public sector workers who have chosen to take the vaccine instead of being furloughed?

The Acting Attorney General and Minister of Legal Affairs and Minister of Rural Development and Local Government (Hon. Faris Al-Rawi): Thank you, Madam President. Madam President, the Government has no policy to furlough any workers in the public sector as the question has proposed. And therefore, there are no further answers to be offered as this question is based on a false premise.

Hon. Senators: [*Desk thumping*]

Madam President: Sen. Mark.

Sen. Mark: Can I ask the Attorney General whether his Government has abandoned that policy?

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

Sen. Mark: Can I ask the Government, through the Attorney General—can I ask the Attorney General, through the hon. President, that given the militant resistance put up by the working class against this decision by the Government, that the

Government of Trinidad and Tobago was forced to withdraw this policy, Madam President?

Madam President: Sen. Mark, that question is not allowed.

Sen. Mark: Can I ask, through you, Madam President, whether the Government has any intention of revisiting such a draconian, anti-people policy in the future?

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

Sen. Mark: I thought I had a final one, Ma'am?

Madam President: I—

Sen. Mark: I thought I had four?

Madam President: You have one more, Sen. Mark, my apologies.

Sen. Mark: No, no, no. I give way. Thank you.

Madam President: Yeah? Okay. Sen. Seepersad.

2021 Global Financial Integrity Report

(Details of)

135. Sen. Charrise Seepersad asked the hon. Minister of Finance:

In light of the various Anti-Money Laundering (AML) and Combatting the Financing of Terrorism (CFT) deficiencies highlighted in the 2021 Global Financial Integrity (GFI) Report, can the Minister state the following:

- (i) what deficiencies in this country's AML and CFT policies and legislation have been highlighted in the report; and
- (ii) what action does the Government intend to take to address these deficiencies?

The Acting Attorney General and Minister of Legal Affairs and Minister of Rural Development and Local Government (Hon. Faris Al-Rawi): Thank you,

Madam President. I thank the hon. Senator for this question. It is rooted very heavily in the Financial Action Task Force responses.

Madam President, the 2021 Global Financial Integrity Report, published on 15 October, 2021, is in fact dated and does not represent a true reflection on Trinidad and Tobago. That report relied primarily on three main sources of information for Trinidad and Tobago:

1. The 2016 Fourth Round Mutual Evaluation Report of Trinidad and Tobago;
2. The 3rd Follow-up Report, again from FATF, published in June 2019; and
3. The Financial Intelligence Unit Report, FIU Report 2020, which as you know is for the year prior.

As a matter of fact, Trinidad and Tobago received its Fifth Round Mutual Evaluation Report in September 2020, after an on-site visit in January 2020, and we performed so well that Trinidad and Tobago was given public commendation by FATF and we were removed from the greylisting that is traditionally referred to in jurisdictions.

Relative to the Senator's question, as it pertains to country summary, the report identified three principal factors:

1. Length of judicial process;
2. Poor enforcement of anti-corruption legislation, and they made reference to the Integrity in Public Life Act; and
3. Issues surrounding the gaming and betting sector.

As is evidenced from the Fifth Round Mutual Evaluation Report of the Financial Action Task Force, I can say, in addition to those matters publicly declared and in addition to the work before us now, in answer to those three issues with respect to

the length of judicial process, as you are well aware, Madam President, the criminal justice system has received, in terms operationalization of legislation, the creation of specialist divisions of court:

1. The Criminal Division;
2. The Family and Children Division;
3. The Civil Division;
4. The Probate Division;

With specialist courts being able to be created, as for example by section 24 of the Criminal Division; dedicated resources to the creation of 100 new courtrooms; outfitting of additional accommodation for the conduct of jury trials; the introduction of ICT equipment, which allows for 12 virtual courts and multiple virtual access centres with every laptop now being a courtroom.

Madam President, legislation was also passed to move the capacity of judicial officers from 36 to 64 in the High Court, from 12 to 15 in the Court of Appeal. We raised the judicial age of retirement to 70, as you are well aware, and we increased the number of criminal masters from two to 29.

2.00 p.m.

Madam President, we also introduced Rules of Court for the first time ever. We digitized the Magistrates' Court, we removed the officers of public—officers of Clerks of the court and put in Registrars of the court in a fully digitized environment. Thousands of backlog of transcription evidence was removed by the utilization of voice transcription services. And, Madam President, as you know, of the 146,000 cases per year in the Magistrates' Court, of the 104,000 cases were removed by motor vehicle and road traffic amendments; 8,500 marijuana cases

were removed by virtue of the decriminalization of marijuana and with the imminent proclamation of the abolition of preliminary enquiries, 26,000 of that number will fall into a different category. Madam President, of course there is judicial technology for filing, which is now on an online 24-hour basis. You no longer have to turn up at the court. So all of these factors are not reflected in that report, which is why I said it was dated and therefore, the current position needs to be reflected.

If I turn to the core enforcement of anti-corruption legislation, Madam President, beyond the Integrity in Public Life Act, of course, we have passed a slew of legislation to treat with anti-corruption, the FATF packages, the Global Forum packages, the EU packages, the PCA amendments, the Proceeds of Crime amendments, the Mutual Assistance in Criminal Matters amendments, the Companies Act amendments, the explain your wealth amendments. And, Madam President, that has to be supplemented by the whistle protection Bill, 2022, campaign finance legislation, which is the sister to public procurement, the Miscellaneous Provisions (Local Government Reform) Bill, Madam President, just to name a few. In the round therefore, with the improvements in the judicial capacity, add in the legislation, the removal of backlog requirements, the decluttering of the courts and the streamlining of processes—we are a very far way away from the reflections in that 2021 GF report.

Madam President, as it relates to the gaming and betting sector—

Madam President: Minister, your time is up.

Hon. F. Al-Rawi: Thank you very much.

Madam President: Sen. Seepersad.

Sen. Seepersad: Thank you. Through you, Madam President, thank you hon. AG. I understand the judicial and legislative amendments and so on. But what about the

FIU and TTPS being provided with the necessary resources to fully investigate and prosecute the high and low level crimes to get it into the judicial system? What does the Government intend to do in that respect?

Madam President: Acting Attorney General.

Hon. F. Al-Rawi: Thank you, Madam President. I thank the hon. Senator for the question. Madam President, plant and machinery, people, processes, law. In adding people and processes with Rules of Court, et cetera, I can say that the Government has prepared and will come with the national prosecution agency which harmonizes the resources in respect of prosecutors. The Office of the DPP in Tobago has been opened, San Fernando is near completion and the entire office in Port of Spain at Park Street is soon to be occupied. It has actually been prepared for well over two years right now and there are a few security issues that are just being ironed out. That is to be added to the amendments to the administration of justice, preliminary enquiries and the Criminal Division, where we streamline the ability of Trinidad and Tobago Police to prosecute matters. So they are now in the position of prosecutors alongside the DPP that handles 5 per cent. So, the people factor is being managed.

As it relates to the FIU, the FIU reports are testimony to the functionality of the FIU. The FIU is now reporting thousands of matters because the manner in which they are reported has been changed, because the source comes from the financial institutions and the Companies Registry, attorneys-at-law and other listed entities that report. So, if you look to the \$23 billion in suspicious activity, the reports demonstrate that the FIU is working very well. What was required was an adjustment to the processes by which they did.

So I just like to end by saying, we should focus on the immense strides that Trinidad and Tobago has made. We do not need dated reports from the outside

world to trip us up, even though they are as a matter of fact, the FATF report is one of the best reports you see reflecting an on-site assessment of Trinidad and Tobago. I thank the Senator for the question.

Madam President: Sen. Seepersad.

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

Madam President: Of course.

Sen. Seepersad: Thank you.

New Commercial Diving Standards

(Status of Development)

136. Sen. Charrise Seepersad asked the hon. Minister of Trade and Industry:

In light of public calls for the development of new diving standards for commercial divers following the deaths of four divers in February 2022 at the Paria Fuel Trading Company Limited, can the Minister advise of the following:

- (i) what are the reasons for the failure of the Bureau of Standards to develop new commercial diving standards;
- (ii) when will the Bureau of Standards complete new commercial diving standards;
- (iii) approximately when will the new standards be implemented; and
- (iv) will the Government introduce legislation to give these standards the force of law?

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

Thank you very much. In view of the establishment of a commission of enquiry to investigate the circumstances that led to the deaths of four divers contracted by LMCS Limited to conduct pipeline maintenance for Paria Fuel Trading Limited, it is not considered appropriate to answer this question at this time. The commission

of enquiry's terms of reference are broad and comprehensive, and may include an examination of these issues and as such, the commission should be allowed to do its work free of interference. Thank you.

Madam President: Sen. Seepersad.

Sen. Seepersad: Madam President, your guidance, please. So I cannot ask any follow on questions?

Madam President: If you—you are free to pose your questions. It depends on the—how relevant those questions will be to the answer that is given.

Sen. Seepersad: Okay, well, let us see how it goes. Through you, Madam President, to the Minister. Will the standards include the setting up of monitoring and evaluation and audit functions in the diving companies that will allow them to verify diver certification, integrity of equipment, et cetera, and review the risk assessment of each dive operation?

Madam President: Sen. Seepersad, based on the response that was given that question does not arise.

Sen. Seepersad: Well, Madam President, I think the other questions will be in that same light.

Madam President: So, but I think Sen. Richards, you have a question?

Sen. Richards: Yes, yes, Madam President

Madam President: Sen. Richards has a supplemental?

Sen. Richards: Yes, yes, Madam President. Thank you, Madam President, given the response of honourable Minister of Trade and Industry and given the fact that diving continues, has the Government carried out an assessment of—if the present diving standards are adequate and being adhered to, to prevent a recurrence while the commission of enquiry is ongoing, to protect lives in that time frame?

Madam President: Minister.

Sen. The Hon. P. Gopee-Scoon: [*Inaudible*] —the position remains the same and it really is inappropriate for me to comment any further on this.

Madam President: Next question, Sen. Seepersad.

Commercial Diving Industry Regulating Body

(Details of)

137 Sen. Charrise Seepersad asked the hon. Minister of Trade and Industry:

In light of calls by industry professionals for the regulation of the commercial diving industry, can the Minister advise of the following:

- (i) whether the Government intends to introduce legislation to establish a regulating body for the commercial diving industry;
- (ii) if the answer to (i) is in the affirmative, when will said legislation be brought to the Parliament.

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

Thank you, Madam President. In view of the establishment of a commission of enquiry to investigate the circumstances that led to the deaths of four divers contracted by LMCS Limited to conduct pipeline maintenance for Paria Fuel Trading Limited, it is not considered appropriate to answer this question at this time. The commission of enquiry's terms of reference are broad and comprehensive, and may include an examination of these issues and as such, the commission should be allowed to do its work free of interference. Thank you.

Madam President: Sen. Seepersad.

Sen. Seepersad: Madam President, I do not think the questions would be allowed.

Madam President: Sure.

SOROPTIMIST CLUB OF PORT OF SPAIN (INC'N) (AMDT.) BILL 1972

Question put and agreed to: That a Bill to amend the Soroptimist Club of Port of Spain (Incorporation) Act 1972, Act No. 26 of 1972, be read a first time.

Bill accordingly read the first time.

**TRINIDAD AND TOBAGO ASSOCIATION FOR RETARDED
CHILDREN ORDINANCE 1961**

Question put and agreed to: That a Bill to amend the Trinidad and Tobago Association for Retarded Children Ordinance 1961, Ordinance No. 15 of 1961, be read a first time.

Bill accordingly read the first time.

COMPREHENSIVE FOREIGN EXCHANGE POLICY FRAMEWORK

[Second Day]

Order read for resuming adjourned debate on question [March 22, 2022]:

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 MSMEs, 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. [*Sen. A. Deonarine*]

Question again proposed.

Madam President: Hon. Members, six Members spoke including Sen. Amrita Deonarine, the hon. Colm Imbert MP, Minister of Finance, Sen. Wade Mark, Sen. Charrise Seepersad, Sen. The Hon. Paula Gopee-Scoon, Sen. Damian Lyder. Sen. Richards.

Hon. Senators: [*Desk thumping*]

Sen. Paul Richards: Thank you, Madam President. Good afternoon again colleagues. I had planned to go quite late in the batting lineup today but given the fact that my presentation is going to be very short, and simply takes the format of 12 or so questions, I think it prudent and advised that it may be more prudent to

post the questions early so that Members of the Government's Bench may be able to answer some of the questions in terms of providing context in terms of the Motion moved by Sen. Deonarine. I would like to also put on the record, my congratulations and commendations to Sen. Deonarine for bringing this Motion because I think it is very timely and important at this time.

So, these are the questions at which point I will end my contribution. First, what was—and also in light of the fact that there is so much nuanced and even misinformation in the public domain, regarding forex and the State's policy. So to get responses to these questions from the Ministry of Finance, perhaps, or the Government, would to me, add some clarity to many of the situations surrounding forex availability in the country.

1. What is the forex reserve balances over the past five years and how does the Government characterize the forex performance over the same period?
2. How are these changes or are these changes correlated with the performance of the economy and if so, how?
3. What difficulties have been identified and reported by manufacturers and consumers in accessing forex and what steps have been taken or are being taken to address same?
4. What are projected net flows for the short, medium and long-term, two, five and ten years in terms of forex, in and out of the country?
5. What is Trinidad and Tobago's present forex cover and what is the trend in the past five years?
6. What are T&T's forex revenue inflows year by year for the past five years from various sectors?
7. What are Trinidad Tobago's top forex earners year by year and sector by sector for the past five years?

8. What has been the impact of the closure of Petrotrin and the formation of Heritage and Paria specifically on net foreign exchange flows in the past two years, taken into consideration that the use of forex to purchase bitumen and other aligned products to sustain the industry? What are the inflows from sale of petrochemical products?
9. What is T&T's annual international debt service payments over the past five years, year by year?
10. What are Trinidad and Tobago's current international loan balances as at March 2022?
11. What are Trinidad and Tobago's capital flight estimates over the past five years and what have the trends been?

And:

12. What is the official Government policy on Foreign Exchange Management in this critical situation?

Madam President, that ends my contribution in terms of the questions. Thank you.

Hon. Senators: [*Desk thumping*]

Madam President: Sen. Deyalsingh.

Hon. Senators: [*Desk thumping*]

Sen. Dr. Varma Deyalsingh: Thank you, Madam President, for allowing me to partake in this debate this afternoon. And first of all, I must congratulate a fellow Sen. Deonarine for bringing up this issue. Because it has been amongst the population in terms of—seen in terms of persons writing letters, persons trying to reach out to say that they were having some difficulty in getting foreign exchange, so, it is something that has been out there. And Sen. Deonarine actually made some suggestions, which I would like to support and I—she also got the support from fellow Sen. Seepersad who mentioned that, you know, she also thinks it is

necessary that we have some sort of a greater equity in giving the foreign exchange.

Now, I listened to the Minister of Finance, and also the Minister of Trade and Industry, their responses, and definitely we have seen the Government has done a lot in terms of trying to encourage small business, trying to have the loans given to these entities, sometimes, if they do not have collateral Government would have tried to help those individuals. And even, we heard in the Exim that, you know, I think a question was posed to the Minister of Finance about, you know, when he said he was intending to increase the amount of US available—US dollars available to persons applying. I think he said that in a matter of—shortly, he would give us a feedback on that it will go to Cabinet for that increase. So we are hoping we get that increase.

So, when I looked at Sen. Deonarine's important questions, I noticed that she acknowledged that much is being done by the Government, but she also realized that there is a section out there who may be feeling that they are disfranchised, and I think I may want to say she did give a criticism to the banking industry for any sort of shortcomings. At first I might say, we have to appreciate the banks and the 13 institutions do—are given foreign currency to see they could disburse it. And we have to figure when they get this foreign currency, if there are persons rumbling, persons saying there is some sort of inequity—I think Government is duty bound to see if this is so, and if it is so, to see if we can have anything to fix it because, if there are some sort of grouse out there with persons asking for these—some sort of a relief, I think we need to look and see if this is so.

So, Sen. Deonarine went on to explain that small business were suffering, I think she said that, some people were applying and I wanted to say is that, you know, so that does she have support in that? And definitely, the San Juan Business

Association had also given their criticism in the sense that they found that small and medium sized business—I think it was in November 21st last year, where they were saying there was a need to address this important issue. Besides her, we have seen that other persons would have also responded and see there was a need for this and I would like to quote Madam, an article that I saw here where it actually itemized the type of certain persons. And this article I must say it is from—it is an article that I think it was Dennise, yeah, Dennise Demming, it was Sunday the 16th of June, 2019, where she wrote an article—it was published—I think in the *Express* where she said:

“Why can’t we get foreign exchange when Starbucks, Wendy’s, etc, keep popping up?”

And in this article she made mention:

“The allocation of foreign exchange to Jane and Beharry Public continues to be inequitable and discriminatory. The ordinary citizen cannot get foreign exchange but franchises keep popping up...”

And clearly you see the Starbucks, Chuck E Cheese—well, Chuck E Cheese is no longer here, but Wendy’s, the Porsche dealership. So she made mention to the fact the same thing that Sen. Deonarine actually try to bring across. And she actually mentioned three cases of citizens who became so angry that they could not get foreign exchange to carry and this is what I wanted to mention. She mentioned:

“Case one is of a returning resident who sold his property in England, brought the funds to Trinidad, built a home with the intention of retiring. After 10 years he is so disenchanted that he wants to move on, but cannot get access to the money after selling his newly built house. He is now stuck in a place with money that he could only spend locally.

Case two is a woman who has been living abroad for 15 years and has been investing in financial instruments which have matured, but she cannot get the funds out of the country now to her continued life abroad.

Case three of another woman who emigrated 20 years ago and cannot get access to her retirement lump-sum or monthly pension.”

So, she said also in the article:

“I had the humiliating experience of having to line up daily to get US\$100 in order to carry out some random transaction. Something is terribly wrong with the system. It appears to favour those with contact and access.”

So therefore—she mentioned this. And there were other letters in the media who actually—persons complaining from time to time. Up—recently, we had a patient with leukemia, a child who died. And actually the parents said they were trying to get foreign currency and it was challenging.

So, those are factors, Madam President, that we have to see how we could address this. We may have best medical care here but there are certain cases where certain conditions, someone may rather go out with their child, they may have the local currency, but they think they are offering better treatment in a leukemia centre elsewhere and sometimes they are turned away and said, well, you could get leukemia treatment here, so therefore, you are not going to get the foreign currency.

Now, this is unfair, because if I know there are shortcomings here, and I want to carry my child abroad and, I am thinking cases like that, Madam, we have to see somehow, if we can get something to work in that scenario. And this is why—that was one scenario that we heard from medical conditions where people want to go. And the second scenario, we heard besides persons seeking medical treatment, where persons may have children abroad. So someone have—would

have gotten a child in a university abroad, wants that child to go abroad to study, but they have to go begging, they have to go pleading, they have to humiliate themselves. And remember, our first Prime Minister, his thrust was an education, his thrust was in educating the nation. And even though there is a global, you know, world out there, people could go and be educated all over, we should encourage that. Similarly, people may want to come here, because the University of the West Indies, it is a top place, an institution, one of the top five, and what I am saying we have done well. So similarly, people may want to come here.

So therefore, I am trying to suggest that—I have gotten from the Minister of Finance, he may not like to put any sort of a restrictions in the banking industry. He thinks that, you know, he made mentioned that the train has gone already and, you know, and therefore, he is not going to try to see if we could sort of—put any sort of financial restrictions on our foreign currency. But I am thinking we may have to develop a policy from the Central Bank giving directives to these 13 institutions, that when people apply for loans for health reasons, and they would have had valid reports, reports that they are going to certain institutions, when persons apply for their children to go to a university, in cases like that, there should be a straight policy that the Central Bank says you have to accommodate that. If you are banking, which whatever institution, they have to entertain that. Because you see, banks may have their foreign currency but if they are in the habit of only giving their big clients, this is an injustice to persons who may have to go begging when they are already in a situation with a health issue, with one of their relatives, and already, when the joy of getting their children away, they cannot. So, I am suggesting this should be some sort of regulation that the Central Bank may have to give those things. So that was one suggestion, I am thinking that I want to see if

we can somehow get that in place if, you know, the Government is hesitant to widen that scope of controlling.

But then let us look at the control of the banks. So the banking industry, right. So the *Daily Express*, Madam, I would like to quote on June 22, 2021, when the Bankers Association of Trinidad and Tobago said, they recognize that they—what is happening in the economy, and they supported the Government’s endeavor to help the small business loan programmes and— So, it gives the impression that they were there to—seeing exactly what is happening in economy and seeing to assist the Government. But Madam, with due respect the banking industry is really there to make profits for their shareholders. So they may say something, but we really have to get that action from them. And it is natural, if a big company is going to be putting money, investing money in your bank account—is natural you would want to hold on to your big client, and give your big client the foreign exchange they want, because they invested in you and you know, you kind of neglect the others. So it is a natural thing so I am seeing that it is there. But you remember our history, Madam, our history with the banking industry in 1970, there was the Black Power Revolution, where the banks were held—persons were saying their hiring practices, etcetera, their running of things—a lot were to be desired. So do we have a system now here, where the bank managers are the ones who are the new czars in the, you know, in the game, they are the new “massas”, where they now have the control to see who can get and who cannot get foreign currency and this is what we have to know. Is there oligopoly existing in the bank?

I wanted to know, Madam President, you see, I would like to just read into the account here, where there was the—it was, I think it was, yes, it was the Joint Select Committee on Finance and Legal Affairs, on the enquiry into the commercial banking fees in Trinidad and Tobago, it was done in 2017. And what

was mentioned here, Madam, was when the questions were used to the President of the Association, BATT, the President of the Bankers Association of Trinidad and Tobago, whether commercial banks have a formula for the disbursement of foreign exchange, and you know, this was in response to a question on the formula and criteria used to distribute Forex to customers and who dictates how much a customer receives. The Vice-President of BATT informed the Committee, there is no specific formula. He indicated that the various account managers and branch managers determine how forex is distributed. The new czars I want to put it there.

The consideration is given to the purpose behind the transaction, for example, the size of long outstanding payables owed to foreign suppliers, but there is no prioritization in the distribution of forex apart from the monies owed to the foreign supply. So, definitely there, we saw that the bank managers are the ones who may have the greatest degree to say yes or no, yea or nay.

So, therefore, I am asking that, you know, somehow we need a policy and in the two cases I mentioned before that we may have to tell the banks, listen, we need you to in cases like that give consideration. And you see, Madam, people may want to know is there also some sort of—I think it was Sen. Lyder mentioned that, you know, the banks may want to invest the foreign currency into their own portfolio, because they are there and they are investing. So, it was suggested that somehow they may have their foreign currency, but use it to their advantage to gain for their own investment purposes. But we have to understand, Madam, I have heard out there that you may have banks lending, giving foreign currency to certain potential customers, and those customers may be selling it on the black market and the talk is that sometimes you may have it on the black market, sell it on the black market and you get a cut coming right through. Now if that is true, we need to investigate. If there are banks and bank managers guilty of this, we need to be

aware of it, we need to realize that a transparency in this whole situation will prevent that from occurring. So therefore, a call for more transparency, I think it is needed.

3.30 p.m.

And I am saying that while the banks are there—and even the governments too borrow internally from the banks, so you may find that a government may be sometimes a bit hesitant or it might be a conflict of interest for a government to tell a bank, “Listen, we want to go and put some regulations to tell you how you are going to lend your money.” And, you know, somehow they are the ones who, with internal borrowing, depend on the same banks to give them some money in the local scenario.

So, therefore, I think, yes, we definitely need some sort of control in the banks. We definitely need to make sure that there is no sort of, you know—between the banks, there is no sort of agreement on how they are going to spend this because remember, it is competition. If a bank decides that I am going to really serve the people, that bank could easily have such a policy, that is the small man would be able to come in to that bank and it is the small man who will be able to get the foreign currency easier. But I am not seeing that. So something, you know, has me wondering if there is something more into it where there is some sort of collusion. Because, you know, if you have those banks there, definitely a credit union, definitely those should be catering for the smaller personnel.

But Sen. Deonarine’s suggestion now that the, you know—we need that foreign currency to stimulate our economy and we need that for the small businesses to stable it. And, again, I also realize that forex is still viewed as the panacea for our recovery. But we have to appreciate, Madam, most of that foreign currency—and I think Sen. Wade Mark did mention the fact that there was as a

showroom for the Volvo Cars and he was actually saying that, why should we spend our foreign currency into those articles? Because the Minister of Finance was saying, foreign currency should only be given to persons and companies who can actually show that they are, in fact, being able to contribute back to society to get back some sort of earnings and not persons who will just go and buy stuff and sell it over. But some big companies are doing that and the cars are one aspect of that. So, the Minister of Finance did have a valid point. Because we would like to give to companies our scarce foreign reserves that will be able to turn it over and bring back something, export things, and definitely, that is a dream, but when you are seeing now the duplicity that other persons are being able to bring in stuff that may be nonessential.

Madam, the alcohol, I think it was in 2011, I think there was an article I read. I think it was \$35 million, I think, we spent on alcohol. I am not too sure of the figure, but there was a—it was on alcoholic beverages. So there was that. And I wonder, well, people are just bringing in alcohol and they are—I think it was in 2011, 32 million in alcohol that we actually put out to bring in alcohol. Now, if I look at this, Madam, and I am saying there, you know—we know alcohol causes a lot of social problems, we know it causes cancer. One drink and it could cause cancer. My problem is, if somebody is fighting to get foreign currency for medical purposes and they see now we are allowing people to bring in alcohol, it sends, you know—and somehow it does not seem too right to me, being a medical practitioner, to have this going. But what could we do? Could government really try to control it? I think they could because you can give higher taxes, which they have done in the past.

And there was a university lecturer, Ms. La Foucade, who did a research on the Caricom and she said when you raise the prices of alcohol, the taxes on alcohol

and cigarettes, you do get that gain because you get more earnings, plus you have the social benefit, plus you save on foreign currency within the Caribbean. So, this university lecturer did that. So, one option to the Government, if you do not want these companies to bring in the alcohol, but higher taxes, if you do not want to, at least, you know—even when new alcoholic products come in, you do not register them. So therefore, it is now easier to register a new drink of a vodka than to register medicine.

Sometimes if you are going to bring in a medication, it takes a lot of paperwork, a lot of problems to bring in new medication which the FDA has approved. Trinidad is very tardy. Some anticancer drugs are waiting here to be approved for years, yet still I bring a new bottle of scotch with an added flavour of something, I can bring it in quickly. So our problem is we have to prioritize.

So, if you have to bring in a list again, you know—because I think the Minister was hesitant to say any sort of foreign control, but I am thinking if we do not bring in that list where—at one stage, you had to go through the ECO to get certain things. At one stage, certain things you could not bring in and, you know, certain goods were blacklisted. And I am thinking, if we have to reach a stage like that to prop up our resources—mind you, we are still in a good way because I think it is 6.7 million we have of foreign reserves and I think—so, we are still in a good way. But we have to now look at prioritizing what is good for the country, what is good for terms of nonessentials coming in.

And I make mention to the fact that the medication was one thing and I have known companies, Madam, small companies, who tried to bring in medication and they are not getting foreign exchange. So, even though the Minister did give a point that companies are not suffering so much and are getting—small companies. And if you are not bringing in these medicines and drugs, it is really to the

disadvantage of the persons, the patients that are there depending on these less costly medicines. I have two companies I know who import drugs from India and they do, in fact, bring in some stuff that right now the patients are not getting. I know the Minister of Health may say sometimes when persons draw attention to the fact that certain drugs are not in the hospitals, he tends to take offence of that. But it is true. Right now, in the UK, even the HRT drugs for hormone replacement therapy, they do not have, but it is not really due to foreign currency, it is due to demand, supplies, the war, whatever.

So therefore, Madam, I want to say with Sen. Deonarine's Motion, I think it is a good Motion there. I think the fact is, she did make mention that we need a foreign currency to build back our economy but not all persons may think this, eh. Because there are some persons, I think, who may think like—there is Keston K. Perry, Madam, he is specialized in developmental policy and he wrote, I think—in an article he wrote on the 12th of April, 2017, he said if we are going to depend on too much foreign currency, countries will not really progress.

So, he was one critical where:

“Reliance on international markets by itself is not a...”—good—
“problem...”—he said.

And:

“An over-reliance on foreign capital for local production needs and limited structural change or diversification.”

And he said whilst some—so, you know, his thrust on it is we need the foreign currency for basic things. And the Minister did say we need it for paying water, you know, to get our water supply and T&TEC because we are in some sort of agreement to get those and pay in US. But this citizen here, Keston Perry, this developmental policy specialist, he was saying we should really try to develop, you

know—have less dependence on this foreign currency. So that is a thrust on certain persons.

Even a study done on T&T's socioeconomic development by Dr. Zophia Edwards, the Assistant Professor at Providence College. She concluded that:

“...higher concentrations of...(foreign direct investments) have a significant and negative effect on development, which supports the view that greater dependence on foreign capital may allow foreign investors to exert more influence over the host country's resource-extracting and economic policies in ways that are incompatible with national development.”

So, there is a group out there who thinks or who believes that less dependence—but, Madam, we know for a fact that we should be cutting out our dependence on this, but we are our own worst enemies because who it is would like to buy these fancy stuff? When you look at our tastes, Madam, our tastes have changed. We have changed from a country who used to drink Red Label Scotch to now Blue Label. We have changed from a country where some of the females may use the Sacha products, but I see females out there, I do not know if they have Mary Kay or, you know—makeup. I mean, you have to choose eventually, do you support local Sacha or do you go for Mary Kay or do you go for those fancy Chanel makeup? All these are things that we will have to reorganize ourselves knowing there is a shortage, knowing that people cannot get medication, and it calls for the leadership to bring that talk to, at least, convince us; convince us to say, “Listen, drink Carib instead of drinking foreign beer like Blue Moon.” So, you know, these are things we have to do as a nation and our leaders have to sell us the picture that we have to go foreign.

But, Madam, you see, we have to question certain persons who keep getting the foreign currency. And, Madam, I must say, remember Andre Abraham of

FireOne Fireworks, was quoted as saying once that recently there was a significant increase in fireworks sales this year—

“Despite an increase in prices this year due to shipping expenses... sales...”—

Madam President: Sen. Deyalsingh, you have five more minutes.

Sen. Dr. V. Deyalsingh: Sure. Thank you, Madam. So, when you see these fireworks that go up in smoke and are able to get foreign currency, this is something where we have to look at the priority. And this is why I am thinking and this is why I am supporting some sort of control from the Central Bank. This is why I am also willing to support Sen. Deonarine’s suggestion that there is an ombudsman.

In fact, when Sen. Deonarine brought up the fact that there should be more transparency in how the banks operate, the thing is, remember a few years ago, the Central Bank then, Jwala Rambaran, brought in the list of persons who are getting the greatest amount of foreign currency. In an article by Sunity Maharaj actually mentioned the fact that this was supported by a lot of persons who felt aggrieved and wanted to know more, but the privacy issues of those companies were something to be questioned.

So, if I am feeling aggrieved, I want a government to say, “Listen, we realized, we listened, we realized there is a gap in certain instances.” There are beautiful things this government is doing—will be doing, and we heard those things, and I applaud the Government for the efforts made. But there is still a gap and because there is that gap, we have to get it fixed.

Now, Sen. Deonarine did make mention that she thinks it is only the small business persons being affected but I remember seeing an article where PriceSmart, who was down here, complained, they and all were getting problems

to get foreign exchange and the other companies elsewhere were actually setting up business in Latin America because it was easier to get foreign exchange there. So, it is not just the micro and small. Big companies were also affected. And even—I want to quote an article, Madam, by Marla Dukharan, where it is a very informative article:

“...Why it’s harder to get FX in T&T than anywhere else in the Caribbean”.

Madam President: Sen. Deyalsingh, if you are quoting an article, can you just give the references, please?

Sen. Dr. V. Deyalsingh: Sure.

Madam President: The date, where.

Sen. Dr. V. Deyalsingh: All right. So, this article was published in September 05, 2019, and this was actually put in her site. She has an online site, where she actually went into details that it might be a little more difficult to get foreign exchange here. She said that the PriceSmart CEO also said it was more difficult to get that here. So, I am saying that it seems right through the spectrum people are complaining. It could be the small, little, micro business. It could also be big companies. But the idea is, if there is this person there, suffering out there, I would like government to, you know—I would think the responsibility lies squarely on the Government to develop a social justice policy for sharing the allocation of foreign exchange. This is not a matter to be left to the market, but guided by policy sensitive to the needs of all interest.

I support Sen. Deonarine’s Motion and I say that I support the need for an ombudsman. I support the need for some sort of regulation into the banking industry, which I think have become now masters of their own right and it might be to a disadvantage of the population. Thank you, Madam President.

Hon. Senators: [*Desk thumping*]

The Minister of Public Administration (Sen. The Hon. Allyson West): Thank you, Madam President. Madam President, I wish to thank my colleague, Sen. Deonarine, for tabling this important Motion. We live in a small open economy which makes the issue of foreign exchange management one of the critical elements for the stability and national well-being of our citizens. So, Sen. Deonarine is to be commended for her foresight in seeking to have a dispassionate debate on this important issue.

Madam President, in my contribution this afternoon, I want to focus on both the economic and social implications of foreign exchange management for our country. In this regard, it is important to frame the operating environment of the country and to reiterate the importance of careful management. Further, Madam President, I want to emphasize that when we look at the track record of the successive administration of the People's National Movement, the evidence is clear that we have consistently demonstrated sober judgment and managed foreign exchange judiciously.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. A. West: It bears reminding this Senate and the national community where we have come from. And in traversing this history, Madam President, it would become clear that many of the proposed solutions that are being put forward have been tried before and have not proven to be successful. So, this is why we are resisting the proposed solutions. So, let me give a brief history of where we have come from.

Madam President, when the Central Bank of Trinidad and Tobago was founded and the TT dollar was introduced, we had a fixed exchange rate. We experienced our first devaluation when the bottom fell out of oil prices in the early '80s. We moved from a fixed rate of TT \$2.4 to US \$1, to TT \$3.6 to US \$1. One

Government in those days, not the PNM, experimented with a dual exchange rate where a preferential rate was used for necessities and a less favourable one was used for more discretionary consumption, not inconsistent with some of the proposals that are being put forward before us today. That experiment did not last too long as it created avenues for corrupt practices. By the end of the '80s, the TT dollar was pegged against the US dollar at TT \$4.8 to US \$1.

Madam President, during those days, to access foreign exchange it was necessary to make an application to the Central Bank. And while there must have been criteria for accessing foreign exchange, there was still a measure of discretion that was left to the whims of functionaries of the Central Bank. And, Madam President, in that context, how can we forget the ECO debacle? When in an effort, again, to manage the distribution of forex, the government at the time introduced another split system, this time with the introduction of a new application form for foreign exchange, the ECO, which was in distinction to the EC1. Allocations under the ECO was supposed to be preferential and received almost automatic approval. Needless to say, Madam President, it was again an opportunity for discretion and in typical Trini style, our invented brothers and sisters were able to find ways to exploit the system. It led to one of our Calypsonians, Calypsonian Organiser, to open his lament in kaiso entitled "Look De Bandit" with the words.

"A hundred million missing in ECO

Who thief we money, we want to know

Dats ah Bandit, look de Bandit"

Madam President, I researched this history because I wanted to demonstrate the system from which we have emerged and the fact that it was not working for Trinidad and Tobago. Any system of governance that allows too much discretion is a recipe for disaster, especially where that discretion is controlled, influenced,

imposed by the government of the day. It was in this context that the PNM administration, under the late Prime Minister, Patrick Manning, took the brave decision to introduce a managed float of the TT dollar in April of 1993. At the time, the pundits claimed that the sky would fall, the dollar would take a nosedive and the economy would collapse. April next year would make it 30 years since this measure was introduced. The system is not perfect, but it is working.

Again, let us take a top-level indicator. When the dollar was floated, the rate was set at TT \$5.6 to US \$1. As of today's date, the TT dollar hovers around 6.7 to 6.8 to US \$1, a depreciation of just under 20 per cent over 30 years. Trinidad and Tobago is one of four countries in Caricom which has a floating currency. And, Madam President, by all measures, we have performed creditably in this area.

It is even more telling, Madam President, that in the last seven years, this administration has had to manage the float during a period of unprecedented difficulty with depression of energy prices and reductions in production and global crises. Madam President, much has been made by the pundits of one of the observations of Article XIV consultation with the IMF, that the TT dollar is overvalued. As usual, the "hair on fire" crowd has taken this out of context and demonstrated their inadequate understanding of the consultation process, alternatively their desire to make mischief.

The hon. Minister of Finance addressed this fallacy in his response to a question from Sen. Mark last month. But, Madam President, even if that conclusion was absolute that the TT dollar is overvalued, managing the foreign exchange rate in a small open economy is not an issue of simple arithmetic. A responsible Government must weigh the social implications of any decision it takes, in particular the Government has to take into consideration the impact of the foreign exchange rate on the most vulnerable in society.

In many quarters, we have heard the call to devalue the currency. However, a devalued currency can result in imported inflation for countries like Trinidad and Tobago that are substantial importers. Madam President, we import most of our food in this country, not to mention other essentials, such as medicine, as referred to by Sen. Deyalsingh.

Our recent COVID experience brought this into sharp perspective and I will take you back in that regard, Madam President, to March of 2020, just when COVID was rearing its head in Trinidad and Tobago where the price of oil dropped to minus, which means that people were paying to get rid of their oil, nobody was paying for oil. So, we were managing the foreign exchange in that context. And at that time, our demand for foreign exchange skyrocketed because we had to bring in everything that was required to treat with, not only the health of the nation, but to feed—to ensure that they continued to be fed. So that, we have successfully managed the economy through that difficult period. We are now beginning to emerge from the most catastrophic effects of the COVID, hopefully, permanently.

With the war in Ukraine, we will see further increases in several staples. Indeed, Madam President, it would be unconscionable and irresponsible if we were to compound the situation by devaluing the currency. By way of example, a sudden 20 per cent decline in the domestic currency would result in imports costing at least 25 per cent more than they cost now, as a decline of 20 per cent means a 25 per cent increase is needed to get back to the original price point, and that is not taking into account the deflationary impact on the economy.

Madam President, successive PNM administrations have resisted the view that you could work your way out of foreign exchange challenges by austerity. We have seen others tried it and we have not seen successful experiments in that

regard. Yes, there is a need for responsible fiscal measures but these have to be carefully crafted in the context of the whole of society and ensure the protection of all citizens as far as possible, in particular the most vulnerable among us. Therefore, in seeking to effectively manage and improve access to foreign exchange, the Government of Trinidad and Tobago will take into consideration the overarching impact on the citizens of Trinidad and Tobago to protect the vulnerable from exorbitant price increases as a result of the volatility in the foreign exchange market.

A review of the situation in Suriname, one of our neighbours, which has devalued its currency twice over the last two years indicates that the Suriname dollar went from SRD \$7.5 to US \$1, to SRD \$21 to US \$1. This has resulted in increased cost of living in the country with the cost of utility services, for example, increasing by as much as 90 per cent; 9-0 per cent. These are the kinds of situation that the Government of Trinidad and Tobago is seeking to avoid through its careful and considered management of the foreign exchange market.

We also recognized the continuing imbalances in the forex market and we are taking the necessary steps to address this. Currently, the Central Bank and the Ministry of Finance continue to monitor the forex market and take appropriate action where necessary. In particular, the Central Bank continues to make its bi-monthly interventions in the forex market.

Madam President, we hear Members of the Independent Bench and Members of the Opposition calling for the Government to dictate to the banks how it should allocate its foreign exchange. This, Madam President, will take us back to a time where Trinidad and Tobago—the Government of Trinidad and Tobago sought to control so many aspects of the economy, that the economy itself was floundering. So, what we have done over the years is create a free market economy

where the private sector determines its prices controlled, as it should be, by consumers. What we have to do as Trinidad and Tobago citizens is to become more effective consumers, better litigators for our own benefit. But to say that the Government of Trinidad and Tobago should step into that situation and control who gets foreign exchange in what is a free economy is to take us back down a path that I do not think we want to go. If the Government starts to interfere in the free market, where does it stop? Do we start telling doctors that you need to see X number of patients a day and charge no more than X number of dollars because the hospital cannot keep up with demand? There is an equally valid argument for introducing restrictions like that. Do we reintroduce food price control? Do we reintroduce widespread rental control? Where does it end? So, in the view of this administration, that is not the way to go.

In 2020, the Central Bank estimates that the sale of foreign exchange to the public by authorized dealers amounted to \$4.5 billion while the purchase of foreign exchange by authorized dealers amounted to \$4.59 billion. The Central Bank, in accordance with government policy, has continued to inject foreign currency significantly and continuously into the market to improve stability, improve availability, while maintaining our foreign exchange reserves. So, this is a major facet of the Government's forex management policy. We monitor the market, determine what demands are like versus supplies, and we inject foreign exchange, as required, to manage the rate, to manage availability and ensure that as many people as possible can get the foreign exchange that they need.

Because we have foreign exchange challenges in the country, at this point, not everybody could always get what they need. And what we are doing, rather than dictating to the banks how they must use the foreign exchange they have, we are trying to influence how they do what they. The same way when the COVID

pandemic started and we knew that people will be challenged because they were being sent home, furloughed, terminated, we met with the bank and sought to influence them to put a moratorium on interest rates, on credit cards and other loans and those kinds of actions to provide relief. We are similarly trying to influence them in how they distribute the foreign exchange, but we do not think that the Government should step in to dictate to the banks how they should do this.

3.00 p.m.

In addition, special provisions have been made through the EximBank to allow for access to foreign exchange currency for the manufacturing sector and importers of necessities. This has allowed the sector to implement export growth strategies, improve supply chain management and reduce manufacturing downtime. It should be noted that these services are available to all manufacturers, both large and small. In fact, the EximBank has advised that 82 per cent of its participants fall into the SME category, including fledgling manufacturers.

What this measure also does, Madam President, is allow the Government to influence the return of earned foreign exchange to Trinidad and Tobago because one of the arrangements that we have with people who are supplied with foreign exchange through the EximBank is to satisfy the bank that they are in fact repatriating that foreign exchange, so we keep that flow going. Unlike with the rest of the market, people may buy foreign exchange to earn foreign exchange but not necessarily return that foreign exchange to the market. And this is one of the ways that the private sector who is clamoring for more available foreign exchange can assist the country, by bringing back the foreign exchange that some people have undoubtedly stored outside of Trinidad and Tobago.

One of the key factors that affect our continuing access to foreign exchange, particularly US dollars, is the generation of US dollar income. The Government

continues to work on the supply of foreign exchange through energy exports. In the medium term, as our investments in new energy projects begin to bear fruit, we expect to see a significant improvement in our access to foreign exchange. In the meantime, what we are trying to do is to promote our diversification initiatives and to get the private sector to improve their foreign exchange generation because it is through the increase in our foreign exchange earning capacity, in excess of our needs for foreign exchange, that will take us out of the difficulty that we currently face. So, one of the Government's approaches to dealing with this problem is to work directly through its own efforts and also by encouraging and supporting earners of foreign exchange to generate more foreign exchange for Trinidad and Tobago.

We have also sought to generate foreign exchange direct investment by making Trinidad and Tobago more attractive to international entities and various sectors, including technology-based businesses through the introduction of tax and other incentives. We believe that this will be a major foreign exchange earner in the future and that is a focus of this Government at this time.

We have also recognized the need to reduce the drain on foreign exchange in the market through the introduction of a slew of fiscal matters. We have established the Gaming Control Commission to regulate gaming and betting sectors to significantly reduce illegal acts, such as money laundering, proliferation, financing and combating the financing of terrorism. We have passed the legislation and are in the process of implementing the Trinidad and Tobago Revenue Authority which will contribute significantly to tax compliance across the board, including our international companies. And one of the measures which the Inland Revenue introduced a few years ago is to accept taxes in foreign exchange. Previously, they only allowed oil companies to pay in foreign exchange which

made no sense to me. They have since changed that policy so people who are earning foreign exchange in Trinidad and Tobago can pay their taxes in foreign exchange and therefore make more foreign exchange available to the Government and therefore to the country.

Other measures to generate and—generate more and/or protect our foreign exchange is the introduction of the special economic zone which my colleague, the Minister of Trade and Industry, would have focused on in her contribution; the rationalization of transfers and subsidies; the introduction of tax on air freighted goods which caused a huge furore but it has had some success in controlling the wild spending on consumer goods. We are also working on other measures to reduce the drain on foreign exchange, some of which arose out of the Roadmap to Recovery exercise.

The Ministry of Agriculture, Land and Fisheries' drive to increase and ensure consistent quality of agricultural produce—the agro-processing parks are a couple of these measures. During the discussions with the team that was put together to treat with the Roadmap to Recovery, a couple of things came to our attention. Trinidad and Tobago, in any year, spends approximately US \$125 million on French fries—not potatoes—French fries. Can you ask me why we do that, when in Trinidad and Tobago we have available, sweet potatoes, cassava, bread fruit, all of which make nutritionally and gastronomically superior fries to what we call Irish potatoes? So, we have had discussions with our fast-food outlets to encourage them to switch from the provision of French fries to the provision of locally-produced—fries using locally-produced products. And their commitment to us was once we can assure them consistency and quality and volume, they are happy to make the switch. So, the Ministry of Agriculture, Land and Fisheries is working on that project.

During our Article IV consultations with the IMF in November 2021, the authority is recognizing the need to modernize the foreign exchange infrastructure. We will continue to seek avenues where we can generate increased levels of foreign exchange while reducing the forex gain on our economy. The Government of Trinidad and Tobago is fully committed to effectively and efficiently managing our foreign exchange market for the benefits of our citizens and the country as a whole.

Calls for increase in control by the Government, I repeat, is not the way we should go. This is inconsistent with the concept of a free economy. And if we look at it, we will recognize and we will be prepared to admit to ourselves that we do not mind calling for government control once it does not negatively impact our area of activity. So, if government control is not to impact negatively on me, why should it impact negatively on the banks or the doctors or the landlords? Where does it start and where does it end? Government control—greater government control in forex management is not what is required.

So, Madam President, we will admit that the system of foreign exchange is not perfect in Trinidad and Tobago and that largely stems from the fact that we do not have as much foreign exchange now as we would have had eight years ago, 10 years ago. We believe our best opportunities are through growing our national economy, diversifying the productive sectors and consuming more of what we produce, meaning importing less.

Madam President, the Government of Trinidad and Tobago has continued to manage our economy through prevailing geopolitical and economic conditions that are complex and volatile. We understand—

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

Sen. The Hon. A. West: Thank you, Madam President. We understand that there are many factors that affect the supply and demand of foreign exchange in Trinidad and Tobago. Currency exchange rates can impact trade, economic growth, capital inflows, inflation and interest rates.

There are challenges. We appreciate that not everybody who wants foreign exchange today will be able to get it today and we are working on various aspects, as I outlined, to improve that state of affairs. But I categorically emphasize and reiterate that the solution is not greater management of the distribution of our forex. Madam President, I thank you.

Hon. Members: [*Desk thumping*]

Madam President: Sen. John.

Hon. Members: [*Desk thumping*]

Sen. Jearlean John: Thank you, Madam President, for the opportunity to join this debate on this Motion by the hon. Sen. Amrita Deonarine, I believe to be very timely. And I think in listening to some of the contributions from the Government's side, Madam President, maybe they have read the Motion wrong because I cannot recall anyone asking for a devaluation of our dollar. What we are saying is that there is a shortage of the commodity on our market, and I think the hon. Minister of Public Administration in her winding up would have addressed some of the mechanisms the Government appears to be considering to alleviate this problem. And, Madam President, the forex, there is really a shortage and it is a question of supply and demand and I am not certain that the Government even is aware of what the demand is, whether it is a pent-up demand, an unmet demand, et cetera. But the problem is here with us and it is creating all kinds of problems, particularly with the small and medium enterprises in our country.

The last time we saw—I think there was a *Guardian* report which said 6,000

businesses had closed, particularly during the period of the pandemic. The foreign—well, I mean, several speakers would have made the point that there is—the energy sector has more or less—well, it is not performing as it used to before and there is a lack of robustness in our manufacturing for export; never mind how it is put by the Government, that is so and, you know, they keep talking about this diversification that is not happening.

So, Madam President, the foreign investment of course is another crucial component of our foreign capital inflows and that too has been struggling because we have—the net effect is really of more outflows than inflows, and the reduction in foreign investment is linked or can be linked to unfavourable investment conditions that exist now, policy inconsistency or the lack of really a policy to control what is happening now because no one is really asking, as I said, for a devaluation, but certainly there must be some level of management. Yes, we had—the hon. Minister who preceded me would have spoken about the history of the exchange control, et cetera, and there is a general school of thought because that was also articulated by the Minister of Finance when he spoke, that the Government does not want to go back to that. And maybe that is all well and good, but in a market where you have the severe shortage, there must be some measure of control within the marketplace. Yes, we have a freely floating foreign exchange but at the end of the day, the foreign exchange finds its way into the various banks, belongs to the people—the commodity belongs to the people of Trinidad and Tobago.

And certainly, if we do not know who is getting it—but you get the sense that there is no equity in the market because there is just this consistent cry, particularly from the small and medium enterprises that there is insufficiency of it, not to go around, I do not think people are unreasonable, and they are saying,

“Well, I want all of my needs to be supplied”, but certainly people are being told, “You will get \$100 a week or \$200”. That is US dollars, Madam President, and that cannot run their business. When I looked again at the *Hansard*, what the hon. Minister of Finance would have made a point that they do not want to give foreign exchange to somebody who will use it to buy expensive gadgets and Sen. Mark, Madam President, in his contribution would have spoken about showrooms filled with Volvos but, you know, it is more than that.

It is good if we have enough foreign exchange because people are free to purchase what they can afford, but certainly at this point in time we probably need to prioritize, because you can go to just about—well, the major supermarkets and you can find your oat milk or any variation of almond milk, flavour of almond milk, and so on and so on, and it is nice to see nice big stocked shelves but you have to ask, “At what cost to the person trying and struggling to get a little bit of foreign exchange to conduct their business”? Madam President, as was said, our commercial banks access foreign exchange from two sources, first from the Central Bank and then they would have been sold forex from energy companies. I was also—it was very interesting when the Minister of Public Administration made the point that people are now being encouraged—these entities are being encouraged to pay their taxes in foreign exchange; that too, I suppose, if it gets going will make probably some kind of dent in the stock that we now have. But, Madam President, as it stands now, both sources of flow have been severely reduced.

That being said, the TT banks purchase US dollars from the Central Bank and they sell the majority to mainly large companies, it appears, who will buy these foreign—use the foreign exchange to buy foreign goods to come here to sell in TT dollars which they will exchange again for US dollars, for this scarce

commodity. And that really makes no sense because it is not helping us when you have these huge companies just guzzling up all of the foreign exchange. And it is not only in exchange for like grocery items or medicine, you will have some of these US-owned chains where they have to pay net, the licences fee or remittances to foreign companies. We have to look at all of that, or even remittances sent abroad from folks who are living here. So it would have been helpful to hear the Minister of Finance and maybe the Minister of Trade and Industry, if she is to speak after, to explain in specific terms what really is being done.

The reason of course for the acute shortage of forex is that there is less activity as everybody has been making that point, but really what is being done specifically; not in these very broad, broad, broad terms, Madam President, because small and medium enterprises play a major role in our economy and because they are not—they are located in all the nooks and crannies and in places where the large organizations generally do not cite their businesses. You know, they are small; they hire two persons, three persons, or what have you, but it really contributes to that circular flow of income and to the whole economic activity. And in some jurisdictions SMEs contribute up to 40 per cent of national income, and I will have no doubt that the contribution here is very significant also.

So, Madam President, just as my senatorial colleagues who preceded me, I want to also make the point that a significant number of jobs are generated by SMEs and, again, in some jurisdictions they claim that seven out of 10 jobs are generated by it. So this is not some people who are here dependent on the State, these are people who really want to work and contribute. So again I say, the Motion is very timely as they are having no end of trouble in keeping their businesses, their doors open. So, we know finance, and in many cases in our country forex is a key constraint if they do not—or lack of it to SME growth and it

is one of the most cited obstacles facing the SMEs to grow their businesses in today Trinidad and Tobago.

Madam President, some professor from the chair of an international business school—Henley Business School that is—said that—he said:

SMEs, they tend to employ a large portion of the population. They tend to be small and they tend to be located more evenly across the economy.

So:

“In normal times...”

—a 2020 World Bank report notes:

“...most SMEs do not grow, but remain at the same size or exit, with a minority exhibiting rapid growth in productivity or scale. However, a minority of disruptive startups have the potential to shape economies through new and more productive business models.”

But as it stands now these businesses are being starved so they have no way of progressing. SMEs are likely to close. When they close their operations it is likely to be permanent because they really do not have any money to call upon. They cannot withstand the shocks, for instance, of an extended period of closure during a worldwide pandemic. So, they are subjected to a transaction cost that makes the cost of doing business higher and higher and makes them sometimes unable to make profit. So already, you know, they have—they face a lot of headwinds, you know.

So when we have these kinds of bureaucratic bottlenecks where they have to pay an invoice—and I think it was Sen. Lyder who spoke about the fact that a lot—and I have heard it myself, a lot of these small and medium-sized businesses now no longer have any line of credit with the international supplier because they cannot really with any kind of confidence pay their invoices and because of that

they have not been able to keep those lines of credit in many cases they would have had for decades. And, Madam President, the large and well-connected firms who can purchase forex, they can purchase at the repo rate or the Central Bank rate, but for those who cannot—who are desperate to keep their doors open, they have to purchase sometimes at a price of \$7.50 on, up to \$9, that spread, and I think that was also referenced by Sen. Lyder. It means there is an unfair advantage or a disadvantage to the small and medium companies when they have to compete with the larger companies who get to buy at the rate from the banks, you know, so they can—because the price of their goods when they buy on the black market is much higher. And I mean, Sen. Lyder went on to speak about the fact that it is legal to access forex in this way.

Madam President, the Minister of Finance and the previous speakers spoke about the window at the EximBank and the Minister of Finance spoke about whose son was running this entity, but it does not matter. There must exist a policy of distribution that is equitable and really at the base is fair play. If it is wherever we have this forex existing or is being stored, if it cannot get into the hands of those who need it—and, you know, we are talking about the vulnerable, sometimes women entrepreneurs are some of the more vulnerable ones. If they cannot get this forex, they invariably will have to close their doors. So it is not a matter of wanting to tell the banks how to conduct their businesses, but if it is the money is not spreading across the economy in a fairly fair manner then certainly there must be some kind of intervention. We cannot continue to say, “Well, you know, the Government will have a hands-off and just leave people to do their own thing”. That is not good enough and telling us that we are looking to have—what?—dasheen fries, and what have you. I do not think that will solve any of the issues that are now before us. We have a taste for French fries as it stands. Yes, I agree

that we can use more of our local produce; that really should be encouraged, but certainly what we want, we want choice. I am not saying we want all the choice. I do not think the people of Trinidad and Tobago are unreasonable but people are trying to save their livelihoods.

So, Madam President, the Minister must know that the banks are not friendly many times to start-ups or the ones who are unconnected or even the stereotype that there are certain races of people in this country who cannot run business; you understand. They are not friendly to these people, that is no secret, and therefore when we have this kind of acute shortage the Government must intervene. All of these features into access and judgment, especially in a tight competitive marketplace where the fuel of growth or even to start your business is forex, the Government cannot continue to turn a blind eye. They cannot dole out forex to banks but have no care or concern about the unevenness of the marketplace. It is wrong.

So I have to agree with the hon. Sen. Deonarine's resolution and where she:

"Be it resolved that this Senate call on the Government to table in Parliament, within six (6) months..."

And that is a long time to be quite honest because many of these businesses are collapsing and starving for this foreign exchange, you know, thinking about what to do and how to do it and how to get forex at this time. That is for the medium and the long-term, but in the short-term there must be an intervention now. So calling—the resolution of calling on the Government to come to the Parliament within the next six months and present:

"...a comprehensive policy framework that will guide key stakeholders, including MSMEs, the Central Bank of Trinidad and Tobago and Commercial Banks..."

Because, you see, what is going on out there now is just “ole mas”, nobody is in charge. People get their forex and they just do what they want. And, Madam President, in my own winding up I want to just reference:

“A key area of the World Bank Group’s work is to improve SMEs’ access to finance and find innovative solutions to unlock sources of capital.”

So it is nothing new, people are doing it all over the world in terms of—not to give them an unequal or an uneven advantage, but certainly to level the playing field that they are not overrun or run over by the larger businesses.

What the World Bank Group says, they said:

“Our approach is holistic, combining advisory and lending services to clients to increase the contribution that SMEs can make to the economy including underserved segments such as women owned SMEs.”

The World Bank Group said:

“Advisory and Policy Support for SME finance mainly includes diagnostics, implementation support, global advocacy and knowledge sharing of good practice.”

All of that, you know, one can offer as support. So the:

“Financial sector assessments to determine areas of improvement in regulatory and policy aspects enabling increased responsible SME access to finance...”

So they have a whole policy on how to enable access to finance. And I think the Government will really—be well served in their role if they do not continue to turn a blind eye and keep a stiff neck and say, “Well, let the market determine who gets what”, and we do not know what is going on behind closed doors, and really and truly the forex just goes to the well-connected and the larger players.

As I said, we note—note must be taken of this World Bank Group’s policy

and other policies, I am sure, that is there for anybody to look at because, again, we cannot continue to turn a blind eye to what appears to be an unfair advantage or rank discrimination in the allocation of our scarce resources; in this case, our forex. Madam President, I thank you.

Hon. Members: [*Desk thumping*]

Madam President: Sen. Teemal.

Hon. Members: [*Desk thumping*]

Madam President: Sen. Teemal.

Sen. Deeroop Teemal: Yeah. Madam President, I thank you for the opportunity to contribute on the private Motion that is before this august House. It is obvious that we are not earning enough foreign exchange and this has materialized in severe challenges for certain individuals, businesses and sectors of the economy to access foreign exchange from the 13 authorized dealers comprising mainly the commercial banks. We have heard from Sen. Deonarine in piloting this private Motion that it is primarily due to downturn in the energy industry, namely oil and gas which still remains the largest earner of foreign exchange for our country. Sen. Deonarine attributed the limited supply of foreign exchange to more than 50 per cent decline in energy exports suffered between 2018 and 2020, coupled with a decline in production of both in natural gas and crude oil which ultimately contributed to a decline in the amount of foreign exchange converted by energy companies to meet their local tax obligations.

Madam President, the situation is not surprising for despite the many conversations about diversification since 1993 there has been no significant change to our microeconomic structure and our economy is still fundamentally rooted in the energy sector. Commodity prices of oil and gas started to fall in 1982 and did not get back to the level of 1982 until quite 2007. It then increased up to the year

2014 but has been declining since then until relatively recent times due to conditions—global conditions where we are seeing a rise in these prices. Madam President, coupled with the declining production of oil and gas, this has precipitated the situation we are in regard to a major drop in foreign exchange. The forex market has not been tight and the demand for forex is outstripping the supply with no definitive signs of improvement in the near future.

It is difficult to predict how long this down phase is going to last but it looks very challenging particularly when the entire world is moving away from fossil fuels and embarking on the use of renewable energy sources.

3.30 p.m.

In April of 1993, Trinidad and Tobago adopted a floating exchange regime which means that the value of the Trinidad and Tobago dollar appreciates or depreciates in response to changes in supply and demand in the forex market. The Central Bank of Trinidad and Tobago is responsible for the management of the forex market in the public's interest. However, the Central Bank also has the authority to intervene in the forex market to contain undue volatility in the exchange rate and according to their website:

“Before...a decision...”—is made—“...to intervene...a number of variables...”—are assessed, and these include—“...current economic conditions, competitiveness of the exchange rate, short-term imbalances and the level of international reserves.”

Therefore, in essence, the forex system is a managed float, as we have heard from others. In actuality, the Central Bank mainly manages the exchange rate through its regulation of the maximum market sell and buy rates, as well as through forex provisions. And approximately one-third of the total market forex supply is from the Central Bank via discretionary, non-competitive allocations to licensed

authorized dealers.

In response to the unavailability of forex, in November 2015 the Central Bank adopted a conservative approach and began to allow the TT dollar to slowly depreciate. As a result it depreciated by approximately 5.8 per cent as at the end of April 2017 from around TT \$6.35 to US \$1 to TT \$6.79 to US \$1 where it has more or less stayed up to the present time and there have been no indications from the Central Bank that it intends to take a similar route at present or even in the near future.

So thus far the Government has resisted, for reasons that we have heard, the option of depreciating the TT currency and has chosen the route of rationing our foreign exchange in an effort to curb imports while trying to boost exports and urging citizens to curb their appetite for foreign goods and increase consumption of locally produced foods and goods.

This is achieved by Central Bank guidelines to the authorized forex dealers, that is, mainly the commercial banks and the emphasis has been placed on giving priority for sale of forex to manufacturers and importers of food as we have heard from Sen. Deonarine in piloting this Motion.

She also pointed out the seeming absence of any priority for micro, small and medium businesses from these authorized dealers and their questionable practices and criteria for the allocation of foreign exchange to the MSMEs and the debilitating effect it is having on the sustainability of these enterprises and the start-up of new initiatives.

Both Sen. Deonarine and Sen. Lyder referred to the survey done by the Trinidad and Tobago Chamber of Commerce in collaboration with the Trinidad and Tobago coalition of service industries, where this survey revealed that of 204 firms, 83 per cent who were affected by the inability to source foreign exchange to

purchase raw materials and finished goods, where 67 per cent of the firms receive less than 50 per cent of their forex needs.

The Minister of Finance in his contribution emphasized the positive role that the EximBank is playing in providing access to forex through three US dollar foreign exchange facilities that ensures state enterprises, exporters and importers of essential goods are able to access the required foreign exchange vital to their operations. The hon. Minister as well quoted figures extensively in his contribution to justify that a significant number of entities accessing these facilities are, in fact, MSMEs. However, in his contribution Sen. Lyder queried how many MSMEs are really benefiting from this facility at the EximBank. The Minister of Finance emphasized that the focus is on manufacturers who are net earners of foreign exchange and disparaged the young entrepreneurs who may not be significantly export oriented in their business start-ups.

I can well imagine the reaction of these young entrepreneurs in seeing finished goods such as luxury cars, high-end furniture, food and wine, just to name a few, still being readily available from certain seemingly privileged businesses. With the primary emphasis on facilitating exporters, apparently there is little or no consideration being made at the EximBank or the authorized dealers for those engaged in the production of import substitutes or entrepreneurs willing to get into import substitution.

In the case of import substitution manufacturing, Madam President, the focus is on the goods being produced for local consumption and not necessarily for exports. So, why should such entrepreneurs and manufacturers be penalized when it comes to allocation of foreign exchange? For this effectively reduces the dependence on imported finished goods and the resulting demand for foreign exchange. And the guidelines provided by the Central Bank to authorize dealers

and the policy at the EximBank needs to be adjusted for this category of business, import substitutes.

Madam President, in a paper titled “Economic implications of foreign exchange rationing in Ethiopia” by Paul A. Dorosh, Sherman Robinson and Hashim Ahmed of December 2009, certain key implications of foreign exchange rationing were identified in the particular study in that paper. One:

“...there”—were—“substantial adverse efficiency and distributional effects of foreign exchange rationing.”

Two:

“Foreign exchange”—rationing resulted—“in the creation of large”—profits—“that are likely to accrue”—to mainly large businesses and benefits—“non-poor households”—more than the poor.

Three:

“...foreign exchange”—rationing reduced—“economic efficiency so that real incomes from factors of production”—namely—“(land, capital and labor)”—declined—“as”—did—“overall household incomes except”—of course, for—“those who gain large”—benefits.

And four:

“...foreign exchange”—rationing inhibited—“depreciation of the real exchange rate, and thus”—slowed—“or”—prevented—“reversal of the real exchange rate appreciation”—which—“resulted in major price disincentives for exports...”

—and production of import substitutes, the very same thing that the Government through its policy is trying to do by promoting export-oriented foreign exchange allocations.

In addition, foreign exchange rationing has not only resulted in inefficient

patterns of resource use as shown up by that study but it has led to the emergence of parallel markets in goods and foreign currency in many developing countries and Trinidad and Tobago is no exception.

Foreign exchange rationing has created incentives for illegal transactions such as smuggling and fake invoicing, as well as for capital flight and capital inflows via unofficial and illegal channels. In the parallel market that has emerged US \$1 is being purchased for as much as \$8.50 or maybe even more. It is the micro enterprises, small and medium businesses, as well as the public seeking to travel to—who engage in this parallel market since they are severely restricted by the rationing from the commercial banks including reduction of their credit card limits from USD \$12,000 to USD \$10,000 per cycle. Sen. Lyder in his contribution made mention of the risks that owners of MSMEs are forced to take by engaging in this illegal parallel foreign exchange market.

Madam President, undoubtedly there are winners and their losers in foreign exchange rationing and we cannot exclude households from this. Some effects are expected, like lower imports but the overall impact on the poor micro enterprises, small and medium businesses is overall negative. There is an assumption that rationing improves consumption for the poor through a reduction in imported inflation. However, whilst inflation may indeed be lowered, this reduction is negatively offset by job losses and by fewer opportunities for many to earn income, leading to overall consumption—to lower overall consumption on average.

Other than the sale of foreign exchange to commercial banks or authorized dealers by the Central Bank, due to the amendment of the Exchange Control Act in 1993, there is another major actor in the foreign exchange market. And these are the entities that generate their own forex from proceeds of their respective

businesses. And according to that Exchange Control Act that was amended in 1993, these entities are able to hold on to their proceeds for their use or they may choose to sell to an authorized dealer. It has been reported that this foreign exchange savings deposit that is held in commercial banks stand at approximately US \$2 billion. It is not clear whether the Central Bank guidelines to commercial banks for rationing of this foreign exchange still allows for the sale of forex to these depositors who have such substantial US dollar deposits.

It has been articulated by some that this hoarding of foreign exchange is aimed at capitalizing on an anticipated depreciation of the TT dollar. And I am not sure what policies and incentives could be developed by Government to encourage these foreign exchange savings depositors to utilize their considerable accumulated foreign exchange with the objective of bringing more forex onto the market.

Indeed there is no simple solution to this shortage of foreign exchange and the adjustments in relative prices including the real exchange rate and incomes necessary to resort equilibrium and minimize social impact may be so dramatic that they are considered very undesirable, understandably so, or politically infeasible. In common parlance, the Government is caught between a rock and a hard place.

Madam President, in addition some of the findings of the IMF country report 22073, Trinidad and Tobago 2021 Article IV Consultation, some of the findings as are follows. One:

“Given the authorities’ preference for a stable exchange rate, persistent”—foreign exchange—“shortages highlight the need to reform the”—forex—“market infrastructure. While the authorities’ commitment to maintaining a stable peg seems well understood by market participants, the mechanisms to ensure a well-functioning”—forex—“market could be

improved to reduce uncertainty. A proliferation of special-purpose facilities at the EximBank to prioritize”—foreign exchange—“access to manufacturers, importers of necessities—including”—state-owned enterprises—“have produced a hybrid exchange rate system that is prone to inefficiencies.”

Madam President, this is the IMF Country Report 22073 that is saying this. It goes on to say that:

“The authorities...”—are encouraged to—“...regularly review the current system to ensure its appropriateness and recommends modernizing”—forex—“and money markets infrastructures to replace the special purpose windows at the EximBank to reduce those inefficiencies to support the sustainability of the existing arrangement.”

The report also states that:

“...the authorities...”—are encouraged to—“...eliminate exchange restrictions...and multiple currently practices in a planned manner while providing sufficient”—forex—“to meet demand for all current international transactions.”

And:

“Looking to the future, exchange rate flexibility, if properly utilized, would reduce the need for fiscal tightening to achieve external balance and create room for countercyclical monetary policy.”

Madam President, rationing of foreign exchange can, at best, be a short-term measure and the Government may be banking on some resurgence of the energy sector in the near future mainly due to the increased commodity prices and increased production of oil and gas. However, this should not be a prevention for development of a comprehensive medium and long-term plan that considers all

alternative adjustment mechanisms to effectively manage our foreign exchange and prevent continuing decline of our foreign exchange reserves. Madam President, this is in keeping with the resolution called for in this private Motion moved by Sen. Deonarine. Madam President, I thank you.

Hon. Senators: [*Desk thumping*]

Madam President: Sen. Thompson-Ahye.

Hon. Senators: [*Desk thumping*]

Madam President: Sen. Thompson-Ahye.

Sen. Hazel Thompson-Ahye: Thank you very much, Madam President. My first education about finances came from my dad, when at age 18 I got my first job to teach six-year-old children. He said, “I will tell you what my father told me. When you get pay, divide the money in three. The first third is your contribution to the home. The second is to save, so open a bank account. The rest is for you to spend.” I did not think my lesson in economics went much beyond that although I did start an A Level econ course.

So when Sen. Deonarine reached out to me last week to speak on her Motion, I thought, now why would she want me to move out of my comfort zone into what is for me uncharted waters where I would most likely drown in a sea water of ignorance as I demonstrate my financial and fiscal policy illiteracy. But, you know, that was last week and I am a year older this week and hopefully wiser. And I remember some years ago a kind educator saying to me, you know, sometimes you know more than you think you know. So I was seeing through a glass darkly and realization then came that there was a direct link between Sen. Deonarine’s Motion and the topic we are at present discussing in our Joint Select Committee on Finance and Legal Affairs that I chair.

Our current JSC enquiry is into the implementation of a regulatory

framework for the development of financial technology (fintech) and e-payments. Sen. Deonarine's Motion calling for a comprehensive policy framework to guide stakeholders to navigate the tightness in the foreign exchange market to overcome downside risks in the medium and long term involve a number of issues including: treating with new forms of currency, cryptocurrency; treating with new forms of payments such as PayPal; the system for allocation of foreign exchange; our exchange rate policy, and I will link with the national strategy for sustainable development.

New forms of currency. Until last year I had not even heard the term "cryptocurrency". On my way to and from the Commonwealth Law Conference in Nassau, I visited my daughter and she sought to educate me on this cryptocurrency. Last month when the Central Bank Governor appeared before our JSC, I learnt that the eagle of cryptocurrency had already landed in Trinidad and Tobago and was flapping its wings. Cryptocurrency allows you to transfer money to online using your computer. It eliminates the need for bank transfers of money and facilitates your transfer of money at low cost globally and immediately.

Just last week a hotel informed me that they were returning my deposit for me and it would arrive in 10 days. They were not using cryptocurrency. Some countries like Bahamas are way ahead of us in the game. In fact, they already have on their books regulatory legislation. We are now trying to play catch up. The first cryptocurrency, Bitcoin, was launched eight years ago and we are now becoming au courant with its advantages.

New forms of payment, PayPal, et cetera. I must say we are doing much better in this area. The Judiciary, I am happy to say, led the way with CourtPay and may justifiably take a bow with this convenient system of making and obtaining maintenance payment for the care of children. PayPal came to my rescue when I

learnt that in certain jurisdictions would-be participants to a conference I was organizing were not allowed by their governments to make payments to Trinidad and Tobago because we had failed to implement certain international monetary policy requirements and had been blacklisted. Because you know sometimes the Attorney General will come here and talk about the need for certain legislation and we would think that it is just talk to scare us but these things are very real. And it so happened that for that same reason I could not get my international organization to repay money paid by some European participants for a conference I had organized for the Bahamas Bar eight years ago.

System of allocation of foreign exchange. This is an area of grave concern and the implications are wide-reaching and more serious than Government sometime realize. Together with crime and the state of the roads, the allocation of foreign exchange forms a trio of issues which cause the populace to sin their souls cursing the Government in the vilest way on everyday.

The current system of distribution of foreign exchange is perceived as inequitable, grossly unfair, partisan, protective of big business and uncaring of the small and medium-sided businesses. It has caused businesses to close, increase unemployment and fuel the crime not to speak of the inconvenience and unhappiness caused to many. Now, the allocation of foreign exchange must be linked to the attendant consequences in a holistic manner or it is likely to fail.

Driving out from our home yesterday we were taking note of how many single households had four cars in or about their garage. Now, I understand the practicality of members of a household who work in different places being able to move about at their own whims and fancies. While we also appreciate the implications for air pollution and its attendant evil, does that justify the stifling of foreign exchange resulting in the shutdown of the second-hand car sales industry?

Has the inconvenience to would-be car owners been considered? How does this tie in with Government's questionable plan to legalize the PH car industry? Does this mesh with the large amount of high-end vehicles in showrooms and on the roads of Trinidad and Tobago? Why was the second-hand car industry destroyed without a simultaneous initiation of a mass public transport system? How does this transport problem relate to vulnerable females at risk to attack by sexual predators driving private cars? All these issues must be considered in a policy of foreign exchange allocation.

Late Friday night I received a call from my niece. She knew I had returned from Florida a few nights before. She asked, "Auntie, you have any US? Ah going to Miami tomorrow morning and I get only \$300 from the bank". How far can \$300 go when you are off on a vacation to Miami? Is foreign exchange allocated equitably by banks? Nobody believes that. It is difficult to prove though because no one who benefits will talk. That would be akin to shooting oneself in the foot. Is it a matter of whom you know and who know you? The fact is that some banks are more facilitative than others.

I recall when some magistrates and social workers came to do training here. For some reason the cheque for their per diem was made out in my name. My branch said it did not have that amount of currency, US currency, but called the other branches and asked them to facilitate me. I was able to distribute the per diems. After each training day, the participants headed for the mall where some shopped while others sold their US dollars at a profit. I do not know how they knew who they should go to and what was happening and I was living in the country.

[MR. DEPUTY SPEAKER *in the Chair*]

When I complained to the administrator about placing that responsibility on

me, she said, “You should not have gone to that trouble, Hazel, at all. You should have paid them in TT dollars”. Well, you live and learn.

Is the allocation of foreign exchange tied to an unspoken buy-local thrust of the Government? That would be a good idea, you know, in theory. But for any buy-local strategy to work it must be linked to a more active and effective role for the Bureau of Standards. I believe we have some excellent local products. But some are just not yet ready. Let me give you an example. I grew up using Cutex nail polish remover. Some of the older ladies would remember that. Some years ago I could not find any of that product on the shelf. I decided it was time for a change. I put some of the locally-manufactured remover on a piece of cotton wool and I began to rub. It was like “rub ah dub dub”, more than two men needed in the tub. I could swear “ah could hear” in the background, “Yuh wasting yuh time. Yuh wasting yuh time. Doh worry bout me. I am a remover pretender. Ah doh rub off nutting. You would not get anywhere using me today.” I trust the product has since improved because I want to buy local.

In explaining the link between poverty and crime to which I alluded earlier, I can do no better than quote from a 1995 pastoral letter from New Zealand’s Catholic Bishop titled, “Creating New Hearts”, moving from retributive to restorative justice. Forgive me if you have heard me reference this before. But this pastoral letter is among some things that need to be repeated.

“Poverty may provide the environment for some crime...”

The Bishop said:

“...but it should not provide an excuse. Greed and selfishness are also principle causes. We are all called to act responsibly and peacefully towards our neighbour. Violence of any form towards another is a denial of the teachings of Christ, and an affront to the dignity of people.”

And violence here, we talk about structural violence when the poor are squeezed and they are disadvantaged. Researcher MH Brennan found in both Britain and the United States that for every 1 per cent rise in unemployment there was a 4 per cent rise in prison admissions.

Jim Consedine, my father Jim Consedine my first restorative justice trainer in his books *Restorative Justice: Healing the Effects of Crime* and *Poison in the Blood Stream* published in 1995 and 1990 respectively states: A clear corollary follows.

A government that stands back and allows market forces to determine unemployment levels becomes a co-respondent in the increase in crime that results, there is a clear link between Government policy on unemployment that is allowing market forces to prevail and rising crime rates, one flows from the other. All things are interconnected.

4.00 p.m.

Next, Exchange Rate Policy: The exchange rate affects how we do business with other countries. It determines how much we pay for the other countries' goods and services. If our exchange rate is high as against another country's currency rate, we will be able to buy more of their goods and services. But if it is lower—and also like buying clothes and travelling, you know, some of us like to do. If it is lower, their goods will be more expensive. It is because of the potential impact on purchasing power that the Government has been resisting advice to devalue our dollar. Keeping the dollar value at the current rate can increase our capacity to export and grow the economy. It is not an easy decision for Government to make. Government may also decide to give subsidies to encourage businesses to stay here.

Over the years I have been invited by the OECS, Judicial and Legal Service

Commission and UNICEF or the Eastern Caribbean Supreme Court to conduct training or deliver a lecture on some aspect of child rights. Before leaving Trinidad I would go to the bank to get some Eastern Caribbean currency. When I was given the rate I would wonder, “Why is their currency higher than ours”? Is our economy not better than theirs? The same thought crosses my mind when I go to Barbados, does our exchange rate, I ask myself, actually reflect the strength of our currency? When it comes to Guyana and Jamaica that is another matter entirely.

I recall being given an envelope with thousands of Guyanese bank notes after I conducted a programme in Guyana. When the judges and the lawyers, who were my former students, saw the expression on my face they laughed and they said, “Doh worry, Ms. Ahye, we will take you to the bank to have it changed to US”. And so they did, and there was absolutely no hassle whatsoever. In the Bahamas you could walk into a hotel and say I want to change my Bahamas dollars and get US. It is not a problem, and it is freely changed. I find it difficult when I am in Jamaica though, and I am told that the price of various commodities or services and have to do the conversion. The figure is so large. Mathematics was never my best subject in school. I much preferred Latin.

The International Growth Centre, IGC, in a publication of a paper by Keith Jefferis, titled, “Exchange Rate Policy and Monetary Policy Implementation” delivered in Kigali, Rwanda, at an International Conference on Monetary Policy Frameworks in Developing Countries: Practices and Challenges, states:

“The choice of a monetary and exchange rate policy framework is one of the most crucial decisions that economic policymakers (and ultimately politicians in many cases) are called upon to make.”

He continues:

“The choice is far-reaching, for several reasons. First, the policy framework

has widespread implications for all economic agents. Second, it affects key macroeconomic outcomes (inflation competitiveness, responsiveness to economic shocks). Third, policy frameworks only rarely undergo fundamental change — although they may evolve. And fourth, different frameworks have different institutional requirements — for instance, the demands placed on central banks.”

Perhaps the Government can inform us which, if any of these issues provide a barrier towards the implementation of the framework policy for which Sen. Deonarine advocates.

Linkage with national strategy for sustainable development. Sustainable development can be impacted in various ways and monetary policies may have to be fashioned to deal with specific issues. The effects of climate change can wreak havoc on an economy and force changes of policy as supplies diminish or disappear entirely. Unemployment may soar and labour market affected when a population is dramatically affected by natural disasters, or its mineral base is eroded. Sustainable development involves the economic, social and environmental, all of which affect the quality of our lives and even our very existence. It is an issue on which we should bring our collective wisdom to bear in arriving at solutions. So, let us come together, instead of blaming and bad talking one another or successive governments blaming previous governments. As we celebrate Kitchener’s centennial year, let us remember the words that he sang:

“Sit down on river stone and talking the river bad
is a thing we...”—does do—“...here in Trinidad
cause you go run yuh mouth
but just as yuh wink, the river go come down
and you go get nough water to drink.”

I thank you, Mr. Vice-President.

Hon. Senators: [*Desk thumping*]

Mr. Vice-President: Minister in the Ministry of Finance.

Hon. Senators: [*Desk thumping*]

The Minister in the Ministry of Finance (Hon. Brian Manning): Thank you, Mr. Vice-President. Also I would like to thank Sen. Deonarine for moving this Motion on this very important issue. I simply have one challenge with the wording that was used here, and let me say this into record:

“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 MSMEs, 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.”

Mr. Vice-President, I would like to say that the Government of Trinidad and Tobago and the Ministry of Finance has been diligently working on improving the supply of foreign exchange in Trinidad and Tobago, and also reducing the demand for foreign exchange in less productive economic activities. And we are more than willing to issue a statement on exactly how Government has been doing that, and what we intend to do to improve the availability of foreign exchange going forward. I hope this would meet with Sen. Deonarine’s satisfaction.

Mr. Vice-President, to begin, we must first understand just how exchange rate are determined. As several speakers have said earlier, exchange rates are a product of supply, demand and interest rates. In Trinidad and Tobago too many of our business class, too much of our business class is dependent on the buy and sell dynamic. We have to become better at producing goods and services for exports.

After the energy sector, the manufacturing sector is the largest earner of foreign exchange in Trinidad and Tobago. That is why this sector receives preferential treatment along with any other net earner of foreign exchange. Several speakers earlier, I believe Sen. John had mentioned the challenges that many of the SMEs have been having in terms of accessing foreign exchange. Later on I will speak about the work being done at the EximBank and exactly how this sector has been able to access foreign exchange, especially if they are a net earner of foreign exchange.

Mr. Vice-President, the issue is a simple one. Today in Trinidad and Tobago the demand for foreign exchange outstrips the supply. It is really that simple. This is a situation that should be brought to equilibrium over time, and that is why you have heard so many speakers and other persons speak about a devaluation. What a devaluation does is that it increases the cost of foreign exchange. And, of course, that will reduce the demand for foreign exchange, to bring that excess demand in line with the lower supply. And that is why so many persons have spoken about it in this Chamber and out. The Government of Trinidad and Tobago has been working diligently to avoid a devaluation. Why? Because, unfortunately we live in a society that is heavy on importation, and, of course, a devaluation will cause an increase in those costs across the board, and that would, of course, include food, education and medicine. So what we would like to do is to really target some of the, I would say, less productive sectors of our economy in terms of reducing the demand for foreign exchange in those areas.

If you have been looking on you would see that the Ministry of Finance had added VAT to luxury food items to reduce the demand for those imported goods, while at the same time reducing the duties and VAT on basic food items. That is one way in which we can alleviate some of the strain on those who are more

economically challenged in our society without increasing the price of everything across the board. It is challenging work, but it is a task that we have undertaken at the Ministry of Finance. Generally, due to the cyclical nature of inflows of forex into the domestic market, demand often exceeds supply of forex, and the Central Bank in its role to maintain order and stability in the domestic foreign exchange market routinely sells forex to the authorized dealers in the market to meet excess demand and contribute to covering the net sales gap, which is another measure, another issue that I would like to remind the public of Trinidad and Tobago, that our banking system and the supply of forex is managed by the Central Bank, not by the Ministry of Finance.

The main sources of domestic foreign exchange are export earnings from the energy sector and from the manufacturing sector, which are subject to the vagaries of global energy markets as well as foreign currencies received through taxes, royalties and loans. These amounts are converted by the Central Bank and form part of the country's foreign exchange reserves. And earlier Sen. Richards asked some very specific questions about the availability or exactly the level of authorized—level of purchases from the authorized dealers from the public. And I have some numbers here to share with him and the general public.

When it comes to foreign exchange contributions from the energy and non-energy sector for the period January 01, 2015 to March 11, 2022, the numbers are as follows: For 2015 authorized dealers total purchase from the public came up to \$4.9 billion; in 2016 we saw \$4.3 billion; in 2017 we saw a dip to \$3.6 billion; in 2018 an uptick to \$4.1 billion; 2019, \$4.2; of course in 2020 with the advent of the COVID virus we saw this fall to \$3.3 billion; and in 2021 an uptick to \$4.1 billion. Growth official reserves at the end of 2021 amounted to approximately \$6.9 billion, the equivalent to 8.4 months of import cover. As at March 11, 2022, gross

official reserve stood at \$6.7 billion or 8.1 months of import cover. Additionally, withdrawals from the Heritage and Stabilisation Fund also contribute to the country's foreign exchange reserves. Over the fiscal period 2016 to 2021 withdrawals from the HSF totalled US \$2.5 billion.

Over the period fiscal year 2015 to fiscal year 2022, the inflow of foreign currencies through central government external financing was as follows: We had foreign exchange from the energy sector, sorry. The main sources of foreign exchange in the domestic market are export earnings from energy sector companies. In 2015 the energy sector companies contributed 68 per cent of the forex in the domestic foreign exchange market. Over the period 2016 to 2019 the contribution of energy sector companies to the domestic foreign exchange market was slightly lower, ranging from 60 per cent to 63 per cent. This contribution again fell in 2020 to 57 per cent due to the decline in energy prices and production which are some of the adverse effects of the COVID-19 pandemic. However, for the period January 01 to March 11, 2022, the energy sector companies contributed 71 per cent of the forex in the domestic foreign exchange market, following a 72 per cent contribution in 2021.

So, Mr. Vice-President, you see exactly how demand has fallen over the years—sorry, how supply has fallen over the years, and exactly what is being done to improve supply. Our main supplier, as several speakers have said before, our foreign exchange comes from the energy sector, and we have been focusing, working diligently and improving returns from that sector. Similarly, taxes comprising Petroleum Profits Tax or PPT; Supplemental Petroleum Tax or SPT; Unemployment Levy, the UEL; and the Green Fund Levy, GFL paid by foreign energy companies mostly in foreign currency decreased from 2015 to 2020. Falling from approximately US \$199 million to US \$59 million, as a result of an 18.5 per

cent decrease in the weighted average price of crude oil in calendar year 2016. There was a drop in tax revenue to \$35.7 million in 2016. However, due in part to a 27.3 increase in the weighted average price of crude oil in calendar year 2017, revenue from the foreign energy companies recovered strongly to US \$114.9 million, and then to US \$143.3 million, at \$148.2 million in 2018 and 2019, respectively.

Subsequent to the fall in energy tax revenue in calendar year 2020, on account of the 34.5 per cent decline in the weighted average price of crude oil, taxes paid by foreign energy companies rose sharply to \$157.6 million in calendar year 2021. As the weighted average price of crude oil was notably 59.6 per cent higher than the previous year. Furthermore, there has been a decrease in total financial obligations and profit share payments from energy companies from US \$523.9 million in 2015 to US \$253.4 million in 2020, representing a 51.6 per cent decline for the period January to September 2021. Financial obligations and profit share payments from production sharing companies, PSC's, totalled \$216.5 million, while financial obligations from exploration and production companies totalled \$2.2 million US, from January to June 2021 period. This decreased contribution by the energy sector has been partly viewed to sustain and depress global energy prices over the period 2015 to 2020.

Given this country's share of global oil production, Trinidad and Tobago has been and continues to be a price taker, and is therefore vulnerable to the effects of price volatility in the global markets. Most recently was the collapse in the oil and gas prices in the first few months of 2020. Due to the price war which occurred between major global oil producers, Saudi Arabia and Russia, and exacerbated by the supply glut precipitated by the COVID-19 global pandemic, the fall in prices in 2020 coupled with continued decline in production from our ageing reservoirs and

delayed projects due to COVID-19, has exacerbated the country's challenges in generating foreign exchange in particular, and a sustainable revenue stream in general.

How are we addressing the foreign exchange shortage? We have had intervention by the Central Bank. In an effort to address the liquidity concerns facing the domestic foreign exchange market, the Central Bank of Trinidad and Tobago intervenes in the market in a regular fortnightly basis by selling forex to authorized dealers in order to meet their customers' excess demand. In order to improve the effectiveness, appropriate sizing and timing of its market intervention programme, the CBTT has and continues to hold more regular communication with the authorized dealers to gain a better understanding of the emerging developments in the foreign exchange market. And let me mention here for Sen. Richards' purposes exactly what some of those numbers look like: In 2015 Central Bank intervention was US \$2.6 billion; in 2016, US \$1.8 billion; 2017, \$1.8 billion; 2018, \$1.5 billion; 2019, we have \$1.5 billion; 2020, \$1.3 billion; and in 2021, \$1.2 billion. So, we have been working in terms trying to shore up a level of supply in terms of foreign exchange to meet the demand that is taking place for foreign exchange in Trinidad and Tobago, especially when it comes to financing productive activities within our economy.

Intervention by the Government of Trinidad and Tobago: The Government has provided a US dollar foreign exchange facility for the public sector since 2017. This ensures that state enterprises and other businesses are able to access the required foreign exchange essential to continue their operations, and also includes the foreign exchange facility established with the Export/Import Bank of Trinidad and Tobago or the EximBank. Capitalization of this facility grew from US \$209 million in 2017 to \$709 million in 2021. As at March 11, 2022, the facility was

capitalized at US \$174.3 million. Provisions for the non-energy sector and MSMEs: This should speak to the issue brought up earlier by Sen. John, and I hope it is helpful to all that are listening. In 2018 the Government established a foreign exchange facility with the EximBank. The Central Bank of Trinidad and Tobago has requested to license the EximBank as a dealer in foreign exchange, and give the EximBank the responsibility to allocate foreign exchange to exporters. This facility was capitalized at US \$100 million, and was established to fund the operations and import requirements of our local manufacturers and exporters. The facility was fully disbursed and allocated to approximately 100 manufacturers by December 2020. In December 2020, Government approved the continuation of the facility to enable allocation to local manufacturers and exporters during 2021 in the sum of US \$100 million.

In August 2021, Cabinet approved an additional increase by US \$150 million to a new ceiling of US \$350 million. And as at February 28, 2022, the EximBank has accessed a cumulative total of US \$265 million, providing foreign exchange to 122 manufacturers, the majority of which are small and medium enterprises. Some key highlights of the programme are as follows: EximBank's both forex facilities have supported companies with total export sales of TT \$2.1 billion for the period January 2021 to February 2022; export sales from the same cohort of manufacturers increased by TT \$371.4 million or 29 per cent from 2020 to 2021, and 17 sectors have accessed forex with the largest sectors being food and beverage, building and construction materials, and packaging and plastics. The Trinidad and Tobago Manufacturers Association has also stated that this manufacturing forex facility provided to the EximBank has enabled its members to:

- Focus on export growth strategies with confidence;
- improve supply chain management and repair supplier credit relationships;
- reduce manufacturing downtime due to improved inventory stock levels;
- expand inventory options enabling global competitiveness;
- provide support to maintain employment levels;
- ensure the stability of the domestic supply of goods; and
- invest in new technologies and equipment.

In addition, approximately 82 per cent of the 181 unique companies served via all EximBank's forex programmes, fall into the MSME category which is the micro, small, medium enterprise category, Mr. Vice-President. Funds to February 28, 2022, have been provided as follows: In the small category we had \$172 million; in the medium category, \$136 million; and in large, \$293.6 million. For, again a total of \$601,713,299. The EximBank continues to work closely with the TTMA to deliver on the Government's policy objective to prioritize forex to manufacturers. To align with the Government and TTMA strategy to double manufacturing exports by 2025, the forex facility now termed Forex 3.0, has iteratively been provided as follows:

1. increased access now open to all manufacturers;
2. increased allocations;
3. ease of doing business via reduced requirements and streamlined process.

Export data now obtained directly from the Ministry of Trade and Industry. The facility has now been expanded to allow easier access to sole traders, partnerships

and small joint ventures involved in manufacturing and export. A framework is now being put in place to facilitate this. To add, in April 2020, Cabinet agreed to the introduction of a USD forex facility to the EximBank to facilitate allocation to eligible local importers and manufacturers for the purchase of food, pharmaceuticals and other related essential items in response to the COVID-19 pandemic. Due to the ongoing situation with the pandemic the facility has been extended semi-annually and the ceiling increased. In August 2021, Cabinet approved an increase in the ceiling of this facility at the EximBank by US \$130 million, to a new ceiling of US \$430 million. As at February 28, 2022, the EximBank has accessed a cumulative total of US \$340 million from the COVID facility.

Mr. Vice-President, other measures being implemented—being used by the Government of Trinidad and Tobago. In the energy sector: The Ministry of Energy and Energy Industries has been collaborating with energy companies to facilitate investment in the local energy sector. This has included the Ministry of Energy and Energy Industries working alongside major upstream energy companies with the aim of increasing crude oil and natural gas production through the facilitation of projects which would directly impact on the country's level of exports, government revenue and thereby the availability of foreign exchange.

The medium term outlook for crude oil and condensate production is positive, with production anticipated to increase from the current levels of around 60,000 barrels of oil per day to approximately 92,000 barrels per day by 2025. Based on planned development natural gas production is also anticipated to rise from an estimated 2.6 billion standard cubic feet per day in 2021 to 3.7 billion cubic feet per day in 2025. The increased availability of natural gas will have a positive impact on the production and export of both liquefied natural gas and

petrochemicals. Given that the processing capacity exists and the market conditions are favourable, an increase in the country's foreign exchange earnings potentially is expected.

In the non-energy sector, the Government has taken and will continue to pursue measures that will increase the inflow of foreign exchange in this country. This includes but not limited to the following: The establishment of the Trinidad and Tobago Trade Policy. This articulates as one of its primary objectives, increasing the value and volume of non-energy exports of goods and services during the next five years.

The Export Booster Initiative: The Ministry of Trade and Industry in collaboration with the National Export Facilitation Organization of Trinidad and Tobago, and the Trinidad and Tobago Manufacturers Association also developed the Export Booster Initiative to effect the development and growth of the manufacturing sector. The EBI is made up of 16 initiatives under three broad strategic areas, namely: export promotion, acceleration, internalization, capacity building and institutional strengthening.

4.30 p.m.

We also have the National Export Strategy. The Government of Trinidad and Tobago is currently in the process of developing a national export strategy which will serve as a road map to guide the country's efforts at export diversification by improving the trading environment of non-energy and services exporters.

Trade missions: During the period January to September 2020, Trinidad and Tobago's manufacturers were able to break further ground in key export markets of interest, including Panama, Costa Rica and Cuba. This was as a result of the connections and relationships forged between businesses and governments from

trade missions and the assistance provided by the MTI and exporTT, in particular in market intelligence and capacity building.

I move on to the Trade Facilitation Office. Trinidad and Tobago currently experiences tremendous success from its Trade Facilitation Office in Cuba as Trinidad and Tobago continues to see a constant increase in exports. To date, several products in the food and beverage sector, glass bottles, paper, paints, cosmetics and the chemical sector now have an established presence in Cuba. This is the result of having trade experts on the ground—

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

Hon. B. Manning: Thank you—that understand the culture and market and are able to engage in effective dialogue with key stakeholders.

We also have boosting production capacity through economic spaces; more efficient business environment to facilitate border trade and the role, of course, of exporTT. ExporTT provides a comprehensive range of services to exporters, focused on increasing non-energy exports and to export-oriented businesses seeking to build their international competitiveness. The agency plays a pivotal role in building capacity and ensuring that international standards are met, thereby facilitating access to foreign markets.

Mr. Vice-President, unfortunately, there are too many people in the business community who do not see the changing tide that is sweeping our planet. All over the world we are witnessing what is being called the death of retail. Businesses engaged in the simple buy and sell proposition are going out of business at a record rate. Why would some believe that Trinidad and Tobago would be somehow unaffected by this?

In Trinidad and Tobago, the largest consumers of foreign exchange are imported food and imported motor vehicles. I believe I saw a statistic recently

where the Ministry of Works and Transport said that there are over one million registered vehicles on the roads of Trinidad and Tobago. That is a huge consumer of foreign exchange. Government has increased the cost of imported luxury food items with the addition of VAT while promoting a well-received home farming initiative. We have also increased duties on imported motor vehicles and restricted the importation of older used vehicles. According to the Ministry of Works and Transport, as I said earlier, we have just over one million registered vehicles on the roads in Trinidad and Tobago.

So, Mr. Vice-President, the Government of Trinidad and Tobago is doing all that we can to bring the demand for foreign exchange down, in line with the reduced supply. Sen. Deonarine and others must realize that the world economy is changing and those that are unwilling to adapt to that inevitable change will be left behind. The world is moving from atoms to bits, from an industrial age to a digital age which promises to touch all our lives. Currently, we have a free market foreign exchange system which prefers the producers of foreign exchange over the net consumers of foreign exchange. And that will not change any time soon.

So, Mr. Vice-President, to ensure that foreign exchange is available for imported activities, such as medicine, education and basic food items, if it means that less would be available for other less productive activities. Mr. Vice-President, we say no uncertain terms that our country needs entrepreneurs and SMEs that are focused on exports and not just imports. Thank you, Mr. Vice-President.

Hon. Senators: [*Desk thumping*]

Mr. Vice-President: Sen. Roberts.

Hon. Senators: [*Desk thumping*]

Sen. Anil Roberts: Thank you, Mr. Vice-President. As I listened to the hon. Minister in the Ministry of Finance, I had to remind myself that we operate in a

Westminster system and he is part of a government who won an election and who was asked to form the government, a first-past-the-post system that gives total control to the winner. They get to select a Prime Minister, Ministers, Cabinet, they control every resource in Trinidad and Tobago. And here I listened to a Minister in the Ministry of Finance who is stating and blaming business people who buy and sell, but takes no responsibility whatsoever for a shortage, a lack of supply in foreign exchange.

The job of the Government of Trinidad and Tobago who controls all the assets and the resources of a brilliant people, the people of Trinidad and Tobago; all the sun; the sand; the abilities to earn revenue; the creative culture; the sport; the sport tourism; the music; the entities; the environment, the government controls all of this. They are the Cabinet and yet they come here to say, "There is a shortage of foreign exchange but we have no responsibility." It is those who are buying and selling in these types of businesses who are causing this and that is causing the country to fail. I say shame on you, the Government of Trinidad and Tobago, for not understanding your role. The fact that we have to ration foreign exchange, the fact that we are discussing facilities at the EximBank and whether 82 per cent went to micro-enterprises or whether it was really 28 per cent, the fact that there is a shortage is the fault of the Government of the Republic of Trinidad and Tobago.

Hon. Senators: [*Desk thumping*]

Sen. A. Roberts: The mismanagement, the poor policies, the decisions that you have taken have left us in this position, so we must start there. And once we start there, we can understand where we are and where we are going and why so many businesses and so many people are suffering under this critical foreign exchange crunch.

The hon. Minister in the Ministry of Finance said that we in Trinidad and

Tobago we need to export, we need to stop the buy and sell mentality, yet as I look across there, he is a Member of the People's National Movement Government who shut down Petrotrin, the refinery that was producing products, diversifying energy sector products and exporting products to the world for decades. And he transformed, the PNM Government transformed us into a buy and sell. We now have to buy fuel to sell to our people. We have to suffer our people because we do not make or produce any products because the refinery has been closed for three years and seven months.

So, hon. Minister, I hope that you look at your Cabinet colleagues and you berate them, as you say that we should not be moving away from production and productive capacity into buy and sell. I am certain that those companies, the 11 companies that shut down over the last three and a half years at Point Lisas, they were attempting to produce products downstream for export which would have brought about generous supplies of foreign exchange. But these 11 companies and the companies at Point Lisas, and Point Lisas that is now operating at 24 per cent capacity, do so because the PNM Government, with the PNM Prime Minister, with the then PNM Minister in the Office of the Prime Minister, went to Houston in 2017, negotiated a gas price on behalf of NGC with the upstreamers and since then the upstreamers have been boasting of 67 per cent increase in their profit margin. The problem for the rest of the country is that when the upstreamers boast of increased profits, someone else has to suffer because it is a zero-sum game. Unfortunately, the people, the coffers, the supply of foreign exchange of the Republic of Trinidad and Tobago was forced to suffer because of the poor negotiating skills of the Government in charge now.

So, to come here and try to blame small and microenterprises and businesses who are trying to make and turn a profit, when you are the Government, you tell us

that at every opportunity, you shout it upstairs and downstairs, and now when it is time to take responsibility, you try to pass the buck. The hon. Minister in the Ministry of Finance said that the demand outstrips supply. That is as simple as it is. Well, yes, it is simple, but who is in charge of creating the supply? Who is in charge of encouraging supply? Who is in charge of bringing US into the country and foreign exchange? It is you, hon. Minister, you are in charge. So, if the supply is short, it means that your policies have fallen short.

It was very interesting to note—I am happy to be here to listen to the hon. Minister in the Ministry of Finance. It was quite shocking what he just said. The hon. Minister just alerted this entire country to the sad realization that we are only producing 16,000 barrels of oil per day. He just stated that. And I had to take a deep breath. That is the lowest production of oil in the history of our country; 16,000 barrels a day. But the hon. Minister hopes that by 2025, it will increase to 92,000 barrels a day. Well, that is very interesting because under the United National Congress and the then Minister of Energy, the hon. Kevin Ramnarine, in 2014, Trinidad and Tobago was producing 92,000 barrels of oil per day.

Hon. Senators: [*Desk thumping*]

Sen. A. Roberts: So, the PNM has been in power for seven years. They require another three years to return to the UNC levels of oil production. I do not think you all should be proud about that.

The Minister of Public Administration stated that US \$125 million was spent or needed for French fries. Well, now I understand why this PNM Government made US 100 million available to food importers through the EximBank. This is truly a road map to recovery for KFC. Why are we here? The Government must ration because the Government has failed to produce foreign exchange, end of story.

Trinidad and Tobago is suffering from “double Dutch disease”. I believe that I have coined that phrase. If anyone else had said it before, I give them credit, but I have neither heard it nor read it anywhere. We may know about Dutch disease, for those of you who may not have heard the term before, Dutch disease is simply when you get or you have or you are blessed with resources like Trinidad and Tobago and you get an easy income from oil and gas, for example, that is there simply because God blessed our nation, that that largesse and that money that comes in causes you to get lackadaisical, causes you to relax and know that money is always available. And therefore, you do not focus on developing your other assets. You do not focus on diversification. You do not focus on developing different revenue streams.

Trinidad and Tobago has long suffered from Dutch disease but under this PNM Government, for the last six and three-quarter years, we are now suffering from “double Dutch disease”. Because even the money that was so-called easy for decades under different administrations, including former PNM administrations, we now cannot collect because of the policies; the closure of the energy industry; the poor negotiations; the losses being made at NGC; the collapse of Point Lisas; the lack of effort and diversification in the agricultural sector; the movement away from sugar in 2004 and now the policy of this PNM and their Prime Minister that agriculture has no place because we do not have enough land space in order to produce enough to compete.

This has led us to a position that we are now pariahs on the global stage, where we were once proud producers of products across the board. We could hold our heads high and show off when we walk in Europe and we go to sporting events, we can wear our colours proudly because we would have provided the world with products made in Trinidad and Tobago. Now, unfortunately, due to the

policies of this PNM, we are buy and sell.

So, the very Government, the very Minister in the Ministry of Finance who has turned us into buy and sell comes to complain about the citizens being buy and sell. Those who do not know the history are doomed to repeat it. What we are experiencing now, in terms of our Dutch diseased economy, economic contraction and foreign exchange crunch is the result of once more a total and complete lack of PNM planning, a total and complete lack of foresight, and a total and complete inability to consider anything beyond the short-sighted depletion of the Treasury for personal gain. Time and time again, the PNM's total incompetence in the fiscal and economic planning and foresight has landed this country into long, hard guava seasons, time and time again, something that a nation as resource-rich as ours should never ever experience.

Allow me to take us back some 40 years ago when the country was going through, curiously, similar conditions, the results of, curiously, similar chain of events. Allow me to quote from an article written by Dr. D. Conrad and J. Jagessar and published in 2018, titled:

“Real Exchange Rate Misalignment and Economic Growth...”

And I quote:

“During the period 1974 and 1982...”

For those of you who are younger than me, that was PNM Government in charge. They went through an unfettered 30 years from 1956 to 1986. So, this 1974 period to 1982 spans only the PNM.

Trinidad and Tobago—“...benefitted immensely from positive oil shocks which led to economic boom conditions in Trinidad and Tobago. Real GDP growth for the period averaged 4.60 percent whilst foreign exchange reserves climbed from 768.3 million TT\$ in 1974 to 7.16”—buh-buh—

“billion TT\$ in 1982...”—a dramatic increase—“peaking....in 1981...”—just before the death of the first Prime Minister of the PNM and Trinidad and Tobago, Dr. Eric Williams, 1981—“...7.69 billion...”

Along with this, government expenditures rose sharply and there was a commensurate fall in unemployment.”

So, things were looking good, because oil and gas was available. Trinidad and Tobago was becoming a world player. Our per capita income was rising and we were among once some of the highest in the world because of our small population with vast resources.

“The unprecedented boom was followed by an adverse movement in the country’s terms of trade which was precipitated by falling oil prices from a peak of US\$39.60 per barrel in 1981 to less than US\$15 in 1986. This led to declining government revenues and mounting fiscal deficits which grew from 1.4 percent to 13.1 percent of GDP in 1983.”

So, what we saw again, as we are seeing now, was the then PNM Government over-dependent on oil and gas, only being able to make money when the global prices were up and the country would suffer when the global prices went down. We were price-takers then and 40 years later now, under another PNM regime, we are price-takers once again—

Hon. Senators: [*Desk thumping*]

Sen. A. Roberts:—as stated by the hon. Minister in the Ministry of Finance.

So, all of this PNM Government for 54 years, we have been unable to change ourselves from price-takers to price-makers, to producers and to exporters, and the PNM comes here today to blame the small man. The Government, which was the PNM Government of the Republic of Trinidad and Tobago, their policy then was to control imports. As we just heard, the hon. Minister in the Ministry of

Finance stated at the end of his contribution that the Government—this PNM Government’s proposal and policy is to control imports, especially of cars, of luxury items and luxury foods. So, we are hearing 40 years later, the same old PNM.

“...rather than devalue the local currency...”

And it must be noted here that, no, I listened to all the debates of all the Senators previously and I did not hear any Senator talk about the willingness or desire to devalue the currency, so I was not sure where the hon. Minister was going with that.

“Consequently...”—back then—“there was a system of ex ante Central Bank controls over imports and the implementation of a wide array of tariffs, taxes, and subsidies.”

Does this sound like it is right now? Does it sound like we are in a time warp? There were no incentives back then for diversification; no incentives to develop an alternative supply or revenue streams; no buy local; no increase in agro-processing and agricultural land; no diversification in tourism; sport tourism into manufacturing; no incentives for our people 40 years ago to diversify, and now the people get blamed but not the PNM.

“In 1986, when international oil prices fell to less than US\$15 per barrel, Trinidad and Tobago experienced a precipitous fall in foreign exchange reserves.”

As is occurring now because we are price-takers under the PNM and we still are price-takers.

“Reserves fell to the equivalent of less than two months of import cover.”

This sound similar because when Kamla Persad-Bissessar and the United National Congress left office in 2015, there was US \$12.26 “buh-buh” billion in reserves, 14

and a half months of import cover. And as we speak here now, under the People's National Movement, we are down to seven and a half months of import cover, heading to that figure, that world record figure of two months import cover back in 1986, after 30 unfettered years of PNM mismanagement.

“...when international oil prices fell...Trinidad and Tobago experienced a precipitous fall...

Reserves fell to the equivalent of less than two months...

Between 1982 and 1987, earnings from the petroleum sector fell by almost 50 percent...”

We are seeing that today, not only in the oil and the lack of the refinery, but unfortunately we are a gas economy and our gas production is low, our gas margins are low. And in a global climate where global prices are rising, for the first time in our history, we are fearful of rising oil price, rising fuel price, because we are now in “double Dutch disease” as the refinery remains closed.

We also see almost a carbon copy PNM policy in the period 2016 to 2022 that has landed us to where we are now. I now read from the Central Bank of Trinidad and Tobago 2016 Annual Economic Survey, printed in 2017:

“The Trinidad and Tobago economy continued to contract in 2016, adversely...”

This is all before COVID, because I hear COVID, COVID, COVID, you would believe that COVID began in September 2015.

“The Trinidad and Tobago economy...”—contracted and this was—
“adversely impacted by a combination of domestic and external factors.”

If you listen to Government Members here, you would believe that it is simply global shocks and external factors and war in Ukraine, and between Ukraine and Russia, that impacts Trinidad and Tobago. And the Government, their policies,

their domestic policies and what they have failed to implement has no impact whatsoever. But anyone who understands knows that the combination of failed domestic policy and global shocks is bringing pain to each and every citizen across Trinidad and Tobago, exacerbated by the lack of foreign exchange, that lifeblood of business, of job creation and of putting food on the table.

“In 2016 the local economy was largely set back by declines in energy sector...

Production indicators monitored by the Central Bank indicate that all sub-sectors of non-energy activity...declined.”

What does that mean? That the PNM Government failed to diversify. All other sectors declined.

“The lacklustre economic performance...”—the Central Bank continued—
“of the local economy also had knock-on effects on the labour market. Latest available data from the CSO”—at that time—“indicated that the unemployment rate increased to 4.1 per cent in the third quarter”—as—
“compared to 3.4 per cent...”

And this was before the influx of illegal immigrants, as Maduro was just becoming a dictator in Venezuela and the economy of Venezuela was to crash one year later. This was all long before COVID.

“The fiscal deficit increased in fiscal year 2015/16 largely as a result of lower energy revenues. Estimates from the Ministry of Finance indicate that the deficit was \$7.3 billion (5.0 per cent of GDP).”

This is 2016. No COVID, no pandemic, no lock down, shut down, no “bruk” down, no state of emergency; failed policies creating misery for the people and ensuring that the supply of foreign exchange would begin to diminish and create a situation where businesses would be forced to shut down.

“Additionally, the country’s international investment position deteriorated on account of noticeable declines in direct investments.

In light of the country’s lower earnings of foreign exchange because of the low energy commodity prices, foreign exchange purchases from the public by authorized dealers declined”—even back then by—“13.2 per cent from 2015 levels. Central Bank sales to authorized dealers also declined 31.4 per cent in 2016.”

This is an indicator of an economy shutting down, slowing down; job losses; a government that was lacking in the ability to generate income, to diversify. All of this here in the Central Bank report.

Fast forward to 2019, reading again—and 2019, please, is before COVID. From Central Bank Economic Bulletin of 2020—let us note here that the Central Bank Governor is not the neighbor and investment partner of Kamla Persad-Bissessar. So, let us read the report from the Central Bank:

“Preliminary data for the first two months of FY2019/20 show that the Central Government incurred a deficit of \$2.6 billion compared to \$1.4 billion...”—in the corresponding period one year earlier—“The...deficit was primarily on account of lower revenue which outpaced the decline in expenditure.”

“Revenue collections fell by \$1.4 billion to reach \$4.0 billion at the end of November 2019. Lower earnings was reflective of a simultaneous fall-off in both energy and non-energy receipts.”

[MADAM PRESIDENT *in the Chair*]

What does that mean? The entire economy, before COVID, was shattered. Even the jewel of the energy sector, that required just autopilot and maintenance, was crumbling under the decisions of the PNM Government to shut down

Petrotrin; to shut down the refinery; to put 5,364 permanent workers, permanently out of a job; to remove 6,100 temporary workers; to put pressure on the fence line communities, businesses across the board. This was showing before COVID.

“As a result, heavy reliance has been placed on both domestic and external borrowings...”

So, the Government was unable to create different revenue streams. The energy sector was collapsing, not booming. And the non-energy sector was not showing growth, it was shrinking. So, what did the PNM say that they would do? They needed money so, borrow to spend. They placed:

“...heavy reliance...on both domestic and external borrowings, leading to a sharp increase in public sector debt.”

5.00 p.m.

“At the end of September 2019”—before COVID—“the public sector debt outstanding stood at 63.2 per cent of GDP compared with 47.1 per cent of GDP at the end of September 2015...”

And the increase of some 16 per cent as the PNM borrowed—

Madam President: Sen. Roberts, you have five more minutes.

Sen. A. Roberts: Ooh, thank you, Madam President. Let me just move on. The “double Dutch disease”, the perpetuation of the reliance on oil and gas continues under this PNM. No ingenuity, no creativity, no understanding and respect of the different resources that we have. For foreign exchange earnings, zero diversification of the economy, heavy import bill and it has landed us where we are now. The depletion of the Heritage and Stabilisation Fund as opposed to the enhanced contributions leave the economy vulnerable.

Fast forward. I heard and I read the hon. Minister of Trade and Industry spoke about a 100 million US injection for importation of basic food items,

pharmaceuticals and essential items printed in the *Newsday*, Monday 1st April, 2022, and a second injection of a 100 million US to the EximBank to facilitate local manufacturing and exporters. What I asked the hon. Minister if she ever speaks again or talks to some other colleagues: What was the shortfall? So it is very interesting that you tell us that you injected a 100 million or 200 million and for specific uses but what was the shortfall? What was necessary? How many millions did we need? Because if my six-month-old baby requires 40 ounces of Enfamil milk per day and I am only able to give the baby 20 ounces of milk per day, eventually due to that deficit in calories, my baby is going to get sick and eventually die. So just giving us these big numbers without us knowing what is required, what is the norm, what was needed is really giving us just numbers to hold.

In the *Guardian*, February 3rd, the Chamber of Industry of Commerce survey said that less than 50 per cent of the US required by 66 per cent of those businesses surveyed it was being given. So if you have a business and you can only get 50 per cent of your requirements, is it shocking that over 6,000 businesses have collapsed and shut down in the last 20 months? There were job losses due to these businesses shutting down. So to tell us that you are injecting some US into the economy without telling us how much was needed is really information that goes nowhere.

It was very ironic to see the hon. Minister making this speech as she was there as the main invitee, the guest, the main speaker, at the opening of a massive Massy store in Brentwood. I am happy for Massy Stores and the big players but the people are suffering. I would have preferred to see the Minister there taking a photo up with some of the small and micro enterprises who had received US dollars from this facility. If the PNM had left the Trinidad and Tobago economy on autopilot we would have been better off than we are with them at the wheel.

Tourism in Tobago between 2014 and 2016, there were 97,000 international arrivals. By 2017, 2018, that dropped to 17,000 international arrivals per year. Then the collapse of the sea bridge even collapsed domestic tourism. The energy companies and energy sector have left Trinidad and Tobago. We have no foreign direct investment for the last two years. We are suffering at negative US 439 million. That means that companies and investors are taking their money and running elsewhere. This is not a good sign for Trinidad and Tobago. This needs to be reversed and reversed quickly.

The PNM says that a foreign exchange is critical but yet the foreign policy of the PNM turns us somehow away from our major trading partners, the USA, Canada and the European Union and towards Venezuela, Russia and Iran. So I need them to explain that change in foreign policy and how they expect that to impact the foreign exchange supply that we need. The foreign exchange crunch exacerbates crime because if small itinerant peddlers or small business people or the small man on the street who utilizes US to supply or to add subsidiary income—

Madam President: Sen. Roberts, your time has expired. Sen. Dr. Dillon-Remy.

Sen. Dr. Maria Dillon-Remy: Madam President, I am pleased to be able to support this Motion by Sen. Amrita Deonarine:

“Be it resolved that this Senate calls on the Government to table in Parliament, within six (6) months, a comprehensive policy framework that will guide key stakeholders, including MSMEs, the Central Bank of Trinidad and Tobago and Commercial Banks on how Government intends to navigate the tightness of the foreign exchange market to overcome the downside risks in the medium and long-term.”

Madam President, I am coming at the end of the contributions and several of the

points that I would have liked to make have already been made by other Members in this debate. But, I have I think three points that I need to make specifically as it relates to the impact of this forex, how it is impacting persons in the Tobago space. Madam President, I note the Finance Ministers and the Minister of Public Administration insistence that Government will not be seeking to manage what goes on in commercial banks as it would be counterproductive. I note on page 52 of the *Hansard* of the debate in March, the Minister of Finance said:

“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.”

I end quote. The matter of concern here is the fact that persons within the category that Sen. Deonarine spoke and many other persons are not receiving the foreign exchange that they need to do business. We do accept, I do accept that there are many issues that have resulted in this, the most important of which is the fact that we are not getting as much foreign exchange as a result of the oil and gas crisis. However, the fact is that we do have foreign exchange to dispense to persons within the banking system and there is right now a gap in terms of who is getting the foreign exchange and I think it needs to be addressed. And if the Finance Minister is saying that it would not be addressed in this way, I think what Sen. Deonarine is asking is for a policy framework in which we can see that things are going to be done differently.

Madam President, the Finance Minister also talked about the great work that is being done by the EximBank in supporting local companies, including the same group of MSMEs in terms of exporting and that is great. When Sen Thompson-Ahye in the last presentation by the Minister of Finance asked about the injection of forex into the system, the Minister of Finance said almost immediately,

I quote from him again on page 62 of the *Hansard*:

“We do this on a regular basis and I approach 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.”

And he said:

“But in 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 importance of essential items and also to expand the forex availability to small, micro and medium enterprises—within the next couple of weeks...”

I heard Minister Manning’s contribution where he said that the Government is prepared to let the public know exactly what is the policy framework that they are operating on, I think this is what I gathered from his contribution. I would like to know what it is. And also I would like to know whether the Finance Minister did get the approval to increase the foreign exchange into the EximBank as the Minister of Finance had indicated in March.

Madam President, I too am concerned, I heard many of our presenters, including Sen. Deyalsingh talk about the luxury items we have on our shelves and I remember asking this question, I think it was last year in one of my contributions here. It does not make sense to me that we are having a problem with foreign exchange to be able to get our manufacturing and also to get medical supplies and stuff like that. We are unable to get that to the degree that we should and we are having all types of things that are available. It just does not make sense to me. The amount of foreign cereals, different brands, foreign fruits, different brands, it does not make sense to me, it is worrying to me. But from what I understand from some people, many of these big businesses are not necessarily using foreign exchange

from Trinidad and Tobago. They have other means of getting the foreign exchange to get those items into Trinidad and Tobago. But I am concerned about that.

Madam President, I would make three points about Tobago. One, when I was enquiring there about what is happening with the foreign exchange and how it is affecting people, I quote one story from one business, a small business person who won a contract, won a bid for a Government contract and the contract requires the purchase of equipment from abroad because that is the only place the equipment is available and after one year, that person is still waiting to be able to get the amount of foreign exchange to bring in that equipment for meeting the requirements of that contract and this is in spite of several efforts to get the bank to meet the needs that the person has. The person would not qualify for the EximBank arrangement because the person is not exporting. But this small business person cannot get the foreign exchange and this is only one person, multiply that by several.

The other I would like to note is another business person who is trying to manufacture products in Tobago, cannot get imports because the required raw material comes from outside and cannot get either the bank or EximBank to give the appropriate foreign exchange to get those products inside. The EximBank says no, that we are not able to do that and as a result, the person who is here being very creative, entrepreneurial, cannot get the appropriate foreign exchange to get the material so that that person can create and manufacture. Yes, it is a small business but the manufacturing is happening in Tobago and that person would be able to, if they get the foreign exchange and get the material in, would be able to employ persons.

I have heard our Minister of Trade talk about all the things that are happening in the Tobago space about the various entrepreneurs right now. I know

there are some people, they are in the UK right now showing off things that they are making in Tobago, in terms of dasheen flour, dasheen cereals, et cetera. People are willing to try, however, they need the support of the Government. And I heard the Minister of Trade in her contribution and also all the other Ministers talk about the number of things that are happening and I have no doubt that people are making an effort, however, we still have a gap and I think this Motion by Sen. Deonarine is timely and we should— The Minister of Finance and the Government should make every effort to ensure that these things are available so that the persons can be able do their manufacturing, local manufacturing, in Trinidad and Tobago. I heard Sen. Teemal talk about the import substitution and he talked about that being something that the Government should look at.

My final point would be about the tourism product and Sen. Roberts just mentioned that. It is one of the areas that I remember previously mentioning in one of, I think it was a budget contribution. This business about tourism in Tobago and as our main source of income post-COVID and I am saying post-COVID even though I know that we are still within the period of COVID but the economy has to be boosted and tourism product from Trinidad and Tobago and the main producer there is in Tobago. We should be doing everything that can be done right now to make sure that the product that we have in Trinidad and Tobago, particularly Tobago, for the tourism, should be of a quality that will be able to bring in the forex into Trinidad and Tobago. As many tourism persons would tell you, when the tourism product was going very well in Tobago, you did not have a problem with foreign exchange. You go to the bank and you get because the tourists were bringing in the foreign exchange and that is not happening now.

Madam President, I understand what the Minister is saying in terms of his reluctance to control what is happening at the banks but I am pleading with him to

please seriously consider this Motion that Sen. Deonarine has put on for discussion today so that we will be able to get something to make a difference for micro, small and medium enterprises that we will be able to see our way in this post-COVID economy.

Madam President, I thank you.

Hon. Senators: [*Desk thumping*]

The Minister of Tourism, Culture and the Arts (Sen. The Hon. Randall Mitchell): Thank you very much, Madam President. Thank you for giving me the opportunity to contribute to this very important Motion. I did not intend to contribute but of course I was moved to put a few matters on the record. Madam President, it is a very important Motion but I do not agree with the form of resolution that is attached to the Motion and therefore, at the end of my contribution, I will move to have that resolution amended for the consideration of this august Senate.

Madam President, I agree that it was indeed a benefit to us all and to the country that Sen. Deonarine bring this Motion because it is very important that we have a discussion on the macro economy and on the foreign exchange system and how it works because not many of us in this country understand as much as we should about the macro economy and how the foreign exchange reserves work. So I agree, it is extremely important to bring it.

It is important to understand how foreign exchange reserves in a country works, how those foreign exchange reserves are built up and how the foreign exchange and why they are put into the system and the consequences of not balancing through monetary policy the foreign exchange system and it is important.

Because Sen. John in response to Sen. West and I think just heard it again

from Sen. Roberts indicated that nobody is talking about devaluation. Nobody said devaluation. But obviously, if you understand the way foreign exchange reserves work and monetary policy, we are talking about devaluation if a proper balance is not maintained and too much of the foreign exchange reserves go into the system to satisfy every unmet need. So we are talking about it and it just demonstrates that Sen. John and Sen. Roberts do not completely understand foreign exchange reserves and monetary policy.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell: So, Sen. Roberts, yes it is unsustainable now in the light of depleting foreign exchange reserves as a consequence of depleting oil and gas output and the volatility of prices, it is unsustainable to simply create a business that imports and sells. That is unsustainable.

Sen. Roberts went on to speak about Petrotrin and perhaps he is impervious to the facts that have been placed on the record time and time again that the refinery was operating at a loss. To refine the amount of output, we had to import crude. The refinery was operating at a loss and he is impervious to the fact that the restructured Heritage Petroleum which is in the exploration, production and sale of crude oil and of course, Paria, those companies are now contributing to the economy in a positive way and contributing to our foreign exchange reserves.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell: The manner of debate in this Chamber, Madam President, is sometimes a little unfair but we understand debate. And I am saying it is unfair because sometimes people can just get up and say whatever they want without the backing of factual support. Sen. Roberts attributed to Minister Manning that the level of output now is 16,000 barrels per day. That is completely untrue. And he further went to state another untruth that when Minister Kevin

Ramnarine was the Minister of Energy, the output was 97,000 barrels per day.

Sen. Gopee-Scoon: Untruth.

Sen. The Hon. R. Mitchell: A very simpy “clickety-clack” search on the Internet, Madam President, would reveal that in 2014, according to *globaleconomy.com*, the output in 2014 was 56,000 barrels per day and the output of barrels per day in 2020 was 56.7000 barrels per day. But persons, Senators, it may be their style to simply get up and state things that are simply not true but thankfully, we have the means and the statistics by which we can prove them untrue.

Sen. Roberts made the point that we are price-takers, of course, we are price-takers. We extract and produce and sell a commodity. We are price-takers now in the same way that we were price takers between 2010 and 2015 if we are talking about energy and energy products output. But what Sen. Roberts did not do in his entire contribution was to indicate well what differently did you all do between 2010 and 2015 to enhance and improve our foreign exchange position. You did nothing.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell: You sat back and you allowed the energy output and the prices of energy at that time to fill the coffers. You did absolutely nothing. Sen. Roberts had the unmitigated gall to speak about deficit budgets and he read through a Central Bank Report about deficit budgets, believing that we have all forgotten between 2010 and 2015 that every single year under the People’s Partnership Government, under the prime ministership of Kamla Persad-Bissessar, they ran a deficit budget for every single year—

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell:—taking the national expenditure up to \$63 billion, a most unsustainable amount.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell: That this Government, under the prime ministership of the hon. Keith Rowley, we had to manage, brought it down gently without too much turbulence, except of course from Sen. Mark but without the turbulence.

Sen. Mark: [*Inaudible*]

Sen. The Hon. R. Mitchell: Sen. Mark, I have an affinity for you.

Sen. Mark: [*Inaudible and laughter*]

Sen. The Hon. R. Mitchell: What Sen. Roberts also did not admit is that notwithstanding the banking arrangements with the commercial banks as purchasers and suppliers of foreign exchange, that this Government, through the Ministry of Trade and their policy, and under the Ministry of Finance, put annually in the economy for the use of micro, small and medium enterprises over US \$1 billion.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell: But Sen. Mark, through you, Madam President, it is for persons involved in manufacturing and export, it is not to buy Louis Vuitton bags or shoes.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell: Another thing that Sen. Roberts indicated that was completely untrue, one very quick search of the CSO's information is that international arrivals to Tobago for over the last decade hovered around 20 to 21, 25,000 arrivals. It has never been 97,000 arrivals since the Manning Government and of course to achieve that, there were certain incentives and so on that that Government could have afforded to put towards the airlines to encourage 97,000 arrivals. Completely untrue. It has been like that under the People's Partnership Government. What did this Government do? Recently, Madam President, happily,

I can announce that Caribbean Airlines, working with the THA and working with the Tobago Tourism Agency, just announced a direct flight aimed at the diaspora and other persons through Caribbean Airlines to Tobago giving Tobago a chance to enhance the tourism arrivals.

Hon. Senators: [*Desk thumping*]

Sen. The Hon. R. Mitchell: And not only that, a direct flight from Barbados to Tobago giving the Tobago tourism operators a chance to tap into the connecting flights for many European countries since Barbados has more airlift than Tobago and we continue to work with airlift.

5.30 p.m.

But of course, Sen. Dillon-Remy, I would say, and it may sound a little unpopular, one of the challenges to enhancing the tourism product in Tobago is something that we recently discussed with the THA, and that is the question of land ownership and attracting that foreign direct investment and foreigners now to purchase land, purchase property, in Tobago; one of the issues.

And I hear what you have said, Sen. Remy, but the EximBank has a programme, a very successful programme, for manufacturers and supporters. So, therefore, it may very well be, as is usual, a problem with communication and ensuring that persons know what is available through the EximBank in accordance with national policy to assist the manufacturers and exporters in Tobago. I remember meeting one of them. I think he, correct me if I am wrong, Minister of Trade and Industry, but I remember meeting someone who manufactured household chemicals, and so on, a very successful person, very successful. And there are others, and that is something to be encouraged.

So, Madam President, I wanted to touch on this whole question, and I have heard it spoken about, social justice and equity and fairness. But who exactly

determines the meaning of equity? I will not touch social justice because that is a loaded concept and I do not think it has any place here for reasons. But who determines equity? Who determines fairness? The Central Bank is empowered to determine that through monetary policy. And that is what we expect them to do. That is what they do and that is what they have done successfully. But it is subjective. It is vague. The concept is indeterminate. What is equitable to me may not be equitable to you, may not be equitable to a banker who has to satisfy his shareholders, may not be equitable to the person who manages the EximBank.

And I have to confess that I am indeed a little unimpressed where anecdotal-type evidence is raised, like the statement of the San Juan Business Association did a survey and X amount of respondents said this or the other, without actually saying the survey instrument and determining how the data was converted into information and realized. There are many persons who do that, and at the drop of a hat they will say they called around and it is what it is. I am not impressed by that and I cannot be motivated by that.

Sen. Mark indicated that the citizens of Trinidad and Tobago own the foreign exchange reserves in this country, according to Sen. Mark. That is correct. I agree with that. But Sen. Mark, in his argument, used that statement to attempt to conflate equity with equality and to support his argument of equality; that everybody who approaches a bank must be able to get the amount of foreign exchange that they desire. But by analogy, and hear me out on this analogy, the citizens of Trinidad and Tobago own all the police stations as well, as well as all the police cars. It does not mean that a citizen could just pick up a police car and say I own this and I will drive it. Because it is subject to the laws, the rules, and the policies of the police service. But it is true that the citizens of Trinidad and Tobago own the police stations and the police cars.

Similarly, the management of the country's foreign exchange reserves is subject to the monetary policy managed by the country's Central Bank. And the laws and the policies of this country give them the authority to do so, and they have been doing a good job. So it is a poor argument but, of course, aimed at public and popular sentiment. I understand that.

And then a number of Senators raised what I call the Volvo argument; unfortunate. Spoke about a Volvo showroom and tried to make the point that well, this particular business just opened a new showroom and they are importing Volvo motor vehicles to sell. But I too have to confess, Madam President, that I am very proud of the conglomerate, the Trinidad and Tobago conglomerate, that is the Massy Group, a publicly-traded company. And what is not, either not known or not raised is that Massy Motors is part of a Massy Group and we do not know whether they approached the bank for foreign exchange reserves, or whether they are net foreign exchange earners and simply used their own reserves in furtherance of their motor vehicle business. So it is very unfair to use this particular example in making the point.

So, Madam President, I will move on to a number of matters that are not in dispute. Because, of course, we accept that this is a very important debate and there are a number of matters that are not in dispute. What is not in dispute is that the foreign exchange earning has been lower as a result of energy prices and energy output. Oil and gas is a depleting resource, and it is a major part of our economy. What is not in dispute is that there is the provision of foreign exchange to MSMEs, micro and small and medium enterprises, who are exporters, manufacturers, and it is made through a framework and a programme run by the EximBank and there are others. It is also true that there is greater demand for foreign exchange than there is supply.

It is also true that we do have healthy import cover at this time in Trinidad and Tobago. So, therefore, Madam President, the issue is one, very similarly, speaking to the layman, it is one of supply and demand. And the solution, which is simple to speak but not so simple to implement, is that we need to focus on reducing unnecessary demand and increasing the foreign exchange earnings of firms and individuals through exports.

Minister West spoke about French fries. Do we need to import so much French fries when we have a number of substitutes that can be locally grown here?

Sen. Mark and Sen. Deonarine also spoke to the question of the availability of forex to pay tuition fees at foreign universities, foreign education. Nothing is wrong with wanting a foreign education. I was educated for a year in England. But also, nothing is wrong with the University of the West Indies or the University of Trinidad and Tobago. Is it a matter of taste, perhaps, but nothing is wrong with a foreign education. But I would hate to believe that a parent would send their child to a foreign university, Pace University or Metropolitan University of London or whatever university and not know how they are going to pay the tuition fees.

It is like someone who decides to put up a five-story building and gets to the second story and does not know how he is going to complete the building. That person would be called a fool. I am sorry if this is unpopular. But it is simply what it is. You have to know how you are going to pay for the foreign education before you send your child there and struggle to get US \$200 or US \$300 or whatever it is that we are talking about. By the way, Madam President, what is also not said is that persons with credit cards, you are allowed US \$ 9,000 per cycle to spend. So those things are not said, but it is unpopular to say it, but I will say it.

Sen. John touched on capital flight and capital investment. Of course, we had the issue of Sandals in Tobago. And that issue involved foreign direct

investment of one of the most successful brands in the Caribbean and in the world. And what we got from the Opposition was a scandal, where the Opposition, through their friends and their agents, attempted to attack the very brand that was Sandals and eventually they indicated that it was too risky and they pulled out.

We are all educated in here, and one of the first things that any company does, prior to an investment is to do a PESTLE analysis. And P is the first word, and it stands for political. And I would say, Madam President, that there are persons in this country, and some of them belong to the party that is the Opposition, who create a very unfavourable investment climate in Trinidad and Tobago. You create that investment. I mean, the latest scandal, which might be deemed irrelevant, Madam President, but to make such a claim as being made by the Member for Siparia, the Opposition Leader, about the Government's behaviour and actions towards high office holders in this country; what does that say to the international investment market and climate into Trinidad and Tobago? But we are in charge and we are responsible and we will fight on. We will continue. We will continue to create the enabling environment for investment and we have been doing that.

In the Ministry of Tourism, Madam President—

Madam President: Minister, you have five more minutes.

Sen. The Hon. R. Mitchell: Thank you very much. In the Ministry of Tourism, Madam President, we have been focusing on the accommodation sector. We have recently opened the BRIX Hotel. The Radisson Blu is due to open sometime soon, so too Comfort Inn suites in Tobago. And the accommodation sector is a foreign exchange earner. We have been working on those. There is also the prospect of a Hilton, a Garden Inn Hotel at the airport. The Salybia Hotel Resort was recently refurbished and completed, and there are two other redeveloped hotels that are

soon to come on to the market; of course, fearful and will not announce where they are or who the investors are, because we know what may happen. But we are focused on the accommodation sector as part of our diversification thrust, because it is a foreign exchange earner.

Tobago happily, has just announced that it will host a carnival in October. Okay. Festivals, a major draw, a major pull is also a foreign exchange earner. We just had the Taste of Carnival and while the Taste of Carnival was not a foreign exchange earner, persons very incorrectly thought that if you put out \$15 million, well then, the NCC somehow should have earned \$20 million, but that is not how festival economics works. But we look forward to creating more festivals and we look forward to Carnival 2023. Because carnival in 2023 draws in between US \$50 million and US \$60 million, and that is the draw of festivals.

We are also focused in supporting the creation of festivals, Trinidad and Tobago-type carnival festivals, worldwide. That is a way in which our soca artistes, our artisans are able to go abroad and earn foreign exchange and remit it here to Trinidad and Tobago. We are working on e-commerce for a lot of these tourism operators.

So, Madam President, in conclusion, I would say that there is no discrimination. It is something that we have to continue to work on to improve and increase the earnings of foreign exchange and curb the demand. It is something that we have to continue to do. And, Madam President, as I indicated earlier, I beg to move that the Motion be amended by deleting the resolution on the Motion and replacing it with the following:

“Be it resolved that this Senate call on the Government to table in Parliament within six months a statement on how the Government intends to address the availability of foreign exchange.”

And I think further to that, and that is the resolution, Madam President, but I think that will achieve what Sen. Deonarine sets out to achieve and as widely circulated as it might be, it would be for the benefit to the people of Trinidad and Tobago. Madam President, with those few words, and with that amendment, I beg to move.

Madam President: Hon. Senators, the question is that the Motion be amended by deleting the resolution of the Motion and replacing it with the following:

Be it resolved that this Senate call on the Government to table in Parliament within six months a statement on how the Government intends to address the availability of foreign exchange.

Question, on amendment, [Sen. The Hon. R. Mitchell] proposed.

Madam President: Sen. Deonarine.

Sen. A. Deonarine: Thank you, Madam President, for the opportunity. Madam President, I want to first begin wrapping up this Motion by thanking all Members of this honourable House for their participation in this debate. I think it encouraged fruitful discussion on this very prominent issue on the accessibility of foreign exchange in Trinidad and Tobago.

Now, I acknowledge mention of all the work and initiatives that the Minister of Trade and Industry and the Minister of Finance and all Government Members alluded to in their contributions. But, Madam President, despite these policy responses, the challenge remains when we look at the equity of accessing the nation's scarce foreign exchange resources.

Now, Madam President, I listened to the responses by the Government very carefully and I must say that there was some misunderstanding as to what is this policy framework to navigate the foreign exchange market I was asking for. Because I heard reference being made to the trade policy. I heard reference being

made to the roadmap for recovery, *Vision 2030*, all of which are overarching objectives of the Government to move away from the energy sector to diversify the export base of the country. But what I did not hear, however, was that the Government's policy to deal with the current challenges endured by MSMEs and the wider population until these policies set in.

And none of these policies seem to address the challenge in the short-term. Because we understand that the initiatives alluded to by the Government would take some time, right? It cannot be that expanding the allocation by US \$200 million to the EximBank is the only policy. Because cumulatively the allocation by the EximBank of about US \$1 billion since 2018, accounts for 6 per cent of the total foreign exchange sold by authorized dealers in Trinidad and Tobago since 2018.

Madam President, the foreign exchange policy, the policy framework that I am asking for is not about the reintroduction of administrative controls that existed prior to 1993. Nor was it about recommending that we devalue the dollar. However, as Minister Mitchell rightly said, we cannot stay away from speaking about devaluation once we are talking about monetary policy. So it was expected that it came into the discussion. But this Motion was about instituting a system of equity; equity in a system which currently disregards the needs of the ordinary citizens and MSMEs.

Secondly, it was about increasing efficiency in resource allocation, so that our entrepreneurial base can expand, so enabling our success with the economic diversification strategies.

Now, based on what the Minister of Finance said and the Minister of Public Administration is that control over foreign exchange is not something we would like if revisit, with the understanding of it being too interventionist. Madam

President, apart from the fact that our current special foreign exchange window policies, via the EximBank, are in fact an element of exchange control, back in 1993, there were some aspects of exchange control that actually worked when it came to the equity of accessibility to the wider population. We have a tendency in Trinidad and Tobago for throwing away everything in our history without realizing that there were some things which could have been kept. This is something that permeates not only the financial management of the economy.

But let us clear up some confusion, Madam President, or misunderstanding of exchange controls. Prior to 1993, we had exchange controls in place. In 1993, when we abolished exchange controls, that was based at the time on introducing then a floating exchange rate. A free floating currency is based on the interaction of demand and supply to determine the price of the currency. So the market determined what the price of the exchange rate was going to be on a particular day.

And, Madam President, in 1993, anyone who wished to go to obtain any amount of foreign exchange for whatever purpose, could go to the commercial bank and pay that day's price. In 1993, there was no rationing, as Sen. Teemal alluded to. There was no rationing. There was none. What happened however, was that the free float did not last very long. By 1997, when the price of oil declined to \$9 a barrel, we moved to a situation where there was a de facto exchange rate. And it was a de facto managed exchange rate. We moved from a free float to a de facto pegged managed rate within a—fluctuating with a very tight band.

Since 1997, there were injections continuously by the Central Bank. We found ourselves—so therefore, we found ourselves in a situation of a managed rate without some of the benefits of controls which existed before.

So what are these benefits of controls that I am speaking about, to the wider population? Now, Madam President, I have with me a copy of a passport of a TT

resident who studied abroad in 1982, when administrative controls were well in place. Back then, once a tertiary student had to pay tuition fees, they received approval from the Central Bank to do so. So on the 11th of August, 1982, this student presented their tuition sheet from the university. They were granted CAN \$9,817 on the spot. This is equivalent to CAN \$25,328 in today's terms, when we take inflation into account. So Madam President, 40 years ago, long before I was born, a student wishing to study abroad will obtain his full allocation without fuss. Because of that policy, Trinidad and Tobago was able to develop its human capital base.

Because of that administrative policy, one of equity and fairness, we had the Central Bank of Trinidad and Tobago ensuring at that time that our population would have the necessary foreign exchange so the skill set, the skill set so critical for development of Trinidad and Tobago, will be available in Trinidad and Tobago. So I find it odd that the Government would think that they want nothing to do with administrative controls; the same controls that ensured that the regular population obtained its share of scarce commodity of the foreign exchange.

Let us continue to the regular population who would like to travel. Right now, as several Members during the debate indicated, someone who wishes to travel, they need to present their itinerary to get US \$300 in cash. When we had administrative controls, prior to 1993, do you know how much a regular person was able to obtain when they wanted to travel? The same passport from back in the 1980s shows approval by the Central Bank of Trinidad and Tobago, on the 17th of July, 1988, there was an annual allocation of TT \$2,500 per annum. Now, remember back then our exchange rate was \$2.40. When we adjust this \$2,500 to today's value, it works up to TT \$9,000 allowance. That is US \$1,323 equivalent to today's exchange rate.

Let us say a regular citizen travels twice for the year. That person would have been allowed \$661 per trip. So, here's what, 35 years ago, with administrative controls, the wider population, when travelling was given an allocation. Now you have to go to the bank, beg for US \$300, with your ticket and itinerary months in advance. You get your \$300 in cash and Madam President, if you are a citizen who does not have a credit card—because not all of us are privileged to have a maximum limit of US \$9,000 on a credit card, if you are a citizen who does not have a credit card, you are basically fried because you have to make ends meet with US \$300 when you travel.

Mr. Manning: Madam President, 46(1). This is not evidence of an inequitable system, Madam President. Because I could get money then and cannot get it now, is not a sign of inequity.

Madam President: Sen. Deonarine, continue.

Sen. A. Deonarine: Thank you, Madam President. I was just about to wrap up this point. And, so what I am trying to say, Madam President, is that we have to ask the question: Have we really gone backwards in 40 years? Have we regressed with respect to the welfare of the people with the existing foreign exchange policy?

Madam President, let me move on. The Government arriving at the conclusion from me piloting this Motion that I am speaking about MSMEs that import fully-manufactured goods with no value added is quite unfortunate. It shows, for the want of a better word, not a proper understanding of industrial economics and how interlinkages and interdependencies in an economy work.

Madam President, this mere misunderstanding of interlinkages in the economy can cause government policy by default to starve off critical MSMEs who support potential exporters from the necessary foreign exchange.

6.00 p.m.

Now, because it did not come out in the debate, I took the liberty to reach out to the Central Statistical Office to really find—to get some data on quantum—the quantity of micro, small and medium enterprises in Trinidad and Tobago. Provisional data, according to the CSO, indicates that for 2019, we had 16,900 MSMEs operating in Trinidad and Tobago. Of those 16,900 MSMEs, 12,000 firms are micro enterprises; 3,476 are small enterprises. So, a mere 15,476 firms belong to the MSME sector, more than 75 per cent. Of these 16,900 firms, 789 firms are non-energy manufacturing firms. So, Madam President, based on this information, it tells me that the Government policy with the EximBank, which focuses on manufacturing for exports, targets 5 per cent of MSMEs in Trinidad and Tobago. Right now, only 182 firms are currently supported via the EximBank. That is less than 1 per cent of MSMEs in the country.

Let us continue. Of those 16,900 MSMEs, we have 6,894 micro and small enterprises that fall in the category of wholesale and retail trade. These are businesses involved in merchandise buy and sell businesses, businesses that are usually scorned upon and considered as businesses that are a drain on foreign exchange in a country. But, Madam President, it is a sector which contributes 17 per cent of GDP. Wholesale and retail trade are largely import reliant. Is it that Government's policy suggesting that firms are not deserving of forex because they do not export? What government policy is falling short of understanding is that some of these firms too should be included because they may provide critical inputs to the export sector. So, we need to understand that if we do not support them at an early stage for the lack of foreign exchange, they would not grow and exports in Trinidad and Tobago would be jeopardized. It would not increase. Our policy that we are trying to achieve would be jeopardized.

An interesting thing, when Sen. Seepersad spoke, is that she indicated quite correctly that no business in Trinidad and Tobago can continue to exist with some form of foreign exchange input. That is what we need to understand, Madam President. We need to understand which sectors of the economy foreign exchange input is crucial before we can make a broad-brush statement that MSMEs that import things are a drain on foreign exchange reserves.

A foreign exchange allocation policy to support exporters and building export capacity, et cetera, cannot be made without a comprehensive understanding of how the outputs from different sectors are used up as inputs in other sectors. We need to understand how crucial are non-competitive imports, how much value added each sector generates. The Government does not have the data to know which firms contribute indirectly to exports and which do not. So, is it that we, without this data—because several speakers spoke about data—is it that without this data, we are making policy and excluding everybody in a blanket? This is an analysis—this input-output analysis that I am referring to usually comes from something called a “supply and use table” that the Central Statistical Office computes. It should be done on a regular basis. But the last “supply and use table” for Trinidad and Tobago was done 22 years ago in 2000; 22 years ago.

So, yes, Madam President, I understand what the Government is saying regarding the use of EximBank. They have provided support to 182 firms, 122 of whom are exporters. But without an input to output table to understand how the goods and services are transformed or used up in the production processes for various sectors, to understand how value is added across sectors, then, most respectfully, Madam President, it is impossible to know which of the 16,000 remaining MSMEs that should not be excluded. It is impossible to know. And since it is impossible to know, then it cannot be that Government policy is correct.

It cannot be that Government policy is correct because it does not have the data, which gives critical information for setting policy that the Government has outlined to navigate the tight foreign exchange market. Is it that the Government is shooting in the dark?

Now, Madam President, let me move on. Well, I understand the merits which these initiatives that were mentioned during the debate may bring. I know the Minister of Trade and Industry is extremely passionate of her work. They are commendable initiatives. I myself attend to a lot of the sessions that are held virtually with exporTT. But it is important to understand—it is important for the Government to understand that there is a time lag before such policies have the intended effect, where firms can reach to the point where they are creating or generating foreign exchange or where they can even be considered a firm or micro firm that has potential for export.

Prior to becoming a forex earner, policy really should be dealing with ramping up production, foreign exchange as an input into production. So, essentially, what I am arguing is for an increase in the range of products we now create in Trinidad and Tobago. We need to understand that this will take its own while before these products get into the market. But unless we produce, Madam President, we have nothing to export in five to 10 years' time. To be a net exporter, you need to grow. In order for you to grow, you need the necessary foreign exchange to reach to the point where you are considered a potential exporter.

And I thank Sen. Dr. Dillon-Remy for referring to Tobago. She spoke of a situation of a particular firm in the construction sector. But I too reached out to Tobago and I spoke to a couple micro-entrepreneurs in Tobago. One particular person who spoke of their successes in an exporTT session, in penetrating the export market, indicated that it took them 10 years; 10 years before they were able

to export; 10 years, Madam President. And this is 10 years with multiple support grants from the Government. The EximBank, for example, as well, they have a handful of firms that have become net exporters; only a handful of firms since the initiation of this programme.

You know, Madam President, there is one thing that I have learned with business. In business, especially when you are a one-man operation or a two-man operation, basically microenterprise, you have to move quick to take advantage of opportunities or to ensure that you do not lose out. You have to move or you do not move at all. So, I understand for an existing business, established business, the EximBank is going to provide the support for you. What about the start-ups? You need a—you see an opportunity to take advantage of, you cannot go to the EximBank because the EximBank basically wants established businesses; businesses who are able to account for at least three years of financial statements and already have a track record of becoming a potential exporter.

So, with the policy of the EximBank favouring only established businesses, is it that we are killing off our start-ups? Imagine someone who needs to import machinery to start its business. He has no export connections, no bank connections, he has no market but he still needs to produce. Before he begins to produce—before he begins to export, he needs to produce. Before you export, you have to produce it. Before you produce it, you have to have machines. If you do not get the foreign exchange, you will most likely not produce. The commercial bank also would not give you any money because, as I mentioned during the piloting of my Motion, they do not have time with you unless you take a loan with the bank. And let me stick a pin here. Sen. Dr. Deyalsingh, Sen. West and Sen. Lyder actually spoke about commercial banks as profit maximizers and they alluded to the fact

that bank managers are the ones who make the decision on who gets the foreign exchange.

Madam President, I would like to agree with many of the speakers, we need a call for more transparency with the allocation by the commercial banks. While Central Bank of Trinidad and Tobago do have guidelines, it just simply is not working. Now, from what I understand, the Central Bank could request information from the commercial banks to see to whom they are selling the foreign exchange to. But from my understanding, from my conversations with bankers, that is not what is happening right now. It could happen but it is not happening.

Sen. West, also Minister of Public Administration, also spoke about the fact that, you know, Suriname—and that is where she spoke about the consequences of a devaluation in the exchange rates. But, you know, and I want to tie a point by Sen. Teemal here where he spoke of the rationing as a short-term measure. And that is the reality because that is what Suriname did. They continued to ration for multiple years. They tried to maintain the exchange rate until they had no choice but to devalue. So, they moved from an exchange rate from Surinamese dollar to US dollar from \$2.70 in 2005, to today, an exchange rate of \$21 to US \$1.

Madam President, as I continue, because time is moving on very quickly, I want to draw reference to something that Sen. Lyder said. And it has to do with the fact that—he drew personal reference to the fact that he is able, as a distributor, throughout the region, is able to maintain his operations because of having business outlets in other islands. And so, he is able to continue his business operations in Trinidad and Tobago because he has accessibility to foreign exchange in other—from other bank accounts. Many businesses are actually doing this.

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

Sen. A. Deonarine: Thank you, Madam President. The current situation is one that encourages businesses to not keep their foreign accounts here, contributing to a case of capital flight. Many businesses are actually maxing out their credit cards on a monthly basis just to be able to replenish their inventory. A parallel market has emerged at around 8 to \$10. Many speakers alluded to that as well. So, many businesses of a particular size, those who are more established, have found ways around the situation. Small businesses do not have this benefit. Start-ups do not have the benefit of external accounts or multiple branches to support their operations. So, what this does is that it makes the current environment unfair and inequitable to the micro, small and regular citizens. But what it also does, Madam President, it causes investments to flow out of the country via capital outflows. Businesses and citizens, once they are capable enough, seek to hold their foreign currency profits and investments abroad where there is ease of accessibility. So, you know what this does, Madam President? It actually impacts negatively on our foreign reserves account. In the first three months of 2022 this year, we saw US \$227 million reduced in our net official foreign reserves.

According to the Article IV report done by the IMF, which was published recently, alluded to the fact that capital outflows continue to be a problem. And because of this issue of capital outflows, it projects a decline in our foreign reserves over the medium term. And as I quote, it says the reason for this is that:

“...as residents continue to invest abroad, and the...”—foreign exchange—
“intervention policy continues.”

The IMF—“...projects that continued capital outflows”—to be—“larger than the anticipated recovery of the current account balance...over the medium term, resulting in a gradual decline in reserves to 7 months of imports by 2027.”

So, this is more reason to develop a comprehensive foreign exchange management policy. The Roadmap for Recovery, *Vision 2030*, the Trade Policy are all commendable, but time has come for these policies to be revisited. They were crafted prior to the massive global shocks that we are currently facing, such as the COVID-19 pandemic, the geopolitical tensions from the Ukraine/Russia crisis. Policy design and implementation needs to be agile in coping with multiple shocks at any one point in time, something that is lacking in all these policies that were outlined by the Government.

So, in conclusion, Madam President, it is not about taking the country back. It is not about looking at the country's current foreign exchange allocation system. It is not about—it is about looking at the country's current foreign exchange allocation system. It is about instituting a system of equity. It is about increasing efficiency in resource allocation, so that we can expand our entrepreneurial base, enabling the success of our policy initiatives of export diversification.

Madam President, export expansion should not be reduced institutional—reduce the institutional reorganization and trade promotion, only without a proper understanding of domestic industrial linkages. We are unable to develop—if we are unable to develop into the sectoral linkages, and hence efficiently allocate foreign exchange resources, then our policy to diversify the export base would not be efficient and would not result in an efficient allocation of foreign exchange.

Madam President, with that being said, I would like to move an amendment to the Motion, and let me see if I could do this quickly. The amendment is:

Be it resolved that this Senate call on the Government to table in Parliament, within six (6) months, a policy framework that will guide key stakeholders, including MSMEs, the Central Bank of Trinidad and Tobago and

Commercial Banks on how the Government intends to navigate the tightness in the foreign exchange market.

I have removed the words “comprehensive” and “overcome downside risks” in recognition that those are absolute words and it is rather very difficult in a dynamic environment with an energy-based economy that is constantly faced with volatility to overcome downside risks in the medium and long term because policy measures are always subjected to revision. I beg to move.

Madam President: Have you put your proposed amendment?

Sen. A. Deonarine: Yes.

Madam President: Leader of Government Business.

The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dr. Amery Browne): Madam President, may I request a suspension for 10 minutes, please?

Madam President: Hon. Senators, the sitting is suspended for 10 minutes.

6.20 p.m.: *Senate suspended.*

6.30 p.m.: *Senate resumed.*

Madam President: The amendment as proposed by Sen. Deonarine needs to be seconded.

Sen. Richards: Madam President, I second the Motion.

Sen. Mark: Madam President, did someone second the hon. Minister's amendment? That is Sen. Randall Mitchell. I am trying to recall.

Madam President: Because that is by the Government, it did not need to be—

Sen. Mark: Okay, okay, okay. Thank you.

Madam President: The amendment to the Motion has been seconded by Sen. Richards. Hon. Senators, the question is that the Motion be amended as proposed by Sen. Deonarine by deleting the resolution of the Motion and replacing it with the following:

Be it resolved that this Senate call on the Government to table in Parliament, within six (6) months, a policy framework that will guide key stakeholders, including MSMEs, the Central Bank of Trinidad and Tobago and Commercial Banks on how the Government intends to navigate the tightness in the foreign exchange market.

Question put, on amendment, [Sen. A. Deonarine] put.

Sen. Mark: Division.

The Senate divided: Ayes 15 Noes 15

AYES

Mark, W.

John, Ms. J.

Lutchmedial, Ms. J.

Nakhid, D.

Lyder, D.

Roberts, A.

Richards, P.

Vieira, A.

Deyalsingh, Dr. V.

Deonarine, Ms. A.

Seepersad, Ms. C.

Teemal, D.

Thompson-Ahye, Mrs. H.

Dillon-Remy, Dr. M.

Heath, J.

NOES

Browne, Hon. Dr. A.

Gopee-Scoon, Hon. P.

Sinanan, Hon. R.

Hosein, Hon. K.

West, Hon. A.

Mitchell, Hon. R.

Ibrahim, Dr. M.

de Freitas, Hon. N.

Sagransingh-Sooklal, Hon. R.

Singh, Hon. A.

Lezama-Lee Sing, Mrs. L.

Hislop, L.

Borris, H.

Seales, M.

Young, N.

Madam President: Hon. Senators, with the votes being equal, as the Presiding Officer, I am required to vote in accordance with Standing Order 54(2). To exercise a casting vote in this instance, Standing Order 54(2) of the Senate states that:

“The President or any other Senator presiding shall not vote unless on any question the votes are equally divided, in which case, he shall have and exercise a casting vote and any reason stated shall be entered in the Minutes of the Proceedings.”

Erskine May prescribed the following three principles as guides to the Presiding Officer in the exercise of a casting vote:

The Presiding Officer shall—“...always vote for further discussion, where this is possible...”

Where there is no further discussions possible—“decisions should not be taken except by a majority...

...a casting vote on an amendment to a bill should leave the bill in its existent form.”

Giving consideration to these guiding principles on this matter of the amendment, I vote to maintain the status quo and to leave the Motion in its existing form. I therefore vote no.

Amendment [Sen. A. Deonarine] negatived.

Madam President: Hon. Senators, I shall now move to the amendment as proposed by the Minister of Tourism, Culture and the Arts. I will now put the question on the proposed amendment. Hon. Senators, the question is that the Motion be amended by deleting the resolution of the Motion and replacing it with the following:

“Be it resolved that this Senate call on the Government to table in Parliament, within six months, a statement on how the Government intends to address the availability of foreign exchange.”

Question, on amendment, [Sen. The Hon. R. Mitchell] put.

Sen. Mark: Division.

The Senate divided: Ayes 15 Noes 15

AYES

Browne, Hon. Dr. A.

Gopee-Scoon, Hon. P.

Sinanan, Hon. R.

Hosein, Hon. K.

West, Hon. A.

Mitchell, Hon. R.

Ibrahim, Dr. M

de Freitas, Hon. N.

Sagramsingh-Sooklal, Hon. R.

Singh, Hon. A.

Lezama-Lee Sing, Mrs. L.

Hislop, L.

Borris, H.

Seales, M.

Young, N.

NOES

Mark, W.

John, Ms. J.

Lutchmedial, Ms. J.

Nakhid, D.

Lyder, D.

Roberts, A.

Richards, P.

Vieira, A.

Deyalsingh, Dr. V

Deonarine, Ms. A.

Seepersad, Ms. C.

Teemal, D.

Thompson-Ahye, Mrs. H.

Dillon-Remy, Dr. M.

Heath, J.

Madam President: Hon. Senators, once again with the vote being equal, as the Presiding Officer, I am required, in accordance with Standing Order 54(2), to exercise a casting vote in this instance and for the reasons that I articulated earlier, which focus mainly on the fact that:

“...a casting vote on an amendment to a bill should leave the bill in existing form.”

I therefore vote no on this amendment.

Amendment [Sen. The Hon. R. Mitchell] negatived.

Madam President: I will now—

Hon. Senators: [*Desk thumping*]

Madam President: I am now therefore required to put the Motion on as was originally presented:

“*Be it resolved* that this Senate call on the government to table in Parliament, within six (6) months, a comprehensive policy framework that will guide key stakeholders, including MSMEs, 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.”

6.30 p.m.

Question put.

Sen. Mark: Division

The Senate divided: Ayes 15 Noes 15

AYES

Mark, W.

John, Ms. J.

Lutchmedial, Ms. J.

Nakhid, D.

Lyder, D.

Roberts, A.

Richards, P.

Vieira, A.

Deyalsingh, Dr. V.

Deonarine, Ms. A.

Seepersad, Ms. C.

Teemal, D.

Thompson-Ahye, Mrs. H.

Dillon-Remy, Dr. M.

Heath, J.

NOES

Browne, Hon. Dr. A.

Gopee-Scoon, Hon. P.

Sinanan, Hon. R.

Hosein, Hon. K.

West, Hon. A.

Mitchell, Hon. R.

Muhammad, Dr. I

de Freitas, Hon. N.

Sagransingh-Sooklall, Hon. R.

Singh, Hon. A.

Lezama-Lee Sing, Mrs. L.

Hislop, L.

Borris, H.

Seales, M.

Young, N.

Madam President: Hon. Members, with the votes being equal, as the Presiding Officer, I am required in accordance with Standing Order 54(2) to exercise a casting vote in this instance. I have already articulated the principles upon which—the known principles upon which a Presiding Officer should be guided and, therefore, hon. Senators, I vote no and the Motion therefore is not carried.

Motion negatived.

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. Sen. Richards.

Private Lessons by Teachers

Sen. Paul Richards: Thank you, Madam President, for the opportunity to bring this matter on the adjournment, which I identify as the need for the Ministry of Education to take immediate steps to stop teachers employed by the Ministry from providing private extra lessons in contravention of the Ministry's policy. I would add at the onset that my understanding has evolved that there is no such policy in the Ministry, but I think that the Motion is no less material, because I have made that correction.

First of all, let me start by thanking teachers and educators for their ongoing service and sacrifice in educating our nation's children, in particular, during the pandemic while taking care of their own children and families under trying circumstances. This Motion on the adjournment does not apply to the majority of

teachers in the country, so I do not want that misunderstood, but a small minority, but no less important to the Motion because of same.

The Ministry, as I said, may not actually have a stated policy, but I think that maybe one should be considered. Many parents have reached out to me, over many months about this situation. May I put on the record, I do not think the overall principle of extra lessons is flawed but, certainly, some teachers offering extra lessons, particularly to their own students in the class to which they are assigned, is fraught with ethical challenges and some people may consider it actually wrong.

Madam President, may I, with your leave, put on the report two correspondences that I received from parents in this regard, in terms of what they have been going through with this particular situation? One is from a concerned parent who did not want to be identified, because she feared that it may have negative repercussions for her child, and I am quoting from this first correspondence.

I would like to bring to your attention a situation which has me greatly disturbed. I am a single mother of three children; two boys and a girl. The ages are five, eight and 14. I have continued to try to provide an education for my children but I have encountered a challenge.

My 14 year-old son is in Form 4 and attends a school in Port of Spain. He has been in lessons since he was in Form 2 because the teachers were not completing the syllabus and he was falling behind. At the start it was fine, but now I can calculate 20 per cent of my salary as going toward lessons and one, including himself and one of his sisters.

I was very distressed when I spoke to one of his teachers who offered to give him extra lessons. I actually refused because I simply could not afford to do so and could not afford another class of extra lessons for him.

He said the teacher started ignoring him in class and when I again enquired she said: “Well, ah offer yuh lessons for him and you said no. So that is now not my problem.” I got very upset and reported it to the principal who said he could do nothing. I have not put my name, because I fear. I do not want my son to be victimized.

Something needs to be done because poor people have enough on their plates. I do not know what can be done, at this state, because my son is writing exams soon and I am worried, because he is falling behind. Please help.

The next correspondence came via WhatsApp and I got many WhatsApp messages over several months about this.

I know it can be quite challenging—or Good morning, sorry—to deal with a classroom of 30 or 40 students, but some teachers need to take their job as an educator more seriously. A Form 5 student who attends a prestigious school from my lesson class—and this is from a lesson teacher who is retired—complained about the teacher not explaining the topics in the mathematics syllabus properly, and giving them a very difficult end of term exam. The teacher which also gives no homework—further reinforced what has been taught in class.

When the teacher gives a difficult exam without explaining the mathematical principles properly, and not giving homework that is corrected afterward, it would undermine the confidence of the child who is to write CSEC exams in a few weeks. I try not to assume, but there seems there are teachers in our school who focus more on teaching their private lessons and putting in the proper effort to teach the students they have been assigned by the Ministry of Education to teach.

Disclaimer: This post is not meant to target any individuals. It is just a reminder that teachers who are guilty of the above to improve their children sake, and this I add is a minority of teachers.

Madam President, as I said before, this is not about the principle of extra lessons, because many teachers give their all as assigned by the principal and by the Ministry of Education. This is about a minority of teachers who are offering lessons and, in some cases who are offering lessons and, in some cases, the parents feel that they are at a disadvantage if they do not option the lessons as offered by the teacher.

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

And I think, as I said before, if there is no policy regarding this, one may be considered to try to curtail this, because it is putting stress on many families in Trinidad and Tobago. I thank you. Mr. Vice-President, sorry.

The Minister of Education (Hon. Dr. Nyan Gadsby-Dolly): Thank you, Mr. Vice-President, and I thank the Member for the Motion. I am grateful that the Member has corrected himself in respect of bringing the Motion, speaking about a policy that does not exist at the Ministry of Education, and this policy does not exist and, of course, that policy is restricting teachers from providing private extra lessons. I think the Motion has come from a good place, and it is a place of considering equity in the delivery of quality education to our students.

Having been a teacher myself, I can indicate, Mr. Vice-President, that I have taught with teachers who were very conscientious, the majority of them, and like anywhere else, the Teaching Service would have members that may not be giving a fair day's work for a fair day's pay. That is not something that is unique to the Teaching Service. And when that happens, it is very distressing to parents, as well as students, because a teacher is very important and plays a very important role in

the development of a child.

So, I believe the Motion, though incorrect, would have come from a good place, a place of concern for our nation's children and if nothing else, we can use it to bring awareness to our population of the fact that there are many hard-working teachers. I join with the Senator in indicating that we are very proud of the teachers that would have given yeoman service in these very challenging times and continue to do so now, but we also draw attention to the fact that there are members of the Teaching Service who, like in any other place of employment, can and must do better, and this is something—and I take that from the Member's Motion—that must be addressed and in the best way possible, through the provisions of the Ministry to provide support for teachers, support in terms of professional development, support in terms of monitoring what is happening at a school and providing the principals and the teacher with the required information that will allow them to do their job in a more professional way, support at the level of clinical supervision, not necessarily in a pejorative way, but in a way that gives teacher support in implementation.

We have had discussions with our teachers and our stakeholders and one of the things that have come up is the issue of teacher mentoring, helping teachers to implement what they have learnt in professional development sessions in the classroom setting, because it is one thing to learn it and another thing to implement it. So, this is something that we can take from this and from the Ministry of Education side, that certainly is a focus to make clinical supervision more of a mentoring process where we can help our teachers to perform better and provide support where that is required if that may be the issue. That is not the issue in all cases as we well know, but that is where the supervision aspect needs to come into play to identify teachers who simply are not giving the students their fair due.

So, Mr. Vice-President, we take that from the Motion, and that is the way forward for the Ministry of Education in terms of providing more support to our teachers in the implementation of what they learn; professional development, support for implementation and to ramp up the supervision so that there is the clear way to identify teachers who are not doing as they should for the students of the nation. Thank you, Mr. Vice-President.

Hon. Senators: [*Desk thumping*]

Super Gasoline, Diesel and Premium

(Increase in Prices)

Sen. Wade Mark: Thank you, Mr. Vice-President. Mr. Vice-President, on Tuesday, April the 19th, a Government without any meaningful consultation decided to unilaterally impose its fifth brutal price hike on the population through increases in super, gasoline, diesel and premium. This was the fifth consecutive or fifth increase in seven years. Not only did the price of premium and super gasoline increased by a dollar to 6.75 and 5.97 per litre respectively, but so too did the price of diesel rise by 50 cents per litre to some \$3.91. Mr. Vice-President, kerosene has also been increased from \$1.50 per litre to \$3.50 per litre an increase of \$2, an increase by \$2. These insensitive and irresponsible increases at the pump will lead to catastrophic and explosive repercussions and consequences for every man, woman and child. In whose interest is the Government effecting these decisions? Certainly, not in the interest of the poor, the marginalized and the vulnerable of our nation, not the working class and the ordinary people.

Fuel, like foreign exchange, Mr. Vice-President, constitutes the lifeblood of our nation's transportation network, which involves the transportation of all goods and services, quite apart from higher taxi fares that the members of the travelling public would be called upon to pay. There will be astronomical increases in every

possible good and/or service. Even the fisherfolk will be demanding higher prices for their products. The price of even airfares may find itself on the increase in the not too distant future.

Mr. Vice-President, this PNM Government prefers to subsidize foreigners than their own citizens. This Government is yet to explain why a shipment of some 150,000 barrels of refined oil fuel products were brought into this country at a price of US \$39.87 per barrel and sold to some company called ES Euro Shipping Company at US \$38.25. The Government needs to explain this development to the nation of this country, to the people of this country. Mr. Vice-President, the Government needs to explain why they are importing 2.4 billion litres of refined fuel annually whilst exporting, Mr. Vice-President, 1.15 billion litres. To whom are these products being exported to and at what price? These are real issues confronting our society and cry out for attention.

Mr. Vice-President, let me say that the United National Congress, as part of the Partnership Government, never put their hands into the pockets of the poor man. In defending the interest of the people of our country, the People's Partnership provided subsidies amounting to close to \$20 billion over the period 2011 to 2015 and, never once, Mr. Vice-President, never once raised the price of super gasoline or diesel.

We inherited in 2010 a price of 2.70 per litre for super gasoline and \$1.50 per litre for diesel. Those prices were kept by this Government of the PP, led by the hon. Kamla Persad-Bissessar for over five years. But this was a caring government, a sensitive government, a responsible government, sharing the wealth of our nation, oil and gas, with the people and shielding these people of our nation from the negative impact of higher gas and oil prices. Mr. Vice-President, not so with this big shot PNM Government.

Since assuming office in 2015, this Government has increased the price of super gasoline and diesel not once, not twice, but five times in seven years, Mr. Vice-President, picking the pocket of the poor, the needy, the marginalized and the vulnerable. We say enough is enough. This rich man Government increased the price of diesel from \$1.50 per litre to 1.72 to 1.98 to 2.30 to 3.41 to 3.91, five times. This is the legacy of this administration. They provided fuel subsidies amounting to \$2.1 billion over the last seven years or the last five and a half years, if I may say.

Mr. Vice-President, as it relates to super gasoline, this is how this PNM Government assaulted the poor in this country when they came to power in 2015. They met it at 2.70 per litre. They increased it to 3.11 per litre then to 3.50—

Mr. Vice-President: Sen. Mark, you have one minute.

Sen. W. Mark:—then to 3.97 per litre and then to 4.97 and now 5.97.

Mr. Vice-President, we call on the Government to review its decision. We call on the Government to rescind its decision. We call on the Government to do like the Europeans at the G20, subsidize. Do like Guyana, subsidize. Do like New Zealand, subsidize. Do like all those other countries that are seeking to help the poor, the marginalized and the vulnerable, and not to put the kind of pressure that they are putting on the poor, the vulnerable, the weak and the marginalized, and that is why we have brought this Motion today, Mr. Vice-President, to call on the Government to review this decision it has taken to remove, Mr. Vice-President, right, the subsidies on these basic products, that is, diesel and super unleaded, in particular. That is why we have brought this Motion and we are calling for action. Thank you, Mr. Vice-President.

Hon. Senators: [*Desk thumping*]

The Minister in the Ministry of Finance (Hon. Brian Manning): Thank you,

Mr. Vice-President, for allowing me the opportunity to speak on this important matter and to also dispel some of the misinformation that has been coming for the other side. I had to chuckle to myself for a minute when Sen. Mark said that the former People's Partnership Government never put their hands in the pockets of the poor people. I guess SIS and LifeSport was just a figment of our imaginations.

Firstly, subsidies are inherently economically inefficient and unsustainable and always come at a high opportunity cost. Subsidies are generally paid for with taxpayer dollars and can therefore lead to higher taxes, over consumption and supply shortages. Mr. Vice-President, I would like to remind the population that it is the overdependence on State's sponsored subsidies that played a major role in the collapse of the Venezuelan Government and economy. Also, even with the partial removal of the fuel subsidy, Trinidad and Tobago will still have the lowest fuel prices in Caricom and one of the lowest in the hemisphere, Mr. Vice-President. [*Desk thumping*]

Mr. Vice-President, there are those who would like to compare the cost of living in Caricom countries in an attempt to somehow justify the retention of the fuel subsidy but, Mr. Vice-President, there is no comparison. How do you compare an economy where almost everything is subsidized by the State with taxpayer dollars to economies where very little is subsidized? In Trinidad and Tobago, we enjoy subsidized fuel, water, electricity, medicine, housing, housing loans, education, travel and the list goes on and on and on. I remind the population that because you are receiving something for free, does not mean that it is not being paid for. It is just not being paid for by you. Contrary to what is being pedalled by those on the other side, this reduction in the fuel subsidy is not meant to be punitive, but it is more about shared responsibility.

Mr. Vice-President, Trinidad and Tobago has just weathered one of the

sharpest economic downturns in the history of the world. That did not come without a price. Tough decisions and sacrifices have to be made. As I have publicly stated in the past, being the Minister of Finance is not a popularity contest, and sometimes the most effective economic medicine comes with a bitter taste. With that being said, I would like to remind the population that everything we do is in your best interest and designed to secure yours and your family's future.

The Government empathizes with the challenges that we all now face and promises to stand with you as we chart a course out of these rough waters churned by a pandemic and other geopolitical issues. The taxpayer dollars that would have been spent on a woefully inefficient and unsustainable fuel subsidy, can now be spent in a more effective manner by strengthening our social safety net, meaning food cards, grants, unemployment benefits, public transportation and other measures which are designed to protect the poorest amongst us. Additional funding can now be directed toward health care, education, small business loans and other measures designed to get our country back on its feet again.

Mr. Vice-President, we have to encourage a basic understanding of how this fuel subsidy works. The most central tenet being that fuel is made from oil, and when oil prices go up, fuel prices will invariably follow. Due to the Russian invasion of Ukraine, which officially began on the 24th of February, 2022, and the subsequent sanctions placed on Russia, recent oil prices have skyrocketed to near record levels. Keep in mind that Russia normally produces 11 per cent of the world's oil production.

Due to this major factor and other economic and environmental factors, Brent oil prices averaged US \$97 per barrel in February 2022 and US \$106 per barrel in March of 2022, an increase of over 60 per cent of the price of oil at the end of December 2021. At the same time, domestic oil and gas production levels,

although increasing are somewhat below levels estimated by the Ministry of Energy and Energy Industries in September 2021, for the calculation of revenue from petroleum in the 2022 budget.

7.10 p.m.

Therefore, any expected increases in revenue are being offset by shortfalls in oil and gas production. Unfortunately, one of the adverse effects of the current low levels of oil production and high oil prices is an increase in fuel subsidy which must be paid out of tax revenue and not out of Petrotrin's profits, as I have heard Members on the other side are attempting to mislead and misinform the population.

Mr. Vice-President, it has never been the case that Petrotrin paid for the fuel subsidy. Even when Petrotrin was profitable the fuel subsidy was paid for by taxpayers and certainly, while it had been losing billions of dollars per annum in its last few years of operations, Petrotrin did not finance the fuel subsidy in any way. Today, Petrotrin has been replaced with Paria Fuel Trading which is vastly more profitable than Petrotrin and the subsidy is still being paid for with taxpayer funds. The fuel subsidy has absolutely nothing to do with Petrotrin. That is simply misinformation. It should be noted, Mr. Vice-President, that the fuel subsidy presents no motivation for the population to conserve its consumption of fossil-based fuels.

In 2019 motorists consumed in excess of 1 billion litres of fuel and even more in prior years. In 2020 and 2021, upon the arrival of the COVID virus consumption dropped to 950 million litres, however as the economy reopens consumption is again expected to rise above 1 billion litres per year. Accordingly, the estimated fuel subsidy liability to taxpayers will be between \$922 million and \$1.94 billion with an oil price—

Mr. Vice-President: Members, I just would like to remind the Standing Order for

crosstalk, whilst especially when a contribution is being made. Continue.

Hon. B. Manning:—with an oil price ranging from US \$80 to US \$100 per barrel. Part of this subsidy would be offset by the application of the petroleum production levy paid by the producers of oil in Trinidad and Tobago. This is law under the Petroleum Production Levy and Subsidy Act of 1974. The proposed liberalization of fuel prices at the pump had been scheduled to commence in February of 2022, but due to the unexpected vault in oil prices this has been delayed.

It is estimated that this sharing of responsibility will save taxpayers approximately \$840 million in fuel subsidy in 2022 alone and Trinidad and Tobago will remain with the lowest fuel prices in the region and one of the lowest in the hemisphere. Mr. Vice-President, the Government empathizes with the people of Trinidad and Tobago as we work together to get our country back on its feet again after enduring one of the sharpest economic downturns in recorded history. We are in this together as we share the responsibility of taking Trinidad and Tobago into a brighter future. Thank you.

Hon. Senators: [*Desk thumping*]

Mr. Vice-President: Hon. Senators, before I put the question, I now invite Senators bringing greetings on the occasion of Eid ul-Fitr, which is to be observed on Monday, May the 2nd, 2022. The Minister of Agriculture, Land and Fisheries.

Hon. Senators: [*Desk thumping*]

Eid ul-Fitr Greetings

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Kazim Hosein): Thank you very much, Mr. Vice-President. *Bismillah-ir-Rahmanir-Rahim*. In the name of Allah, the most gracious, the most merciful, all praises and gratitude are due to Allah *Subhanahu wa Ta'ala*, who through his infinite mercy and grace has blessed us with the opportunity to witness yet another Holy Month

of Ramadan. Mr. Vice-President, thank you for granting me the opportunity to bring Eid ul-Fitr greetings in this honourable Chamber to the Islamic community, both at home and abroad, and to all citizens of our beloved country.

With the new moon in sight we will bid farewell to yet another Holy Month of Ramadan. For Muslims in Trinidad and Tobago and across the world this most sacred period has been a time of spiritual reflection and renewal, increased devotion and worship, recommitment to values of gratitude, charity and compassion. During this time we are encouraged to focus, not only on the outward actions but rather place greater emphasis on our inner thoughts, drawing us closer to the Almighty.

Ramadan is the ninth month of the Muslim lunar calendar where Muslims fast from dusk to dawn, abstaining from eating, drinking and immoral acts. Throughout the Holy Month, Muslims partake in the acts of worship such as prayer, reading the Qur'an and giving charity and standing in the night for the *Tarawih* prayer. Preceding the month of Ramadan we observe the month of *Sha'ban* in which we prepare for the month-long fast. We enter into the Holy Month of Ramadan with great joy and fulfillment during this month. The blessings of Almighty Allah *Subhanahu wa Ta'ala* has magnified seventyfold.

With the furthering ease in restrictions this year's Eid celebrations will be one of great excitement and joy across the Muslim community. Though the novel coronavirus COVID-19 is still present in our beautiful nation, we are grateful that this year many Muslims, both at home and across the world, will be able to return to their places of worship and joined with them, brothers and sisters in Islam in this sacred period of fasting and prayer.

The holy Qur'an which was revealed to the Prophet Muhammed, peace be upon him, by Almighty Allah *Subhanahu wa Ta'ala*, in chapter 94:5 states:

“So, surely with hardship comes ease...”

As Muslims we must be patient and understanding, knowing that the Almighty is in control and whatever difficulties we may be facing will not last forever. We must have faith and seek his guidance at all times.

As we grow closer to the end of the Holy Month of Ramadan, the celebration of Eid ul-Fitr, which literally translates to the festival of breaking of the fast, let us reaffirm our faith, shape of characters and draw us closely to Almighty Allah. In preparation to celebration Eid ul-Fitr, I want to encourage my fellow Muslims to reach out to persons in your communities who may be facing difficult times as a result of the COVID-19 pandemic. Give selflessly and assist those less fortunate, not just at this time of the year but as a part of a devout and complete Islamic way of life.

I also urge my brothers and sisters in Islam to continue to practise kindness, patience and generosity for the rest of the year and let us teach our children to exercise the teachings of Almighty Allah in their daily lives. Let us have faith and remind to do good and be our brother's keeper. I pray that Almighty Allah, *Subhanahu wa Ta'ala* continue guidance and protection upon our government and all our citizens of our beloved twin island paradise of Trinidad and Tobago.

May Allah continue to bless us all with good health, long life, a new man, and seek his reward through good deeds. May he accept our fast and *ibadah* and grant us ease in all our difficulties. May Allah continue to bless us and guide us. Ameen.

Hon. Senators: [*Desk thumping*]

Mr. Vice-President: Sen. Nakhid.

Hon. Senators: [*Desk thumping*]

Sen. David Nakhid: *Bismillah-ir-Rahmanir-Rahim. Salli 'ala Muhammad wa Ali*

Muhammad. [Arabic spoken] In the name of Almighty God, most gracious, especially merciful, peace and blessings upon our Prophet Muhammed and his noble family and his selected companions. Mr. Vice-President, tasked with the honour by our political leader, Kamla Persad-Bissessar, of conveying greetings to the nation on the advent of Eid ul-Fitr, I was torn between sending the typical Eid greetings with lots of flowery language, poetic prose, and there is a lot of that, especially in the English translation from the Arabic. I can wax poetically of how immense our loss, as my colleague preciously stated as this blessed month comes to an end. The month where every breath we take, every prayer that we stand and make is given, rewards and blessings that our human minds could never fathom. The month where we act of charity is counted in multiples and our strident search for the *Laylat al-Qadr*, the blessed night which is better than a thousand months where all matters are arranged becomes an imminent reality.

I can address the coming together of the believers in worship, their hearts open, compassion stretched, eyes weary in all-night prayer and devotion, hearts and souls are washed in serenity and tranquility—I can do all that or I can make mention of the Almighty God’s final prophet, Prophet Muhammed, Sallallahu Alaihi, whose saying encompasses all what Ramadan really means. And he said:

Almighty God, *Subhanahu wa Ta’ala*, curses the believer who in this month of Ramadan goes to sleep, stomach satisfied, having eaten a hearty meal but his neighbour remains hungry.

And this, Mr. Vice-President, is the true meaning of the month of Ramadan. In other words, what the Prophet said is that we can pray all night, supplication all day, charity, but if we are not mindful of the plight of our neighbour, we are hypocrites, essentially, and this from our Prophet.

So the month of Ramadan is not one for hypocritical piety, it is not one for

mere visceral action, it is one where the profound meaning of Ramadan is to find virtue that takes us beyond the month of Ramadan and throughout all our lives. So in this month of Ramadan we practise patience, not the patience of waiting to eat and drink after 12-plus hours; that is visceral patience. We practise the patience of watching on television as our brothers and sisters in Islam were beaten, humiliated in Islam's second holiest site at Al-Aqsa Mosque.

We watched in patience restrained anger; that is what that "patience" entails, restrained anger. Prayers to the Almighty to rectify that situation and even our words and deeds to rectify such a situation. And then we looked on in horror as that what happened in Al-Aqsa Mosque was translated here in Diego Martin where our places of worship were desecrated by members of the National Security apparatus. And we wonder, is that a result of who we have invited here in Trinidad and Tobago?

We believers, even those who could afford, they have a rise in food prices, were bound by the disciplines of this blessed month to suffice with one meal per day. And if practised as our Prophet did, that meal would be also a modest one. So we were guided to empathy, to empathize with so many of our citizens in this time who the reality for them all year long is that one meal per day to watch as their children are content or have to be content with food insecurity and not enough nutritious meals. Our struggle in this blessed month was not one of food and drink, staying up in the night to pray and supplicate, as our struggle, as our beloved Prophet indicated, is to account for our less fortunate.

Whatever the circumstances may be, our struggle is to ensure that this country, this Government does not place 650 citizens of our country in a car park under inhumane conditions and call it a "displacement shelter". Our struggle is to ensure that our youth from poor disadvantaged communities get the—[*Device goes*

off]—opportunities to move forward towards a productive life before you have to deal with them before they enter the penal system. That is our struggle. And if poetic justice was a thing our—

Mr. Vice-President: Sen. Nakhid, as your Muslim brother I would say that, I do not have to speak on the angle that you are going down for you have received divine intervention by leaving your ring tone on and hearing the *azan*.

Sen. D. Nakhid: It is not a ring tone, brother, it is a notification—

Mr. Vice-President: Time to pray.

Sen. D. Nakhid:—of the *azan*.

Mr. Vice-President: Time to prayer. The fact is that you have left your volume on and it has indicated for you, time to pray. I would go so far to say it was an intervention where the Chair was necessarily—had to stood up and say, to keep your address as an Eid greeting on behalf of your party, as you have been invited to, and stay away from the matters of the press and be guided accordingly.

Sen. D. Nakhid: I disagree completely. As I pointed out, our Prophet was about the equity and justice even in the month of Ramadan, but I continue.

So, Mr. Vice-President, although we yearn for the blessings and mercies this month affords us, and we will look forward to the coming of the next month of Ramadan with the hope and love that a young bride awaits a husband sent off to war, we recognize the visceral and the latent meaning of this most blessed of months, and we pray that Almighty God lifts the veil from our eyes, our hearts and blesses us with the courage to take the virtues acquired in this month into every other month of our lives. And I send peace and blessings to all our citizens on behalf of our honourable political leader, Kamla Persad-Bissessar, and all of the UNC, and all of my Muslim brothers and sisters throughout the region and indeed throughout the world. As we say in the Islamic greeting, Eid Mubarak. *Assalamu*

alaikum wa rahmatullahi wa barakat. Thank you, Mr. Vice-President.

Hon. Senators: [*Desk thumping*]

Mr. Vice-President: Sen. Teemal.

Hon. Senators: [*Desk thumping*]

Sen. Deeroop Teemal: Mr. Vice-President, it is indeed an honour and privilege on behalf of the Independent Senators to bring greetings to the Muslim community and the nation of Trinidad and Tobago on this auspicious occasion of Eid ul-Fitr, 2022. Ramadan is the holiest month in the year in Islam and for Muslims it is a time for spiritual reflection and growth. It is a time to help those in need and a time to spend with loved ones and family. It is indeed a time when Muslims around the world fast during the daylight hours for the whole month of Ramadan, thus for Muslims Ramadan is an opportunity to practise self-discipline, self-control, sacrifice and empathy for those who are less fortunate, thus encouraging actions of generosity and compulsory charity or *zakat*, which is one of the pillars of Islam.

Many persons forget that God is the source of all sustenance. Through thanksgiving is to know that all sustenance comes directly from God, to acknowledge its value and to appreciate our need and dependence on that sustenance. A fasting person physically feels the value of and their need for basic sustenance when they experience the pangs of hunger and thirst, and since a believer fasts for the sake of God, they acknowledge that the sustenance which may be taken for granted actually comes from God. Therefore, fasting in the Islamic tradition is the best way to show a true and sincere thanksgiving.

Ramadan culminates in the celebration of Eid ul-Fitr and as our Muslim brothers and sisters gather in their mosques and homes to observe this joyous event, may we be always reminded of the peace, love and equality which are the inherent features of Islamic teachings. May Almighty Allah shower his choicest

blessings upon the Muslim community and upon all of our citizens of Trinidad and Tobago on this auspicious occasion of Eid ul-Fitr. Eid Mubarak.

Hon. Senators: [*Desk thumping*]

Mr. Vice-President: Hon. Senators, it is my privilege to join with those who have spoken before me in bringing to the members of the Muslim community and faith and the wider society the greetings of Eid ul-Fitr. Without an element of self-denial and asceticism, no religion, therefore no human culture, is possible. One must withdraw occasionally from the full life of the senses even in order to be able to enjoy the fruits of sensual perception. As the Taoist saying goes and affirms, it is the empty space of the wheel that makes the wheel.

One such practice of restraint is fasting as practiced in Islam as obligatory for the month of Ramadan and recommended for other periods of the year. Fasting during this month possesses, of course, many social and external and eternal benefits. The individual, and through him the Islamic community is renovated through this rite and reminded of its moral and spiritual obligations and goals. That is why the arrival of the blessed month is greeted with joy; for in it, the doors of heaven are opened further for the faithful and the divine compassion descends upon those who seek it.

To have completed the fast of Ramadan is to have undergone a rejuvenation and rebirth which prepares each Muslim to face another year with determination to live and act according to the divine will. The fast also bestows a spiritual perfume upon the human soul whose fragrance can be perceived long after the period of abstinence has come to an end. It provides for the soul a source of energy upon which it feeds throughout the year. The holy month has therefore been called “the blessed”, *mubarak*, one in which the grace or *barakah* of God flows upon the Islamic community and rejuvenates its deepest sources of life and actions.

I personally admonish those who have joined me on this fast in any way, not to be selfish with the benefits but to share the lessons to all our cultures, creeds and races of this great nation. So, when we all say, “Eid Mubarak”, we pass on not only the joy but the lessons. Therefore, in the spirit of grace and blessings, please allow me on behalf of the President of the Senate, the Parliament of Trinidad and Tobago, myself and my family, to wish our Muslim brothers and sisters, and by extension the people of Trinidad and Tobago, Eid Mubarak.

Hon. Senators: [*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.35 p.m.