

**SENATE**

*Tuesday, December 13, 2022*

The Senate met at 10.00 a.m.

**PRAYPERS**



[MADAM PRESIDENT *in the Chair*]

**LEAVE OF ABSENCE**

**Madam President:** Hon. Senators, I have granted leave of absence to Sen. The Hon. Dr. Amery Browne and Sen. Laurel Lezama-Lee Sing, both of whom are out of the country; to Sen. Anil Roberts, who is ill, and to Sen. Hazel Thompson-Ahye.

**SENATORS' APPOINTMENT**

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

“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. HARVEY BORRIS

WHEREAS Senator the Honourable Dr. Amery Browne 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)(a) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the

**UNREVISED**

advice of the Prime Minister, do hereby appoint you, HARVEY BORRIS to be a member of the Senate temporarily, with effect from 13<sup>th</sup> December, 2022 and continuing during the absence from Trinidad and Tobago of Senator the Honourable Dr. Amery Browne.

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 12<sup>th</sup> day of December, 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: MS YOKYMMA BETHELMY

WHEREAS Senator Laurel Lezama-Lee Sing is incapable of performing her duties as a Senator by reason of her 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)(b) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the advice of the Prime Minister, do hereby appoint you, YOKYMMA BETHELMY to be a member of the Senate temporarily, with effect from the 13<sup>th</sup> December, 2022 and continuing during the absence from Trinidad and Tobago of Senator Laurel Lezama-Lee Sing.

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 12<sup>th</sup> day of December, 2022."

### **OATH OF ALLEGIANCE**

*Senators Harvey Borris and Yokymma Bethelmy took and subscribed the Oath of Allegiance as required by law.*

### **ARRANGEMENT OF BUSINESS**

**Madam President:** Hon. Senators, I am awaiting one further instrument of appointment and when we receive it, we will revert to this item of business.

### **FINANCE (NO. 2) BILL, 2022**

**The Minister of Finance (Hon. Colm Imbert):** Thank you, Madam President. I beg to move that a Bill entitled an Act to make provisions of a financial nature—

**Madam President:** Minister, there is a procedural step to be taken.

**Hon. C. Imbert:** I am terribly sorry. I was given the incorrect page on the procedure by my good friend to the left of me.

Bill to make provisions of a financial nature and other related matters, brought from the House of Representatives [*Minister of Finance*]; read the first time.

*Motion made:* That the next stage of the Bill be taken later in the proceedings. [*Hon. C. Imbert*]

*Question put and agreed to.*

### **PAPERS LAID**

1. Annual Audited Financial Statements of the Water and Sewerage Authority for the financial year ended September 30, 2018. [*The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon)*]

2. Report on the Operations of the National Insurance Board of Trinidad and Tobago and the Audited Financial Statements for the year ended June 30, 2022. [*Sen. The Hon. P. Gopee-Scoon*]

## **JOINT SELECT COMMITTEE REPORTS**

### **(Presentation)**

**Sen. Deeroop Teemal:** Madam President, I have the honour to present the following reports:

#### **Land and Physical Infrastructure**

##### **Water and Sewerage Authority**

Third Report of the Joint Select Committee on Land and Physical Infrastructure, Third Session (2022/2023), Twelfth Parliament, on the Management of the Water and Sewerage Authority (WASA) with specific reference to the 2020 Cabinet Sub-Committee Report on WASA and related recommendations.

##### **Impact of Landfills on the Environment of Trinidad and Tobago**

Fourth Report of the Joint Select Committee on Land and Physical Infrastructure, Third Session (2022/2023), Twelfth Parliament, on the Impact of Landfills on the Environment of Trinidad and Tobago.

#### **Human Rights, Equality and Diversity**

##### **Cultural Heritage of the Indigenous Peoples (First Peoples)**

##### **of Trinidad and Tobago**

### **(Presentation)**

**Sen. Dr. Muhammad Yunus Ibrahim:** Thank you, Madam President. I have the honour to present the following report:

Fourth Report of the Joint Select Committee on Human Rights, Equality and Diversity on an inquiry into the role of the State in preserving the Cultural

Heritage of the Indigenous Peoples (First Peoples) of Trinidad and Tobago,  
Third Session (2022/2023), Twelfth Parliament.

### ANSWERS TO QUESTIONS

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

Thank you very much, Madam President. In light of the—

**Madam President:** [*Inaudible*—is the Government prepared to answer all questions?

**Sen. The Hon. P. Gopee-Scoon:** I am sorry. I am so sorry. The Government is in a position to answer all questions on the Order Paper today.

**Madam President:** Thank you very much.

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

### WRITTEN ANSWER TO QUESTION

#### National Gas Company of Trinidad and Tobago

#### (Claims made)

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

Can the Minister provide a list of all claims made against the National Gas Company of Trinidad and Tobago (NGC) in respect of the failure to deliver contracted quantities of natural gas for the period January 01, 2017 to September 30, 2022, including the following:

- (i) the date each claim was made;
- (ii) the name of the claimant(s) for each claim listed at (i);
- (iii) the quantum of each claim made;
- (iv) whether each claim was resolved or its present status; and the total amount of money paid by the NGC in respect of (iv)?

*Vide end of sitting for written answer.*

### ORAL ANSWERS TO QUESTIONS

**Sen. Jearlean John:** Madam President, with your permission, I am posing these questions on behalf of Sen. Mark.

**Government's decision to reduce subsidies**

**(Details of)**

**16.Sen. Jearlean John** on behalf of Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:

In light of the Government's decision to reduce the level of subsidies on imported refined fuel products, can the Minister state:

- (i) how much refined fuel products have been exported in 2022;
- (ii) which countries have these products been exported to in 2022; and
- (iii) the export price of these products?

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

Thank you, Madam President. To part (i) of the question, total barrels of refined fuel products that have been exported in 2022, that is January 2022 to August 2022, is 10,103,311 barrels and this is for all products.

To part (ii) of the question, the countries that these products have been exported to in 2022 are as follows: Guyana; Barbados; Suriname; St. Lucia; Grenada, including Carriacou; Tortola; Jamaica; St. Vincent, including Bequia; St Kitts and Nevis; Angola; Bahamas; Guadeloupe; St. Maarten; Turks and Caicos; Monserrat; Martinique; St. Maarten, and Haiti.

To part (iii) of the question, the export price is based on market reference price, plus a premium. This price therefore varies on a cargo-to-cargo basis depending on the dates the cargoes are lifted and the grades and the specifications of cargoes. For calendar year 2022, these prices varied between US \$120.21 per barrel to US \$177.82 per barrel. Thank you.

**Madam President:** Sen. John.

**Sen. John:** Yes, Madam President. Is Paria or whomever—which state company is the direct seller to the external markets or is there a middleman or agent?

**Madam President:** No, Sen. John, I will not allow that question.

**Sen. John:** Is the fuel product sold at prices subsidized by the people of Trinidad and Tobago?

**Sen. The Hon. P. Gopee-Scoon:** Absolutely not.

**Sen. John:** How did Paria decide on these markets? Were they approached or were these people chosen by some process?

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

**Sen. John:** Madam President, is the fuel shipped straight from wherever it is bought to these external markets or is it brought into Trinidad and then shipped out, re-exported?

**Sen. The Hon. P. Gopee-Scoon:** I would think that you would want the name of the ship and the size of the ship, et cetera, but it is very difficult because it would vary. You are going into very small territories and dependant on the amount sold, then, of course, it may be a full cargo. If not, they may be dropping off at different points. So it is difficult to answer specifically to which and to when.

**Sen. John:** Madam President, I do not think the question was answered, you know.

**Madam President:** No, next question, Sen. John.

**Sen. John:** Is this fuel sold in—

**Madam President:** No.

**Sen. John:** Sorry.

**Madam President:** Sen. John, you have used up the four supplementals.

**Sen. John:** Thank you, Madam President.

**Madam President:** Next question.

**Police officers killed in the line of duty**  
**(Compensation for families)**

**17. Sen. Jearlean John** on behalf of Sen. Wade Mark asked the hon. Minister of National Security:

Can the Minister state whether the families of Police Officers, who were killed in the line of duty, have been receiving compensation packages?

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

Thank you, Madam President, and according to information received from the Acting Commissioner of Police, five legal, personal representatives of police officers who were killed in the line of duty have received appropriate compensation packages.

**Sen. John:** Madam President, does this mean—are these five police officers, is that the sum total of police officers killed in the line of duty or are there others?

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

**Sen. John:** Madam President, the hon. Minister said there were five officers killed in the line of duty. The question being posed now is whether five were determined to be those killed in the line of duty or there were others now being assessed or others killed in the line of duty?

**Madam President:** Well, Sen. John, based on the question, the question that was posed is whether the families have been receiving compensation packages. The answer given is five families have received. So, in light of that, I will ask you to reframe your question in light of the question that was posed and the answer that was given.

**Sen. John:** Yes, Madam President. I understand that there are five families who would have received this compensation. I am asking if there are other families who should be in receipt of this compensation.



**Madam President:** What I am asking you to do is to reframe the question and you will get the appropriate answer.

**Sen. John:** Yes, Madam President. How is it determined in terms of who was killed in the line of duty and who should be receiving this compensation?

**Madam President:** Sen. John, that question does not arise from the question posed and the answer given.

**Sen. John:** Are officers who were killed by COVID considered officers killed in the line of duty? Who died—[*Inaudible*]

**Madam President:** That, too, Sen. John, does not arise based on the question that has been posed and the answer given.

**Sen. John:** Madam President—

**Madam President:** So can we move on to the next question? Because you have used up the four supplementals.

**Sen. John:** Thank you, Madam President. To the hon. Minister of Education—

**Madam President:** Yes. No, sorry. The question is to be posed to the Minister of Education, yes.

### **Deployment of “Safety Officers” to Schools**

#### **(Ministry’s Consideration)**

**18.Sen. Jearlean John** on behalf of Sen. Wade Mark asked the hon. Minister of Education:

Can the Minister state whether the Ministry will consider the deployment of “Safety Officers” to schools with outbreaks of violence rather than Police Officers?

**The Minister of Education (Hon. Dr. Nyan Gadsby-Dolly):** Thank you, Madam President. There are school safety officers assigned to 91 government secondary schools who handle any breaches, supported by security officers of the National

Maintenance Training and Security Company Limited. The police presence is required when an arrest is to be made or the outbreaks of violence are beyond the remit of the school safety and security officers.

**Sen. John:** Yes, Madam President. Is it that the Minister is saying that police officers being placed in schools are simply complementary or they are there to augment the school safety officers?

**Hon. Dr. N. Gadsby-Dolly:** Thank you, Madam President. They are there to augment and also to lend their own spin. These are the community police and so they interact with the children inside of the school, encourage them to be involved in the police youth clubs outside of the school. So they add their own unique flavour to the discipline at the schools.

**Sen. John:** Madam President, we have been seeing in the media many of these—well, I mean, incidents of students in situations of conflict. Is it that, that there are—where then are these school safety officers? Because it does not appear as if there is anybody who are intervening. Is it that, at that time, you all have a high incidence of absence of these school safety officers?

**Hon. Dr. N. Gadsby-Dolly:** Madam President, to the contrary, in many of the videos, unfortunate as it is that they reached social media and go viral, you see the presence of safety officers as well as the MTS officers. And therefore, they are integral to that and they do their job with a lot of heart and they do assist our children to the greatest extent. But when it goes beyond, the police step in and they give that added support to the strength that is available at the school.

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

**Sen. John:** Madam President, are the school safety officers trained specifically to confront these situations?

**Hon. Dr. N. Gadsby-Dolly:** They are.

**Sen. John:** Madam President, through you, the Minister also spoke about MTS officers. Are they also similarly trained to interact with the students and to treat with these situations of conflict?

**Hon. Dr. N. Gadsby-Dolly:** They are.

**Sen. John:** Thank you, Madam President.

### **FINANCE (NO. 2) BILL, 2022**

*Order for second reading read.*

**The Minister of Finance (Hon. Colm Imbert):** Madam President, I beg to move:

That a Bill to make provisions of a financial nature and other related matters, be now read a second time.

The Bill before the Senate is the Finance (No. 2) Bill, 2022, which is designed to put in place the remaining fiscal measures announced in the Senate during the month of October that were not included in the Finance Act, 2022. With one exception, we are not dealing with the question of increased fees for licences, for assault weapons since we are currently fine-tuning the definition of exactly what an assault weapon is and that will be dealt with early in the new year. There are also two additional measures that were not announced in the budget but we thought that it was necessary, important to do them at this time.

The first Bill was brought to the Parliament because of the need to implement a tax amnesty which became effective on November 14<sup>th</sup>, 2022. So that first Bill dealt, in the main, with the tax amnesty provisions and some other measures. This one deals with the remaining measures.

When one looks at the Bill itself, the Bill has seven clauses. They are primarily geared toward incentivizing business, small business, manufacturing and the petroleum sector. None of the clauses are intended to be revenue raising. In fact, the clauses that deal with taxation are all intended to give up revenue in order

to incentivize and motivate businesses to produce and therefore stimulate economic development.

The measures that were not announced in the budget but are in this Bill are intended to create an interim pension for members of the defence force and the police service. We feel that it is very important to do this now and before comments are made, which would be inaccurate, because there were inaccurate comments in the other place. The system for allowances for members of the defence force and the police service and the compensation package in particular, is subject to completely different procedures than for the civil service. With respect to the civil service, it is a simple matter of amending legislation. But with respect to the defence force in particular, there is a procedure whereby the Chief of Defence must be consulted, the Chief of Defence is then obligated to consult with the three arms of the defence force—coast guard, the army, the air guard—and after that consultative process is completed, the defence force would then indicate its non-objection, or otherwise, to what is being proposed.

With respect to an interim pension for members of the defence force, that non-objection was only received from the defence force in this year, 2022. Whereas the civil servants would have received their interim pension arrangement since 2018, but there was no consultative process required there.

A similar situation applies to the police service, the consent or non-objection from the Acting Commissioner of Police was only received in this year, 2022, and that is a mandatory requirement before measures of this nature are implemented.

Clause 1 of the Bill is self-explanatory, needs no furthering explanation. It is the short title.

Clauses 2 and 3 of the Bill amend the Defence (Pensions, Terminal and Other Grants) Regulations and the Police Service Regulations to provide for an

interim pension in the sum of \$3,500 per month. As I have seen stated in the newspaper by one of the representatives of the bargaining agent for the police service, this has absolutely nothing to do with current negotiations or actions associated with collective agreements. This is completely independent of that, has absolutely nothing to do with it.

The reason for it, it is common knowledge that the systems relative to processing and payment of pension benefits for retired public servants are not the most efficient. And we in finance, some years ago, took a conscious decision in order to try and improve the system of pension and leave records and also the system of completing all the paperwork which is required to pay a pension—because the first thing that has to be done in order to pay a pension, it must be established that the retiree is not indebted in any way to the Government, so that they do not have an outstanding car loan, for example, or there is no overpayment that they are required to repay or that their leave records are up to date and so on. So the first thing that needs to be done before a pension can be paid is that the pension and leave records and the monetary records of the individual must be settled and that must be settled by the department from whence they come.

So that in order to speed up the process, the Minister of Finance decentralized the whole question of processing of pensions and gratuities to the various Ministries and Departments some years ago and created a pension and leave department within all these agencies and Ministries and government departments so that the matter could be dealt with at source. Unfortunately, this is not working as it should and even though there are now dedicated, decentralized units in all Ministries and Departments, there are still delays. And this is something that each particular Ministry or accounting officer, in the case of the Commissioner of Police and the Chief of Defence, will have to deal with.

So that what we decided to do, based on consultation with the defence force and the police service, is to give retired officers an interim pension that is the minimum value, \$3,500. And they get this almost immediately. And when their documents and their records are processed and settled, then they will get the full pension that they are entitled to. There is no question of any repayment because this is a minimum amount. So most, if not, all retirees will get more than this. The only situation where someone may be in difficulty is if they were not entitled to a pension. In other words, they did not meet the requirements for a pension. Now, this is not a completely acceptable solution but it will certainly bring much-needed relief to retired officers.

Moving on now to clause 4(a) of the Bill, the apprenticeship allowance. It is well known that persons who have completed their secondary education are usually not equipped to enter the world of work as they lack the necessary skills and experience in problem solving, time management, prioritization and other areas critical to strong job performance. Essentially, they are inexperienced. And they are also unfamiliar with workplace norms and responsibilities and it is quite often difficult for someone coming straight out of secondary school to enter the workplace without difficulty because it is a transition from a situation where they have been students and they are now transitioning into a workplace where they have to abide by the rules and regulations within the workplace.

So in order to bridge the gap between school and work, clause 4(a) of the Bill implements an apprenticeship allowance by inserting section 10W under the Corporation Tax Act aimed at addressing the situation. And this is to support the development of these people who would have just come out of school and I want to make it clear that the phrase “completed their secondary education” means that they have completed their years of education.

**10.30 a.m.**

It does not mean that they are required to have five CXC passes for example. They just have to have finished their secondary education. So, there would be some who would have done quite well and there would be others who have done not so well. But this is for persons who have completed their secondary education and no longer required to attend school.

So, the allowance is intended to assist that group. It is also intended to assist businesses, to create a globally-competitive workforce. It is designed for the hiring of young persons, again, who have finished their schooling, secondary schooling, aged 16 to 25 years. And it would provide eligible companies when an allowance of 150 per cent, an uplift of 50 per cent on all remuneration paid to these apprentices under such an allowance.

We have changed the original intent of this clause. Initially, we had limited the money that could be spent by a company with respect to these apprentices, to 5 per cent of their total wage bill. But on reflection, since we want to encourage companies to do this, we have increased that to 20 per cent. So that a company will now be allowed to spend 20 per cent of its total remuneration or total expenditure on salaries and wages for this apprenticeship programme.

Madam President, in everything, there must be some form of order and discipline. It cannot be a free for all, because companies could cheat by creating make-believe apprenticeship programmes, just in order to get this 50 per cent uplift on their tax deductions. So that, it is a requirement that the training programme, the apprenticeship training programme must be registered with the National Training Agency, and there is no other agency in Trinidad that would be better suited than the National Training Agency. That is what they do. So, these are some of the issues that were raised in the other place. People asked: Why the

National Training Agency? I could not understand the question. Because the National Training Agency is an agency of longstanding, set up to do exactly this. In the first instance, we are limiting the period of apprenticeship to one year. If it works well, of course we will extend that in due course.

The next set of clauses 4(b), (c), (d), (e), (f), and (g) relate to an approved small company. Many people do not know that an approved small company is exempt from income tax for a period of five years from inception at this time. We are now increasing that to six years. And it is necessary to understand what an approved small company is. And this is defined in section 16(a)(5) of the Corporation Tax Act and it is a company that has received a certificate from the Minister of Trade and Industry where, that Company:

- (a) is locally-owned and controlled;
- (b) has machinery, equipment and working capital, the value of which does not exceed \$1,500,000;
- (c) if incorporated on or after the 8th of January 1988, is not the result of the splitting or the reconstruction of an existing company;
- (d) does not have, as a shareholder, any other company holding shares either directly or indirectly through its nominees;
- (e) maintains accounts, which are audited by an accountant who is a member of the Institute of Chartered Accountants of Trinidad and Tobago;
- (f) has a potential for creating permanent jobs;
- (g) has at least five permanent employees; and
- (h) makes optimum use of locally-produced raw materials.

So, any small company that meets these criteria can apply to the Minister of Trade and Industry and once they satisfy the Minister of Trade and Industry that they do



in fact meet all of these requirements, then there should be no issue with respect to receiving a certificate from the Minister that the company is an approved small company.

Now, Madam President, we are in a post-COVID situation and businesses are now recovering from the adverse economic effects of COVID. Companies of all sizes, but in particular small ones, are affected by supply chain disruptions, the high cost of raw materials and also the fact that their income was severely affected by COVID during the 2020 and 2021 years. So there is need to support small companies in this country. And we have a variety of support mechanisms. You would have heard of our loan guarantee programme, designed specifically for SMEs, in order to give them access to capital, which is one of the most difficult issues for a small company. So, we continue to support small companies, in order for them to play a critical role in the Trinidad and Tobago economy, particularly in the non-energy sector, which is where our focus is.

And I said it before, but I would say it again, when one looks at the European Union, one would see that a large percentage, some say 90 per cent of companies in the countries of the European Union are small businesses and that is how those economies survive. They survive on the activity created by small businesses. It is no different in Trinidad and Tobago. So we felt that increasing the tax relief that an approved small company is entitled to, from five years to six years, would assist these particular companies and will assist the country as a whole.

Clauses 4(c), (d), (e), (f), and (g) are just housekeeping measures, because we have a lot of names in legislation of companies and entities that no longer exist, like the Industrial Development Corporation, the Small Business Development Company. These entities no longer exist, but they are named in legislation. So,

clauses 4(c), (d), (e), (f), and (g) would just seek to remove these nonexistent companies and replace them with a company designated by the Minister of Finance by Order. And, that would be something like CreativeTT, exporTT or, perhaps, the new entity, which is being created by the merger of a number of entities and companies within the purview of the Ministry of Trade and Industry. But this is a very straightforward thing. It would take us no time to determine which company should be the designated entity.

Clause 4(h) provides a tax credit for manufacturing companies. It is two-pronged. It inserts two new sections, 16(k) and 16(l), in the Corporation Tax Act. Clause 16(k) implements a tax credit from manufacturing companies. This tax credit for approved manufacturing companies seeks to further incentivize the manufacturing sector by offering a one-time tax credit of \$50,000 for expenditure incurred in 2023, by an approved manufacturing company acquiring new machinery, new production lines on your equipment. Now this is a credit, which means that the expenditure itself could be at least \$150,000 or more. There is a difference between a credit and an allowance. And certainly, these small businesses that I have spoken about earlier will benefit from this. I think it will give them a tax credit of \$50,000 for the acquisition of equipment, machinery, et cetera; it would certainly assist these companies. The Minister of Trade and Industry would be responsible for certifying companies as approved manufacturing companies.

The second portion of clause 4(h) deals with the proposed inclusion of section 16(l) in the Corporation Tax Act, and it provides a tax credit to e-money issuers and payment service providers. A payment service provider is a company registered by the Central Bank and this type of company facilitates the transfer of money or discharge of monetary obligations between and among entities other than

banks. So, it is not a bank, but it facilitates the transfer of money for the purchase of items, and so on, the settling of monetary obligations.

By way of background, the e-money Issuer Order, 2020 was made by me in that year, under section 17(4) of the Financial Institutions Act, and that e-money Issuer Order, 2020, sets out the legal framework under which an e-money issuer can be licensed and operate in Trinidad and Tobago. And by way of clarification, e-money or electronic money is defined under section 2 of the Financial Institutions Act as:

“monetary value represented by a claim on the issuer, which is—

- (a) stored on an electronic device;
- (b) issued on receipt of funds of an amount not less in value than the value...issued; and
- (c) accepted as a means of payment by persons other than the issuer, so however, the funds referred to...shall not be treated as a deposit under”—the Financial Institutions—“Act.”

As the whole concept of e-money issuers and payment service providers grows and develops in our local economy, we expect that there would be competition, because competition is essential to encourage greater use and efficiency of these electronic payments and e-commerce. We expect that as the use of e-money issuers and payment service providers grow and develop, there would be a reduction in the use of cash and cheque payments, and we expect that it will assist the unbanked who do not have bank accounts, who prefer to deal in cash, because they cannot get a bank account, they do not trust the banks, or whatever the case may be. The use of payment service providers, e-money issuers, mobile wallets, and so on; and vouchers, top-up vouchers where there is barcode, which can be scanned by device in order to facilitate a payment; this is specifically designed to

help the unbanked and people in rural areas who may not be able to have a bank account.

So, that this tax credit is expected to further incentivize expansion in this particular sector, e-money sector. It is limited to \$50,000. Again, it is a credit. So it means your expenditure would be in excess of \$150,000 and it is for expenditure incurred in the year 2023, involving the acquisition of equipment, intellectual property, product development, web development, security and maintenance, hosting, regulatory costs, or bank settlement fees.

And I want to make a point. Trinidad and Tobago is a country where there is quite a lot of people who try to bully everybody. We just had some experts, assisting the Ministry of Finance, from Lithuania, which is a leader in the world in electronic payments. And the Ministry of Digital Transformation also has a relation with Estonia, which is also a world leader in digitization. And the Lithuanian consultants, I met with them recently, they were giving me an update on their findings and recommendations with respect to how we should develop and regulate the electronic money sector in Trinidad and Tobago, and they made the point that competition is key; that if you go throughout all the countries in Europe, there is a multiplicity of electronic money issuers, e-money issuers, and payment service providers. And because of the intense competition, you get value for money and quality becomes the focus; quality and efficiency. But in Trinidad and Tobago, there are people who would like us to go with a monopoly situation and allow them to be the only e-money issuer or payment service provider in this country, and they would capture the marketing and push out and lock out everybody else. We would have none of that.

So, moving on now to clause 5, Petroleum Taxes Act. As I have said before and I said in the budget debate, the energy sector has played and will continue to

play for many, many years a very significant role in our economy. The energy sector has contributed on average 30 per cent to our gross domestic product over the last three years. And it is increasing. In light of this, there is need to at least sustain the sector and also seek to motivate the sector to grow.

And a couple years ago, we made a decision to incentivize small onshore oil producers by increasing the threshold for the imposition of the supplemental petroleum tax from US \$50 a barrel to US \$75 a barrel. And at that time, we limited the oil produced by these small onshore producers to 2,000 barrels. In this Bill, and I will get to it in short while, we are now increasing that to 4,000 barrels. But we are also dealing with other aspects of the energy sector.

Clause 5(a) of the Bill increases the investment tax credit from 25 per cent to 30 per cent of expenditure in section 26(1) of the Petroleum Taxes Act. And the simple intent here is to stimulate exploration and development in the energy sector.

Clause 5(b) of the Bill reduces the petroleum profits tax in relation to petroleum operations in deep water from 35 per cent to 30 per cent, and that amends the full Schedule of the petroleum taxes. The remaining provisions in clause 5 of the Bill relate the supplemental petroleum tax. Clause 5(c)(1) extends the preferential SPT rate, which commences at 18 per cent when the price is between US 75 and 90, to small onshore producers by deleting the words 2021 and 2022. So, previously we had also put a sunset clause on this. We are taking that out. So that clause 5(c)(1) deletes the time limitation for the new threshold for SPT, for the small onshore producers, which is US \$75 a barrel, and has been for a year or so.

Clause 5(c)(2) of the Bill deals with what I just mentioned, by increasing the limit of crude oil produced by a small onshore oil producer, from 2,000barrels a day to 4,000 barrels a day. And many of these small producers are now in the

3,000 barrels a day range. So this is certainly going to help them. So, once the production is 4,000 barrels or less, then they would benefit from the new SPT threshold of \$75.

This amendment relates to paragraph 3(b) of Part A of the Third Schedule of the Petroleum Taxes Act. And, if I can explain what supplemental petroleum tax is. Below the threshold, which is \$50 for the rest of the industry, there is a tax imposed called petroleum profits tax or PPT corporation tax. But once oil hits \$50, a supplemental petroleum tax kicks in, and it is a tax on gross, from which the petroleum profits tax is deducted. Many companies complain, small companies in particular, that it is not an attractive tax, because as you hit that \$50 and you get to \$51, the tax burden on producers goes up significantly.

So, at all times one needs to balance the need for revenue with the competitiveness of one's petroleum tax rate regime. So after a lot of research, analysis, calculation, we have decided to adjust our SPT rates, our supplemental petroleum tax rates, downward for new field development in shallow marine areas. So that, this is to encourage persons to develop new fields in the shallow water marine areas. The new rates would now be zero, below \$50 a barrel, and between 50 to 70, it will now be 15 per cent. It was higher than that before. Between 70 and 90, 20 per cent; between 90 and \$200, 20 per cent, plus a percentage of the amount between 90 and 200; and above 200, 42 per cent. What this is, is a sliding scale. So instead of a flat amount, 18 per cent as a case may be, 20 per cent, it is now 0/15/20 and it goes up as the price goes up.

This is found at paragraph 6(a) of Part A of the Third Schedule. And as we move to revise the SPT rates, clause 5(c)(3) amends paragraph 6(a)(1)(c) to reflect that the base SPT rate, in respect of new field development, has moved from 25 per cent, which it is now, down to 20 per cent in column B of Part B of the Third

Schedule.

Clause 5(c)(4) of the Bill introduces a new regime of SPT in relation to a new well in an existing field in shallow marine areas. This is all, simply put in the English language, I was talking to someone yesterday who called me for clarification. It is amazing how people can misinterpret things when they read what is in the newspapers, instead of reading what is in the legislation.

We are also introducing a new regime for supplemental petroleum tax for a new well in an existing field in shallow marine areas. What this means, using the English language, a new well is a well that did not exist before January 01, 2023. So, it should be obvious what that means. An existing field is a field that produced oil before January 01, 2023. So you have a field with a series of wells in it, producing oil. That is an existing field. If you go and drill a new well inside that field, then that becomes a new well in an existing field and it would benefit from the same SPT revised rates that I just mentioned, \$50 to \$70, 15 per cent; below \$50, zero per cent, and so on. And in order to make sure there is no cheating, because there is a lot of cheating in these areas, the new wells in existing fields will be required to be approved and certified for development by the Minister of Energy and Energy Industries. Again, that is standard in the industry. If one looks through petroleum laws, petroleum tax laws in particular, one would see that there are mainly references to licenses and other matters requiring the approval of the Minister of Energy, standard; not just in Trinidad and Tobago; throughout the world. Somebody must certify it.

Clause 5(d) of the Bill revises the current tables for SPT rates, in relation to new field development, to include new well in an existing field. So we are dealing both with new fields and existing fields. And what we are trying to do is to stimulate production. So we are reducing taxes to motivate oil producers to drill

new wells, whether in existing fields or in new fields. That is the whole point of all of this. There is no magic. There is no mystery. There is no sting in the tail. It is factual; new well in existing field, or new well in new field, no magic.

Move on to clause 6 now, the waiver of value-added tax and alternate energy, technology, renewable energy options. This grants a waiver of value-added tax on new equipment for a manufacturing company, which utilizes alternate energy technologies and renewable energy options. And these things will include gasifiers, using biomass and renewable energy solutions, which harness wind, solar or water energy. Again, targeting the manufacturing sector, and it is in keeping with our commitments at various forums COP26, COP27, and so on, to incentivize renewable energy use and reduce our carbon footprint.

Coming back to the taxation measures in the energy sector, I want to make it clear that this is a work in progress. Two years ago, we adjusted the supplemental petroleum tax regime for small onshore oil producers. That was Phase One. Now, we are adjusting the tax regime for shallow water marine areas, new fields and existing fields, and also making a further adjustment for small onshore oil producers. Phase Three, which is more complex, is looking at motivating companies to boost production in existing wells in existing fields. So that would be workovers, replacement of equipment, pumps and compressors, and so on. And that is the next phase of our energy taxation regime reform, which we would settle in 2023.

How much more time do I have, Madam President?

**Madam President:** You finish at 11:04. So you have just under nine minutes.

**Hon. C. Imbert:** The clock over there not working. Okay. So I am looking at that one. All right. Well, thank you very much. As I said in the other place, we have a lot of talkers in Trinidad; people who find themselves as the go-to experts



for the media, who really do not know anything, but parade as experts and I think it is important to give some information on how one should approach a petroleum tax regime. Now, if one looks around the world, if one looks at the relationship between the cost of oil production and the tax take, one would see there is generally an inverse relationship between the cost of production and the level of taxation. If one looks at Trinidad and Tobago in particular, now we have been producing oil in Trinidad and Tobago commercially for 100 years. In the 1920s we began commercial production of oil. There is a little known fact, and I always seize the opportunity to state this fact, that people are not aware of, that the first oil well ever drilled anywhere in the world that produced oil was in Trinidad and Tobago, 1857 in Forest Reserve. A ship came ashore, they needed oil for their ship, they drilled a well and they produced oil. They took the oil and they went. It was a one-off. Commercial production did not begin for another 60 years. So we have been producing oil commercially for 100 years. But we are the location of the first oil well in the world that produced oil. There is an argument. There are some people in the United States that claim they were the first producing oil well, but that is not true.

So, let me move on now to Trinidad and Tobago, when one looks at what has happened in Trinidad and Tobago over the years. In Trinidad and Tobago, our petroleum tax regime started to evolve just one year after we got Independence from Great Britain in 1962. So in 1963, the Government of Trinidad and Tobago, the new Independent Government, established a Commission of Enquiry into the oil industry, headed by someone called B. Mostofi, an Iranian energy specialist. One of that Commission's terms of reference was to recommend a legal framework for the oil industry in Trinidad and Tobago, which would stimulate the operations of foreign investors, while safeguarding the interests of the nation. That

Commission subsequently recommended the enactment of a consolidated ordinance containing all legislative provisions dealing with all aspects of the oil industry in Trinidad and Tobago from exploration to exportation. So from exploration to export of petroleum products. And that led subsequently, in 1969, six years later, to the Petroleum Act, which was followed by regulations in 1970, which governed various aspects of the petroleum sector. Now a key element in the Petroleum Act, the 1969 Act, was the use of production-sharing contracts. And it is important that people who do not know need to understand the difference between a production-sharing contract and an exploration and production license. In a production-sharing contract, there is an agreement between the oil company and the Government to share the profits from the enterprise. So after the expenses of exploration and production are deducted, the remainder is shared between the government and the company. That is a production-sharing contract. So taxes do not really come into play. The general rule of thumb is that the Government share should be at least more or less equivalent to what the taxes would have been if it was a typical exploration and production license. But that varies.

**Madam President:** Minister, you now have five minutes.

**11.00 a.m.**

**Madam President:** Minister, you now have five minutes.

**Hon. C. Imbert:** Thank you very much. That is enough time, thank you. And that varies depending on location, deep water, maturity of the field, onshore, offshore and so on. So the rule of thumb is one thrice that the Government share of revenue from a production sharing contract is more or less equivalent to the taxes the Government would have received if it was an E&P licence.

Now, in 1974 after the Yom Kippur War, which changed the entire landscape for oil prices in the world, the Arab-Israeli War, the Trinidad and

Tobago Government radically adjusted its fiscal regime. And for those who do not know, the price of oil before that war was \$3. Within one year, it hit \$12. So between 1973 and 1974 oil went from \$3 to \$12. You can imagine what effect that had on the economy of Trinidad and Tobago.

So at that time there was experimentation and the Minister of Finance could set the price of oil regardless of what the market price was. But as time went by it was determined that that did not make any sense, for a Minister of Finance to just arbitrarily set the price of oil. And therefore, a dual regime came in which is the current system where we have a mixture of production sharing contracts and exploration and production licences. And an E&P licence situation, that is where the Petroleum Profits Tax, the Supplemental Petroleum Tax, the Petroleum Levy, the oil import and all of the other taxes come in. And an example of E&P licensing would be BP's previous oil field, now, I believe, operated by EOG. So we have E&P licences where taxes are imposed, straight royalties, Petroleum Profits Tax, Supplemental Petroleum Tax, and you have production sharing contracts where there is a sharing of the revenue.

In Trinidad and Tobago, we have to be very, very careful because as I indicated we have been producing oil for 100 years. So the maturity of our oil field is a problem. As fields get older, it becomes more difficult, it becomes more expensive to produce oil.

In addition, as you go out into the deep water it becomes more difficult and more expensive to produce oil. So one has to have a very balanced approach to oil taxation. As it gets more difficult, you have to reduce the taxes. As the fields get older and it costs more to produce the oil from them, you have to reduce the taxes. So that what we are doing now is consistent with approaches by various governments over the years. We are making adjustments to our energy tax regime

to stimulate production because oil is of no use to this country if it is left in the ground. I beg to move, Madam President.

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

*Question proposed.*

**Madam President:** Sen. Lyder.

**Sen. Damien Lyder:** Thank you, Madam President. And Madam President, we are called to the Senate on this 13<sup>th</sup> day of December, very shortly before Christmas, to debate a Bill that treats with some of the outstanding fiscal measures as the hon. Minister of Finance indicated, from the Government's budget for the current fiscal year. And the tagline that the Government used was, what was it? It was, Tenacity and Stability in the Face of Global Challenges.

However, Madam President, what was delivered was nothing more than a tinkering with fiscal measures to basically echo the sentiments of the Leader of the Opposition when she responded, Mrs. Kamla Persad-Bissessar, from the response of the budget by the Minister of Finance.

And Madam President, when we looked in the aftermath and we looked at the headlines in various newspapers conveying the displeasure with the budget, and by extension the displeasure with these fiscal measures, we see headlines such as:

“...brace for food price hikes...”

That was the headline in the newspapers, on the Sunday *Guardian* on October the 2<sup>nd</sup>, 2022, the weekend that the budget was read. This was because of, of course, increase in fuel prices. And then you turn around and you see:

“More commuters take PTSC buses after fuel hike.”

Another headline in the *Guardian* on that same day. Who can forget the front page of the *Express* on September the 29<sup>th</sup>, three days after the budget was read, when

we saw the Minister of Sport Shamfa Cudjoe shamelessly berate citizens with a headline that states:

“Shamfa cries shame.” —Sport minister takes on budget critics.

“...why is it so hard to sacrifice?”

And then the Sunday *Express* showcasing the PNM’s brilliance when they ran the following headline on the 2<sup>nd</sup> of October 2022, which was:

Back to coal pots. Government MP Keith Scotland intends to save gas by riding to court and does not need a stove because he could roast his breadfruit on a coal pot.

And if the PNM race to the bottom post-budget was won by anyone at all, it would have had to be Minister Marvin Gonzales in that flash of genius where he told the citizens to, “stop eating macaroni and doh eat no ham dis Christmas, eh”, to cope with this fuel price increase.

**Mr. Manning:** But President, 46(1) please.

**Sen. D. Lyder:** But Madam President, this is—

**Mr. Manning:** 46(1).

**Madam President:** All right. So Sen. Lyder, I have to agree with the invocation of that Standing Order. Remember that you are not redebating the budget. Okay. This is Finance Bill No. 2; No 2. So you know, we have gone through this before and what you are saying right now, even though I have allowed you to say some of it, you need to get into the Bill fairly quickly.

**Sen. D. Lyder:** Thank you for your advice, Madam President. And in fact the very next line I was getting into the Bill. So when we have guests coming in to this House they should be patient, Madam President, and not so hasty to jump up.

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

**Sen. D. Lyder:** Madam President, this is what the PNM thinks of citizens.

Therefore, it comes as no surprise, and I hope our guest is listening when this Government brings a Finance Bill today, where we see fiscal measures targeting graduate employees that will not solve the youth joblessness in this country. Measures for the energy sector that will not boost energy output, and tax measures for renewables that fall short when it comes to the desired policy.

Ultimately, Madam President, the measures for the manufacturing sector leave out the small manufacturer in this case. Yes, it does. And I will state why. But before I start to examine specific implications of measures contained in clauses 4, 5, and 6, firstly, Madam President, if you would allow me a few seconds. I must congratulate my colleagues on the Senate Bench, as well as those in the United National Congress who rose beyond the call of duty to assist in the aftermath of those floods where we saw decimation to many citizens in this country. Hard working United National Congress MPs, Senators, and activists, who worked hard while this Government danced in a ballroom and took pictures. So I just wanted to—

**Madam President:** Sen. Lyder, Sen. Lyder—

**Mr. Manning:** Madam President, 46(1).

**Madam President:** Sen. Lyder, Sen. Lyder, please do not let me have to caution you so early in your contribution about relevance. Okay.

**Sen. D. Lyder:** Yes. But Madam President, what is clear when we look at this Finance Bill, we in the Opposition are very clear that the only way out for this Government on the failure to manage this economy properly is to call a fresh election and demit office, and remove a government that has been a blight on this nation. And a Prime Minister who himself has been a—

**Sen. Gopee-Scoon:** 46(1) please.

**Madam President:** No. Sen. Lyder, you continue on a frolic of your own. Okay.

And secondly—so that is the first thing. And the second thing is, what you just said, your last sentence, you are going to have to withdraw that with an apology.

**Sen. D. Lyder:** Thank you, Madam President. Madam President, I withdraw it with an apology and I will state it differently for the record, Madam President. Madam President, the Webster's dictionary states that:

Any cause of impairment, destruction, ruin or frustration.

That is the definition of “blight” in the Webster's dictionary, and that is why I say this Government has been a blight on the nation, and the Prime Minister has caused blight to the nation and the economy as it says—

**Madam President:** Sen. Lyder, please, “doh” play around with words for me, okay. All right. I asked you to withdraw, you did that, you apologized. Can you please move on?

**Sen. D. Lyder:** Yes, Madam President, I shall move on. Thank you for giving me the space. Madam President, when we look at clause 4. This clause will amend the:

“Corporation Tax Act, Chap. 75:02...inserting a new section...to provide for an apprenticeship allowance to a company that incurs expenditure in the hiring of a young person who has completed secondary education for an apprenticeship training programme with that company.”

There shall be an allowance as a deduction in asserting the chargeable profits of the company for the year of income. An:

“...allowance...equal to 150 per cent of the actual expenditure incurred...”—  
and—“...up to a maximum of 5 per cent of the total wages and salaries bill of the company...”—for that—“...year of income.”

So, and Madam President, it goes further to state that:

“A company qualifies for an allowance under this section where—

- (a) the apprenticeship training programme instituted by the company is registered with the National Training Agency; and
- (b) the period of the apprenticeship training programme is not more than one year.”

Now, Madam President, I listened to the hon. Minister of Finance when he was speaking about this clause, and he made an interesting quote where he said that—

These refer to persons that are not qualified to enter the world of work because they have no experience, no skills, no experience in problem solving, time management, and prioritizing, and other areas critical to job performance.

And Madam President, I could not help but see a grimace on the hon. Minister’s face because I could not help but think that many of the Members of the Cabinet that he sits in qualify—would qualify for this. So I think maybe we should extend this clause to not be only students—

**Sen. Gopee-Scoon:** Point of order.

**Sen. D. Lyder:** But also be to the PNM candidates that—

**Sen. Gopee-Scoon:** Point of order.

**Sen. D. Lyder:**—qualify for that.

**Sen. Gopee-Scoon:** Point of order 46(6), 46(1).

**Mr. Imbert:** So childish.

**Madam President:** Sen. Lyder, just please. You know you can make your contribution, you can make your political little digs, but you do not have to be so overtly insulting. Okay. So I will ask you, please, please to continue your contribution.

**Sen. D. Lyder:** Madam President, I take your advice, it is my personal opinion and I stand by that personal opinion—



**Madam President:** No listen, hold on, hold on, hold on. If each person in this Chamber decided that they are going to get up and express their personal opinions, then I will have to throw away the Standing Orders. Okay. So whatever your personal opinion is, you can have it but you just cannot express it here. Okay.

**Sen. D. Lyder:** Madam President, whenever we are faced with a clause that treats with youth employment we have to set a backdrop. This is important to ensure that the desired outcomes are attainable. Madam President, therefore, what is the desired outcome of this clause that we are debating here today? One can only expect that the Government is hoping that this measure will soothe the pain of thousands of young graduates and post-secondary school graduates who are coming out of university as well, who cannot find jobs in this country today.

Colleagues present would do well to recall, Madam President, and I remind that coming out of an NIB report on the 30<sup>th</sup> of June 2020, it reported that had we had an excess of 112,800 loss of contributors to the NIB report. And that shows a level of unemployment in this country. This means that pre-pandemic, Madam President, over 100,000 persons lost their jobs. Youth unemployment and graduate youth unemployment are at an all-time high, given all these accounts under this Government, Madam President. So the measure at hand does not present really a feasible solution for youth unemployment for several reasons.

Firstly, in order to benefit from the allowance employers must be verified. Right. That is what I heard. And one can only expect that the National Training Agency would be involved in this process as we understand. So this raises the question as to how many employers will actually qualify based on the labour intake and operations and the rules.

For instance, a company may be able to take on board an apprentice. However, subject to a yet revealed detailed criteria for participation, because we

have not heard that in this Bill here, right, they may not benefit from this schemed plan. A simple way to understand this is, this may be problematic is to consider, you know, a business that does not have or does not meet the statutory obligations due to lack of human resource strength and technical capabilities. And many companies are in that position today. Therefore, through—though they may be ready and willing, they may not be able to reap the benefits as defined in this clause in the form of tax savings.

Madam President, picture your friendly neighborhood mechanic for instance, who usually takes on apprentices, and is well positioned to provide employment for young persons who have exited school and are ready to take on jobs and receive mechanic skills. There are many small and medium businesses who you know, may not have the paperwork, when they hear “paperwork”, it is a scary word for them. Because remember, this Bill is supposed to help small companies as I heard the Minister state. And many cases, many of these small companies do not even have paperwork existing. So where is the Government’s assistance to bring those small companies into the net, Madam President? How does this clause bring these ready-to-go businesses into this net and accommodate these youngsters, and to benefit from the tax savings? Many of these businesses may have never even registered properly and filed for taxes or may be fearful of that.

What these small businesses, Madam President, would prefer to assist with them to grow in this environment would be that trusted OJT Programme that we have had. And this is because the OJT Programme is operated on a cash basis, where the Government from the very first month will contribute half of the trainee’s salary. That is what these small companies want now, not tax savings.

Madam President, this comes at a time when the Government has placed

restrictions on this vastly successful OJT Programme. The OJT Programme allowed companies, regardless of their tax position, to benefit from the young employees. That is what that they have been able to do. And this Programme would go on for two years, not one year as this clause states.

The Government choked access to the programme that worked well and brought a measure which simply will not benefit many of these employers in the market today. The apprenticeship programme, as I indicated just now, in this specified clause is for one year whereas the OJT Programme is a two-year programme, Madam President.

The other question that arises here in this clause is that when companies are considering participating, will they be attracted to this indirect benefit of tax cover when declaring taxes? This measure, Madam President, will appeal to companies that are not experiencing tax losses today. Madam President, there are many companies that are emerging from the past few years of economic decay and a failed and botched COVID pandemic response by this Government where their margins have been collapsed. Many of them are in losses today. No profit. So how is this going to benefit many of those companies in terms of a tax benefit? Madam President, it seems that this measure will only be accessible to the big boys, to the big companies that have the resources to put the money up front, Madam Minister of Trade, and then wait to get this tax saving at the end of the year.

Once more, Madam President, this Government is once again proving the ideology of the PNM, that is everything for the big boys and nothing for the small man, Madam President. That is what it is showing. And I ask myself the question: What small and medium company can afford to put this money up front here today? Which one can do it when they are struggling to survive?

Madam President, the decision as to whether or not a company will benefit will be based on the say so of some committee from this clause is what I have seen. And it will also be subject to some level of intrusive auditing and an intrusive auditing process. So this means that the company will only be able to get the benefit if auditors approve this expenditure. That is what it states, right.

So Madam President, especially for small and medium-sized companies, this is a punitive measure for the thousands of companies that the Minister of Finance himself admitted in a previous debate, cannot even prepare their in-house accounts. The Minister admitted that. And when we consider that many small and medium enterprises are family-based organizations, the idea of yet another government intrusion into their business is off-putting for a clause like this.

Therefore, the measure is basically a slap in the face for thousands of smaller companies. It will not result in remedying the problem of youth unemployment in our country, and ultimately it will result in more state resources being wasted on a programme that is not important, and not as important as the existing OJT model for youth apprenticeship.

So we call on the Government, Madam President to reconsider full implementation of the OJT Programme instead of bringing these sort of useless measures that will only benefit the big boys in this country.

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

**Sen. D. Lyder:** Madam President, further in the clause:

“This clause would also exempt an approved small company as defined in the Corporation Tax Act from the payment of corporation tax for a period of six years commencing 1st January 2023.”

Though no one can argue that a tax incentive will help SMEs, I cannot argue that. But we have to ask ourselves the question, this Government after seven years, has

now found it necessary to try to promote small and micro companies by bringing this measure for new companies? Where was this measure for the past seven years, Madam President? What about the many businesses that have failed over the past seven years of economic pain under this Government? Failed policies of this Government which have led us to where we are today, where the Government is scampering to bring this clause here today. What about the 6,000 companies that according to the various Chambers of Commerce shut their doors and are out of business today. What about them, Madam President, because of this Government's ill-planned COVID pandemic response?

Nothing for them in 2023, Madam President. Not in this Bill at least. No incentives. Because this clause speaks only to companies that are new and up and running since the last, five years. Of course, there is nothing for those companies that shut their doors in the pandemic because they are out of business now, Madam President. Thousands of employees sent home, what about them? And though Lazarus was resurrected in the Bible, these companies cannot. Not even a miracle can save them here today, Madam President. We have seen no assistance for these entrepreneurs after they have lost their homes, their cars, their livelihoods.

**Madam President:** Sen. Lyder, you are veering away from what is contained in the Bill to talk about what is not in the Bill according to you. And therefore, I am going to ask you, you were doing very well but you have veered completely off now. I would ask you to veer back to the Bill please.

**Sen. D. Lyder:** Madam President, I want to state that, you know, when I listen to the Minister of Finance in another place on the radio, I heard when he stated that small business is 90 per cent of—

**Mr. Imbert:** Madam President, 46(1). We are dealing with the Bill before the House, not the hon. Senator's possibly inaccurate memory of what he may have

heard somewhere else, some other time.

**Madam President:** Continue, Sen. Lyder.

**Sen. D. Lyder:** Thank you, Madam President. I am quoting, Madam President, where it was indicated that:

90 per cent of companies in the EU are small businesses.

I do not know if the Minister of Finance thinks I am speaking French, but that is what I heard him saying in English.

Madam President, so I am stating that SMEs are the backbone the Trinidad and Tobago's economy also. This Bill comes here to help SMEs, comes here to bail them out, assist them, to grow this economy. So that is why I am responding directly to it and stating that whereas yes, I agree, that this can assist. What I am saying is, what about the small, medium and micro enterprises who barely exist today? They are holding on for business for dear life. This clause is only treating—

**Mr. Imbert:** Madam President, 46(1).

**Sen. D. Lyder:**—with those in the last five years.

**Mr. Imbert:** Madam President, 46(1).

**Sen. D. Lyder:** Where is the incentive in this clause for the rest of the SMEs?

**Madam President:** Sen. Lyder, just one sec.

**Mr. Imbert:** 46(1). If Sen. Lyder is going to talk about everything that comes into his head and not the clauses in the Bill, he is going to be wholly irrelevant, 46(1).

**Madam President:** Sen. Lyder, I have cautioned you.

**Sen. D. Lyder:** Yes.

**Madam President:** Remember, we are treating with specific, specific measures in this Bill, okay.

**Sen. D. Lyder:** Thank you, Madam President. And so this clause, bringing this

clause to the Parliament, this clause 4 to the Parliament, the Government feels confident and sleeps good in night throwing a new incentive for companies, while those small businesses that make up the backbone of this economy, that employ thousands of citizens in this country do not see any sort of extension of tax credit to them. That is PNM politics, Madam President.

What governments want to see today—what small companies want to see today, Madam President, is not the Government—the PNM Government that manufactured this problem causing a decimation to an industry and then comes now to bring laws to the lawmakers and policymakers in this country with this flimsy solution to help SMEs. Now, I am happy for anyone who starts a small business here today but my heart is filled with sorrow for those who have a business that is older than six years, but I move on.

And as we are on the topic of small business, Madam President, this reminds me. Madam President, I remember in another debate and I will not state any details on the other debate, lest I get interrupted again. The Minister of Foreign Affairs at that time, the hon. Amery Browne, I recalled when he was speaking in a fairly sarcastic manner, rebutting me to say that I seem to be this defender, I come as this defender of small business. Well, I want to just state for the record here today, I am not just a defender of small business in this country, Madam President. I came from small business. I grew from small business here and outside the country. And I understand what it is not to have daddy's money to start a business. I understand what it is not to have tax concessions from the Government to get a virtual monopoly in this country.

What is needed for small business is a government that focuses on creating an environment for growth, Madam President. We had a government led by Kamla Persad-Bissessar that was not only concerned about the small man for

social purposes, but was also concerned with them being partners in the economy to bring progress to the economy.

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

**Sen. D. Lyder:** And I could also claim the badge of honour, of defender of small business because I was a leader in an organization responsible for small and micro enterprise development under the leadership of Kamla Persad-Bissessar, and I speak about that of NEDCO. And at NEDCO we gave record loans at that time, Madam President, to small and micro enterprises. That is what they need. We gave out record loans not the ghost we found when we took up the reins with more than 80 per cent delinquency in that enterprise when it was being used as a slush fund.

Madam President, what small businesses need—

**Madam President:** Sen. Lyder, Sen. Lyder, Sen. Lyder, you are veering off.

**Sen. D. Lyder:** Right, coming back to that.

**Madam President:** Well, I am glad you are saying coming back to it because I do not know how many times I have had to caution you about relevance, please.

**Sen. D. Lyder:** Madam President, what the small business needs at a time is not an isolated clause that on its own is not sufficient. I am saying this is not sufficient. Rather they need measures that assist them through interest free loans, assisting with capital expenditure, assisting with liquidity, and an environment that is conducive for growing business, where the ease of doing business is paramount in government strategy.

So then you could come with this type of clause. Then you could come with this type of clause, Madam President, which will then benefit the small and micro businesses in this country. That is when you could bring this clause. But of course the Government just puts a half measure here today to mamaguy the population. I



move on.

Madam President:

“This clause would also provide for a one-time tax credit of fifty thousand dollars to a manufacturing company approved by the Minister with responsibility for Trade and Industry for the expenditure incurred by the manufacturing company in acquiring new machinery, new production lines or new equipment in the year 2023.”

This clause in the Bill was deemed to be unclear. I just want to remind the Minister of Trade on this. It was unclear by PriceWaterhouseCoopers when they stated and I quote:

“Based on other tax credits available to taxpayers, the manufacturing tax credit may be based on a set percentage of the investment made and restricted to \$50,000. However, this will need to be clarified when the measure is introduced in the Corporation Tax Act.”

So I just want to bring that to the Minister, maybe the Minister of Trade could respond or Minister of Finance. But based on this query we hope that any one of them can respond to the concerns of PriceWaterhouse in the wrap up.

Now, Madam President, there are roughly about 500 or more manufacturers in this country, but only a fraction of these manufacturers are really taking up the incentives given by this Government today, inclusive of the forex window at EximBank which sees only maybe about a quarter of them getting access to it. But this brings us to this specific clause targeting the manufacturing sector as the Government would really have us believe.

Now, firstly Madam President, what stands out to me as a participant in the domestic manufacturing value chain myself, is really this tiny sum that is being offered in this measure here today, a paltry \$50,000 is being offered.

**11.30 a.m.**

So, let us place this in the context of, what is the outcome that is desired by this clause? Now, the clause is intended, Madam President, to incentivize existing manufacturers, many of whom are medium-sized companies, and some are small or medium that—who are growing and at the end of the scale, Madam President. Madam President, these manufacturers that are new, small enterprises are not really going to be targeted by this clause because we already heard earlier that there is a six-year tax holiday for these small entrepreneurs coming in. So, this clause will not impact those small upstarts. But the manufacturers that are members of the TTMA, you know, have as a stated target to double manufacturing within a specific period of time. And, Madam President, the question therefore is whether or not a tax credit of a paltry \$50,000 really goes out far enough, you know, to really induce a company to embark on new production lines and investing heavily on capital for new production lines.

So the cost of acquiring and installing new equipment, Madam President, would be a great expense for any manufacture. What I would say, a more suitable measure would be a zero interest scheme, government-backed, via commercial banks to acquire this equipment along with this concession. This will allow many of the small and medium manufacturers, Madam President, to be able to make this leap and take advantage of this clause. Right?

For example, Madam President, I have a small manufacturer making some products for me and everything is being done by hand. This measure, Madam President, will not really incentivize this particular manufacturer. A \$50,000 benefit is at the tail end of taxes and not in his mind. It is not in his mind at this time. What is preoccupying his mind, Madam President, is where is he going to get a loan to purchase the equipment to benefit from this clause? Where will he

get the finance to pay for the expensive freight to take advantage of this clause? Where is he going to get the US dollars to help him facilitate the purchase of this equipment, when we know only 25 per cent of manufacturers get access to EximBank? Where they are going to get that to be able to benefit from this? How will this measure really help the small manufacturer?

So the pool that I see would really benefit from this clause is really a small pool of medium-sized manufacturers, right, that are liquid enough and have enough finance to benefit them with this measure to buy equipment. Because it surely cannot be—well, this is the first time “I see that nothing attractive for de large boys”, because really \$50,000 would not do anything to motivate these massive manufacturers to invest in heavy equipment and new equipment, Madam President.

So, I must emphasize that companies that are also experiencing tax losses right now will also not be interested in this measure, Madam President. And given that this is a one-time benefit, no change of fortune in the following years will they see any benefit from this. So, this is a miserly measure, Madam President, that does not really facilitate the manufacturing sector to increase production incrementally or so.

Madam President, as I move on to clause 6, which treats with:

“The Value Added Tax Act is amended in Schedule 2 by inserting after item 50, the following item”

And it is 51(1):

“(1) New equipment for a manufacturing company which utilises alternate energy technologies and renewable energy options.

(2) For the purposes of this item ‘renewable energy options’ includes—

- (a) gasifiers using biomass; and
- (b) renewable energy harness using wind, solar or water.

(3) This item expires on 31st December 2023.’.”

One year.

So this clause really speaks to manufacturers getting a tax credit specific to installing renewable energy sources. And the question is: What is the cost of a manufacturer doing this? What is the cost involved? To me, this clause is not very well thought out. When you look at manufacturing equipment, it is important to note that such is not necessarily important with a power source attached to it. So, this way, manufacturers could import machinery that allows them to benefit from the renewable energy incentive, whether they generate renewable energy or not. Rather the policy should benefit those that actually produce renewable energy, using the feeding tariff.

If you are an investor, Madam President, with this clause, and you go to the Ministry of Energy and Energy Industries, there is no policy with a clear mechanism that allows you to take advantage of this stated incentive. And I say this, Madam President, because let us say you are a big manufacturer, and you are going to spend \$20 million on a piece of machinery, and all you have to do is bring this machinery in with the capability and ability to get energy from solar, and then they are exempt from contributing 12.5 per cent to the tax base of this country. But they bring the machinery in and they plug it into the regular grid, the subsidized T&TEC grid, what is the mechanism and the policy in place to be the checks and balances to ensure that these companies do not benefit from this clause, but are actually not really fulfilling the objective of the clause?

The Minister himself, Madam President, he stated that there is a potential for fraud. I heard him state it a couple of times in his presentation. There is a potential for fraud in here and in another clause. So, what is mechanism that is going to be put in place to police this? Who is going to police this? Is the hon. Minister of

Trade and Industry going to take a whirlwind tour around to the manufacturing plants to ensure that they are accessing wind or solar energy and to make sure they have not plugged into the grid, Madam President? So this really defeats the purpose, unless you have a policy and a mechanism in place to police it.

The Government, in my humble opinion, Madam President, is mamaguying the population by this clause and is hoodwinking the world via this Paris Agreement on renewable energy, where we see a nation that agreed to reduce carbon dioxide in three sectors: power generation, industry and transport. Madam President, this VAT waiver, specific to renewable energy options, sounds like the Government is trying to simply tick a box here today as required to mount that platform, once again, as they did in COP26. And I note that the Prime Minister did not journey to Egypt for COP27. So one wonders if this was due to the fear of speaking to empty seats, again, like he did in the UK, but I move on.

**Madam President:** No—

**Sen. D. Lyder:** The reduction, Madam—

**Madam President:** No. Sen. Lyder, I keep talking to you about tone. All right? Please.

**Sen. D. Lyder:** Okay. Thank you for your guidance. But, Madam President, the reduction of greenhouse gasses emission should be treated with greater urgency by this Government, not just simply ticking a box.

Secondly, we want to know and I want to know, which one of the big boys is going to benefit from this? Which one of the PNM financiers is going to benefit from this, to assist them—

**Sen. Gopee-Scoon:** Point of order.

**Sen. D. Lyder:**—to bring in this machinery?

**Sen. Gopee-Scoon:** Point of order. Point of order 46(1).

**Sen. D. Lyder:** [*Inaudible*]*—*a question.

**Madam President:** Sen. Lyder, just continue, please.

**Sen. D. Lyder:** Thank you, Madam President. Because, Madam President, there are many small-scale players who will not be able to benefit from this coming out of the pandemic—

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

**Sen. D. Lyder:***—*where, you know, where it is clear that they will not be able to afford this kind of machinery, at a time given the trends of how expensive this machinery is. How will small and medium manufacturers be able to enjoy the benefit of this experience? That is why I asked who is benefitting from this. This Bill is supposed to benefit small players, manufacturers, but I am only see where the big boys are getting a “bligh”, Madam President.

And an additional issue, Madam President, is the rollout of this measure at the factory floor would also—Madam President, if we are going to really do this thing properly, it is going to require a large cadre of employees who are in a position—

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

**Sen. D. Lyder:***—*to service this type of machinery, Madam President. I do not have 45 minutes as the opening, Madam President?

**Madam President:** Sen. Lyder, the 45 minutes is afforded to the mover of the Motion—

**Sen. D. Lyder:** Right.

**Madam President:***—*and when there is a winding up taking place. All other Senators and all other speakers are afforded 40 minutes.

**Sen. D. Lyder:** Right. Well, Madam President, well, I want to touch on one last thing because I thought I had five extra minutes, but that is okay, Madam

President. Madam President, I want to turn to clause 5 of this Bill. And, Madam President, you know, when I look at this clause 5 in the Bill, it is actually laughable. After almost eight years under this PNM Government, where we have seen the decimation and destruction of the energy sector, this Government comes pelting at high speeds to come in here today, Madam President, with this urgency to help to regrow the sector that has been decimated and declined under poor leadership by this Government, Madam President.

Madam President, when you look at clause 5, it brings changes to the supplementary petroleum tax, for instance, for example, for small onshore drillers, drilling companies, Madam President. And, Madam President, it is important to note that when we look at what the current situation with small drillers—because the Minister of Finance stated that they need to boost it now, there has been a decline. But we must understand that it was under a UNC-led government, when Minister Kevin Ramnarine, led by Kamla Persad-Bissessar, grew the onshore drilling industry substantially. It is through good leadership that we saw growth in this sector.

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

**Sen. D. Lyder:** But, Madam President, what have we seen that has us urgently coming to this Senate now with this incentive to the small on land drillers? We have seen onshore drilling that has collapsed under this PNM Government, Madam President. Just a cursory glance to verify the numbers, when we look at 2015, Madam President, we had 1,376 rig days. And then, when this Government came into power in 2016, 991 rig days; 2017, 796 rig days; 2018, 611 rig days; 2019, 605 rig days; 2020, 208 rig days; 2021, 220. Madam President, onshore drilling in this country has fallen apart under this Government, under this PNM Government, and that is why they are here today in urgency. And the only bright spark that has

come out in this last seven years has been Touchstone. And Touchstone—Madam President, if you back out the numbers of Touchstone from these numbers that I just stated here, it will be way worse.

And let me remind this Senate, Madam President, it was a UNC government that gave the licence in 2014 to Touchstone to drill in Ortoire, Madam President. So, this Government is benefitting from decisions made by the United National Congress.

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

**Sen. D. Lyder:** That has been the only highlight of onshore drilling, Madam President. Well, of course, the only other highlight was the scandal which was the fake oil scandal. That was another highlight. But we will not go into that. But, Madam President, three Ministers later, eight years later, we see the decimation of an industry, Madam President. And we also note that Halliburton and Schlumberger are scaling down their operations here today in Trinidad and focusing on Guyana and Suriname.

Madam President, the Government came with a big song and dance last week to announce that BP and Shell had signed some agreement to restructure Atlantic LNG.

**Madam President:** Sen. Lyder, in your last minute, I will ask you to be relevant, please.

**Sen. D. Lyder:** Well, Madam President, in my last minute, I will wrap up then. I will wrap up. Madam President, the Finance Bill, once again, is a failure for the citizens of this country and the small and medium business that have been providing employment whilst keeping this economy taking over. The highlight key takeaways, it is necessary as I conclude to remind Members present, that on the question of the graduate scheme, the Government choked access to a



programme that worked and then brought this measure which simply will not benefit much of the employers in this economy. And, as I stated, the apprentice period is only one year, which is shorter than the two years under the OJT. It seems that this measure will only be accessible to big companies, Madam President. Madam President, the minor adjustment in tax holidays is of no consolation to 6,000 companies that have shut down.

**Madam President:** Sen. Lyder, your time has expired.

**Sen. D. Lyder:** Thank you, Madam President.

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

### ARRANGEMENT OF BUSINESS

**Madam President:** Hon. Senators, I shall now revert to the earlier item of business, because I am now in receipt of correspondence from Her Excellency the President Paula-Mae Weekes, O.R.T.T.

### SENATOR'S APPOINTMENT

“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. ELI ZAKOUR

WHEREAS Senator Anil Roberts is incapable of performing his duties as a Senator by reason of illness:

NOW THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by section 44(1)(b) and

**UNREVISED**

section 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the advice of the Leader of the Opposition, do hereby appoint you, ELI ZAKOUR to be a member of the Senate temporarily, with effect from the 13<sup>th</sup> December, 2022 and continuing during the absence of Senator Anil Roberts 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 13<sup>th</sup> day of December, 2022."

*Senator Eli Zakour took and subscribed the Oath of Allegiance as required by law.*

**Hon. Senators:** [*Inaudible*]

**Madam President:** Sen. Lyder. Minister. Minister and Sen. Lyder. Sen. Seepersad.

### **FINANCE (NO. 2) BILL, 2022**

**Sen. Charrise Seepersad:** Madam President, thank you for the opportunity to contribute to the debate on the Finance (No. 2) Bill, 2022. My comments are on clause 5 of the Bill, the amendment to the Petroleum Taxes Act, Chap. 75:04, one:

"...investment tax credit"—increased from—"twenty-five per cent to thirty per cent of the qualifying capital expenditure incurred..."—for— "approved development activity in mature marine oil fields, approved development activity in mature land oil fields or the acquisition of machinery and plant for use in approved enhanced oil recovery projects."

Madam President, the increase in the investment tax credit will result in a larger tax deduction being applied when computing the current supplemental petroleum tax liabilities of companies. This will be most beneficial to smaller players

impacted by the windfall tax. Smaller exploration and production operators have a key role to play in allowing for greater extraction of value from mature fields as opposed to having these mature fields abandoned or underdeveloped because of the cost of operations. This is infrastructure and other related factors that are not commercially viable for larger companies. It is also crucial to incentivize such operators in a mature oil and gas economy since they also contribute to gas security issues, which impact the downstream sector, a key sector for revenue generation in the country.

Two, petroleum profit taxes decreased from 35 per cent to 30 per cent for deep-water petroleum operations. This measure is intended to encourage companies to invest in deep-water exploration which, ultimately, will see an increase in production levels. Incentives for deep-water exploration can play a part in this process. The appetite for deep-water exploration is soft. Deep-water exploration appears less attractive due its high risk and capital-intensive nature. While the reduction in petroleum profits is a welcomed incentive, only companies engaged in petroleum operations under an exploration and production licence will benefit, as production sharing contracts generally include a tax indemnity where the taxes of the energy company are paid out of the Minister's share of production fiscal stability clause. With respect to the new acreages to be developed, given that the investment into production stage could take several years, the Government will not benefit from this measure in the in short term.

Three, introduction of a tiered system for shallow water marine operations. This means a reduction in chargeable taxes for petroleum operations in new wells in existing fields in shallow marine areas that were approved and certified for development by the Minister responsible for petroleum. Madam President, currently, the SPT rates of 18 per cent, 25 per cent and 33 per cent apply when the

price of oil crosses US \$50 per barrel. Because the SPT is linked to the increase in oil prices, investors may not be keen on the perceived instability and uncertainty presented by the SPT as it is triggered by the price volatility. Energy prices are likely to increase in the face of global tensions in Europe as well as post-pandemic stimuluses.

The SPTs imposed on crude oil, however, companies which have significant gas operations are not captured by this windfall tax. There is opportunity to expand gas production to supplement and boost government revenues. The changes in the SPT regime announced by the Minister were limited to the small onshore and shallow water marine operators. No changes were announced in respect of other players, including natural gas companies, at this time. And so, these measures do not represent an overhauling of the entire energy sector fiscal regime.

Madam President, through you, I would like to ask the Minister of Finance three questions. One: What are the expected outcomes from these measures in terms of revenue and production? Two: How do these measure dovetail with Government's renewable energy strategy? Three: What are the measures proposed for other players, including natural gas companies, in the energy sector which would then represent an overhauling of the entire energy sector fiscal regime?

Madam President, Trinidad and Tobago needs to prioritize the production of oil in the short term as there may not be much of a long-term future for oil, given the worldwide shift to electrification of transport. Natural gas has a longer future, given its importance in both electricity generation and its complements renewables. Major energy companies are pivoting their businesses to becoming integrated energy companies committed to net zero by 2050, including emissions associated

with the use of hydrocarbons. Trinidad and Tobago will, therefore, be severely negatively affected by these worldwide policies and the financial contributions of the hydrocarbon energy mix will significantly decrease by 2050.

Madam President, the reality is that all the world's hydrocarbons, that are discovered or not, will not be produced but left in the ground, so our oil resources left in the ground will be valueless. We need to aggressively explore and develop Trinidad and Tobago's oil and gas assets, and use these financial resources to fund the country's energy transition from oil and gas to renewable energy. Thank you, Madam President.

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

**The Minister of Public Administration (Sen. The Hon. Allyson West):** Madam President, I thank you for giving me the opportunity to make a brief intervention in this debate. I am going to be limiting my comments to a couple of the clauses covered by the Bill. The Finance (No. 2) Bill, 2022 seeks to amend the Defence (Pensions, Terminal and Other Grants) Regulations and the Police Service Regulations. These amendments are captured in clauses 2 and 3 of the Bill, and they will allow for the payment of an interim monthly pension of \$3,500, pending the completion of the administrative processes for officers retiring from the Trinidad and Tobago Defence Force and the Trinidad and Tobago Police Service.

So why has this amendment become necessary? They are necessary to allow immediate relief to be granted to those officers who, upon retirement, currently have to await the completion of administrative functions for the payment of their pensions, despite the fact that the Government, ages ago, decentralized those functions for the very purpose of making the process more efficient. That decentralization has not achieved the required result and officers, and other persons within the broader public service, continue to suffer from long delays between their

retirement dates and when they start receiving their pension plan. So, having made similar adjustments in respect of the civil service, the teaching service, the fire service and the legislature, a couple of Finance Bills ago, we found the need to also extend that benefit to members of the defence force and the police service.

The Minister of Finance, in furtherance of those amendments that were made in respect of other arms of the public service, issued a Circular No. 13 of 2018 that directed all Permanent Secretaries, heads of departments and Chief Administrator, Tobago House of Assembly on the procedures required by Ministries, departments and agencies to facilitate those payments.

A major challenge being experienced for some time is the administration of pension payments. Some of the issues are related to incomplete pension and leave records. Actually, a lot of the problem relates to the fact that pension and leave records are incomplete and are not easily locatable. So, when a person comes to the end of their period of service, finding their records and then completing the records to ensure the proper calculation, the accurate calculation of pension, has become a tremendous difficulty within the public service—and remember, we are talking about 60,000-odd people—and this results in delays.

So, recently, several recommendations were implemented by the Chief Personnel Officer, Comptroller of Accounts and the Auditor General emanating from the Third Report of the Public Administration and Appropriations Committee on the implementation of recommendations of the Twenty-Fourth Report of the PAAC on the Examination into the Processing of the Payment of Pension and Gratuity of Retired Public Officers and Contracted Employees. Some of the recommendations, including training on pension and leave to MBAs, this was implemented, and is in the process of continued implementation. So far, 158

persons have been trained this year, because that is a particular skill which people need knowledge on and the CPO has been training people to ensure that we have a proper cadre of persons who can accurately and efficiently compute pensions that are due.

We have also had, in furtherance of the recommendations of the Public Accounts Committee, the development of frequently asked questions on pensions and leave, so public servants become more aware of what the process is and what needs to be done and what may be causing a delay. So if they can contribute to assisting with the process, they are able to do so.

The Personnel Department finalized the brochure and the Comptroller of Accounts circulated the document via email to Permanent Secretaries and heads of departments on January 13, 2022, and uploaded it to the Ministry of Finance's website on January 18<sup>th</sup>. So, it is publicly available.

In addition, senior officers, acting as liaisons from the CPO, the Comptroller of Accounts and the Auditor General were identified to facilitate improved communications to support conflicting and policy issues that may arise in the processing of pensions. So, all of this indicates, Madam President, that we are trying to improve the system and make that more efficient so that officers who are retiring can more expeditiously receive their pensions. But this is continuing to be a process, this is continuing to be a difficulty until we are finished concluding all the correctional issues. And so, in the meantime, we are proposing, hopefully, a short-term measure to provide some relief to these retiring officers.

### **12.00 noon**

In the case of the police service, 653 officers retired in the last four years, including 2022. The police service is expected to retire another 505 people over

the next three years, 2023 to 2025. Information from their pension branch indicates that pensions can be finalized in weeks. So it should only take weeks to compute their pension if all of the required information is available, but it is currently taking up to two years because, as I indicated, that information is generally not readily available. In the defence force, 693 officers retired in the last five years and 803 officers are expected to retire in the next three years. In addition, 79 per cent of the defence force retires at the age of 45, and depending on the age demographic profile of the batches, there can be a consistently high volume of service men pensions being processed at any one time. Information from the defence force office revealed that it takes an average of nine months for pensions to be approved after submission, and imagine going nine months without receiving any income in respect of your prior employment.

So I have indicated a couple of the measures that we have put in place to try to make the system more efficient but this alone will not, as we have discovered, will not make a significant impact on the whole process. So delays in the processing of pension is an issue the Government is committed to resolving, and while the Finance (No. 2) Bill amendments would provide immediate relief, there is a focus on fixing the endemic issues once and for all. The Cabinet recently approved the transition and administration of the e-human resource management system that the Government has acquired from the Ministry of Finance where it currently resides to the Ministry of Public Administration. Now, the Ministry of Finance has done an excellent job in the full roll-out of the payroll module and other financial modules of the e-HRM system, but there are several other modules, including modules dealing with record-keeping and pensions, and so on. That, understandably, has not been the focus of the Ministry of Finance because it is not



within their remit.

So moving the responsibility for that to the Ministry of Public Administration who is responsible for public service operations, we expect to see a significant improvement in the operation, the full roll-out of the e-HRM system, the implementation of a full e-administration of human resource measures within the public service, and therefore the more efficient collection and retention of pension records that will allow for the more accurate and efficient computation of these pensions. The Ministry of Public Administration has in fact started the process of digitalizing HR records. We have started in our Ministry and we are also working with other key agencies, including the CPO and the Service Commissions division to digitize their records and to re-engineer their processes to allow for, among other things, the more efficient collection and retention of pension records. So that we expect improvement in the operation of pensions in the not too distant future, but, in the meantime, public officers who are retiring from the service require relief and this is the measure by which we are seeking to give them relief at this time while we work out the kinks in the e-management system.

Recently, we also had the reconvening of the Strategic Human Resource Management Council, which is a group that brings together all the players within the public service responsible for HR management; that would essentially be the Ministry of Public Administration, the Personnel Department and the Service Commissions Department. So we brought the heads of those units together so that we work together to arrive at and implement solutions to all of these problems which will allow us a more efficient implementation of improvements in the service, rather than each of the units operating separately and going off on their

own tangents. So we expect with that combination of things to see a significant improvement in the operation of the public service in the not too distant future, including the computation and provision of pensions.

In the meantime, the Personnel Department, Office of the CPO will continue training the various Ministries, divisions and agencies on the progressing of pension and leave records. In January 2023, a significant training programme is scheduled to take place to continuously build capacity and capability in the MDA units because this is critical to the computation of pensions. Because one of the things I would mention, Madam President, is that the computation of pensions in the Government service is particularly cumbersome because of the way remuneration and compensation is paid. Because we have these incremental payment systems that—and we also have regular movements of staff among Ministries, agencies and divisions, with their files being separate files in each of those Ministries; that combination of things create significant difficulty in computation. So one of the other things/measures that are currently being worked through at the moment is a job evaluation exercise which will look at the classification of jobs, the job descriptions and hopefully will result in a revisiting of the compensation system within the public service that would make, among other things, the payment/the computation of pensions an easier process and therefore improve the ability of the public service, with its 60,000-odd personnel, to be able to compute that more efficiently and get people their proper pensions within the shortest possible time.

So, I want to ensure this House, Madam President, as well as the wider public that we are not just saying, “Let us give the officers the minimum that is due to them” and we are walking away. We are actively working on improving the

system so that we can, in the shortest possible time, compute the proper pensions that are due to these people and pay them their proper pensions within weeks of their actual retiring. In the meantime, this is a short-term measure to provide some relief to those officers who have gone off on leave and are now not receiving any of the benefit that is due to them under the system. So that is my intervention in respect of the pensions.

The other item that I would like to focus on are the changes in the petroleum tax regime which Sen. Seepersad spent some time on. So Part II of the Petroleum Taxes Act imposes a tax called the Supplemental Petroleum Tax on gross profits. “Gross profits” in inverted commas because there are some deductions. The tax was introduced in the early 1990s when oil prices were spiking and then the Government determined that it was only proper that the citizens of Trinidad and Tobago should enjoy some of the gains from those astronomical prices. The tax kicks in when prices exceed a stipulated threshold, but once that threshold is attained the tax kicks in immediately. It kicks in at not insignificant amounts and it applies essentially to all your income, gross income; as I said, as defined. So imagine that you are an oil producer, sailing along, earning income from the sale of petroleum at moderate prices and you are only paying petroleum profits tax on your profits. So as and when you make profits, you pay tax; other than that you pay no tax to the Government. So you are thinking that this will continue and you based all your financial modelling on your loans, and so on, on this fact, because all indications are that things will proceed in that manner for the foreseeable future. You expect some demand adjustment and price adjustments in the winters because winters generally generate a higher demand for energy to warm places and so on. So you expect some kind of adjustments but you have the ability to manage that

because you could anticipate that. However, you wake up one day and Russia has invaded the Ukraine.

Russia, the third largest oil producer in the world, and shortly thereafter the European Union imposes an embargo on Russian oil imports. So you have lost that supply within the world and you still need oil to run factories and to warm places and cool places. So you have 27 people being banned from importing Russian oil who still need oil, so they placed their heavy demand on other countries that produce oil and so the natural implication of that is a spike in energy prices which we have seen. And this is the kind of uncertainty being faced by oil producers in a situation where when the price of oil crosses a particular threshold, Trinidad imposes a not insignificant tax on their gross profits. So what has happened as a result of that, is that oil producers have been reluctant to invest in new production in exploration because they do not want to expose themselves to crossing that threshold unless they are guaranteed that they can produce significantly more oil from that further investment to justify the tax they will have to pay. So that oil companies have been coming to us for quite some time saying, "This is a disincentive to investment and if we do not get some kind of relief on this sphere, we will not be able to justify it to our principles that we should invest more money in Trinidad." We think there are gains to be earned from investing. We are seeing patches oil in different places but it does not make sense to incur this additional expenditure for the marginal returns we are going to expect when we know that we will then expose ourselves to this jump in tax based on the imposition of the SPT.

So we have listened to them, we have considered their pleas and we are now proposing some amendments to the SPT system to allow them some relief. So as I

indicated, SPT is essentially imposed on gross income, except that the producers may deduct royalties paid under his or her licence or sub-licence. The tax is then applied at the rate stipulated in the Schedule on a sliding scale. The producers allow the tax credit of 25 per cent of capital expenditure incurred on specific types of expenditure, mainly to do with extracting oil from difficult fields. So you have approved development activity in mature fields, where it is more difficult to extract oil, and plant and machinery for enhanced oil recovery. So when you are involved in that kind of activity, you could get a credit against the amount upon which the SPT is imposed. So what are we proposing to do to provide relief to these oil producers? We are proposing to reduce the rates of SPTs that applies, so it kicks in at a lower rate and the imposition is less traumatic and jarring to the oil producer. We have also increased the rate of tax credit that the producer can claim against the tax, thereby further reducing the burden imposed by the tax.

Further, under the legislation as currently exists, there is a special category of rates of SPT that were introduced some time ago to encourage small onshore producers who are producing less than 2,000 barrels of crude oil per day. So small producers bore a lower rate of SPT. They currently bear a lower rate of SPT. What we are seeking to do to encourage more persons to get involved in going after these small pockets of oil is that we have increased the limit on the per barrel a day oil from 2,000 to 4,000 so that more people qualify for the reduced rate. So that more people are therefore encouraged to get involved in searching for these small pockets of oil that we are sure exist, because the bigger companies are not interested in those small pockets. They want big finds. So those are the two main adjustments we have made in respect of SPT, all with the intention of reducing the SPT tax that will kick in and therefore encouraging producers to explore and locate

these pockets of oil, because Sen. Seepersad is right, the world is moving towards a greener environment. They are insisting that carbon-producing countries reduce their carbon footprint. As those restrictions become more onerous, it would become more difficult for countries to extract and utilize their oil. We need to maximize our finds now, generate the income that we can generate for the country and use that income in a way that will serve us in the future. So that is what the Government is about; that is why we are seeking to provide these reliefs.

Sen. Lyder indicated that these tax measures would not boost oil production. I beg to disagree. Both the persons involved in the energy business and the energy sector, both congratulated the Minister of Finance, thanked the Minister of Finance at the end of his budget presentation for introducing what they consider to be a long-awaited adjustment to the tax measures. And we are very hopeful, based on discussions with them, that this will in fact generate more investment activity and hopefully result in positive finds which will give us income. So we would be getting a smaller take on the SPT because of these reliefs, but as my grandmother used to say, "eat little and live long." So that is the proposal of the Government to get a smaller percentage return but on more finds, on a bigger volume of finds. So we are confident that this will result in more exploration and hopefully more oil to give us in the long run, a better chance of benefiting from the oil reserves that are still left in the ground.

There is also, in respect of the petroleum tax regime, a proposed decrease in the petroleum profits tax, which is tax on the profits generated from deep-water petroleum operations. The reduction of tax would go from 35 per cent, where it now is, to 30 per cent. The reason why the focus is on deep-water is because that area so far has been insufficiently explored and we are hopeful that there are

reserves that we can recover from there, but we understand that investment in that area is expensive. Operations in the deep-water is expensive and so we are reducing the rate of tax so that the companies that are interested in deep-water activity will be incentivized to explore for those reserves that currently exist offshore. So that, in a nutshell, deals with what we are doing with respect to the petroleum taxes. As I said, the oil companies have reacted positively to these proposed amendments and we have hopeful that, come 2023, we will see some increased activity, contrary to Sen. Lyder's comment that we will not see any at all.

Before I close, Madam President, there are just a couple of general things that I would like to focus on, in particular in the other place, and again this morning through Sen. Lyder, negative comments have been made about the fact that the tax credit that the Government is proposing is insignificant and it will have no benefit. I think that comment is based in part on people not understanding the impact of a tax credit. In the normal course of things, the Government provides relief to persons or the tax legislation provides relief to persons in two essential ways. One, you can get a deduction of an expense against your income or two, you can get a tax credit. To properly understand the impact of a tax credit you need to understand how it works. So let me give you a simple example. Assume that your income, after all reliefs is \$100, and then the Government comes to you and says, "Okay, I will give you a deduction of \$25." So the provision would normally say, "This person is allowed to deduct against—in arriving at dischargeable income, an amount of \$25 for whatever purpose."

Alternatively, the Government can say, "You are entitled to a tax credit against that in respect of this expenditure." So if what you getting is a tax deduction, how it works is that you would start with your \$100, you deduct \$25,

you arrive at \$75, and then you apply your rate of tax to that \$75, which will give you a tax liability of \$18.75. Right? So from earning \$100 your tax liability has moved from \$25 to \$18.75. Nothing to sneeze at but not fantastic; that is the deduction. If on the other hand the Government says, “You are entitled to a tax credit”, you start with the same \$100, you compute—that is your taxable income—you compute your tax liability on the \$100, which will give you—a 25 per cent is what we are working with—that will give you a tax liability of \$25, and against that you claim your credit of \$25, which gives you a tax liability of zero. So you go from a tax liability of \$18.75 when what the relief is in the reduction of \$25, as opposed to a tax liability of zero when the relief comes in the form of a tax credit. So while I will leave it up to my colleagues to delve into who qualifies for the tax credit and what conditions and criteria are to be met, I just wanted to ensure that Members of this House and members of the public understood how a tax credit in fact works and so they can appreciate that it is not an insignificant benefit. It really can be very significant. So I hope that clears up that issue, Madam President.

One last thing I would like to comment on, Sen. Lyder indicated that the tax credit is a waste of time and it is insignificant and what the Government should be doing is offering interest-free loans to small businesses. Madam President, I do not know if Sen. Lyder does not listen to the presentations in this House, but I would seek to remind him that since the start of COVID the Government of Trinidad and Tobago has in fact been working with the banks to provide this kind of relief in terms of zero-interest loans, government-guaranteed loans to small traders and others, and these people have been taking advantage of these opportunities to keep their businesses going and to grow their businesses. So when we come to the House with a measure, it is not the only measure, the only relief provided; it is



something that goes on top of an eco-system of relief that is already in place. So please do not try to either mislead the public into thinking this is all we are doing, or please remember that we have come before to say these are the other reliefs that we are providing. So, Madam President, we are seeking to fully support small businesses and others.

**Madam President:** Minister, I think Sen. Drayton wants to ask you something.

**Sen. The Hon. A. West:** “Oh”, sure.

**Sen. Drayton:** Thank you very much, Madam President. Minister, my question relates to the very first thing that you started to speak about, which was with respect to section 2 of the Bill. Four years ago, almost, just shy of one week, I made a similar comment related to when a proposal was made for the \$3,500 pension relief for public servants. This is four years afterwards and now we are expanding the scope of persons. Can the hon. Minister provide us with some timelines, because I would not like—I may not be here four years from now, but I would not like four years from now to be asking a similar question with respect to the efficiency of the payments of pensions. So thank you, Madam President.

**Sen. The Hon. A. West:** Thank you, Sen. Drayton. Sen. Drayton, I too am not likely to be here four years from now and I am determined that we will see an improvement in the system before I cease to be here.

So, as I said, the only thing that would make a real difference to this problem is the digitalization of the system and we are in the process of actively doing that. We have to digitalize all the records throughout the public service because, as I said, people move all the time. The defence force is kind of unique because people stay within there, so once we digitalize them we should be able to more efficiently do that, and if we start right away, that could be done based on history within a

year, year and a half. The rest of the public service would be more problematic, but as—I mean, more extended. But as I indicated, we are determined. I am determined to see a real difference before I demit office, so fingers crossed and your prayers will be appreciated. So, Madam President, those are essentially the issues I wanted to treat with, so I thank you for the opportunity again and I look forward to the support of Members of this House.

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

**Madam President:** Sen. Lutchmedial.

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

**Sen. Jayanti Lutchmedial:** Thank you, Madam President, for the opportunity to contribute today on the Finance (No. 2) Bill, which has been presented today by the hon. Minister to give effect to some of the announcements made in the budget. Madam President, I just wish to make a few comments on the issue of pensions, as well as the apprenticeship allowance and then tough a bit on the e-money, and the issue of e-money and some of the proposals included in this Bill that would treat with and seek to promote greater participation in the fintech space. Madam President, on the issue of pensions, the speaker before me, the hon. Minister spent some significant time dealing with the challenges with pensions, and I think Sen. Drayton pre-empted my question that I wanted to pose here as well, which is that, if since 2018 we have identified the problem existing within the public service, and in 2022 when you have a joint select committee meeting and you are hearing about the same problems that are still existing, and then you come to the Parliament now to introduce the same stopgap measure and to expand that measure into the protective services, the police and the defence force, when are we going to hear about the real meaningful solutions? And the Minister said that they are

addressing it and she has identified some of the problems, but this is a Government that, budget after budget, for the last seven years has been speaking about digitalization, and within the public service there exists some level of digitalization with respect to the payments, the system used at least for salaries and so on. I learned that the hard way when I came into the Senate actually and some of my old records from when I was, pre-2015, working in the public service was still being used and applied and deductions being made, and so on, and I did not even realize that it was one system across the board, but there are systems there for monitoring.

What I think the root cause of the problem is here is that people are not doing what they are supposed to do, and that is a problem that no amount of digitalization can really and truly fix. Because, you see, when people are about to retire, then—not even about to, they retire, and then suddenly there is a host of problems detected which prevents the processing of their pension and those problems include things like the way that sick leave is classified. Now, having had a primarily public law practice, I am overwhelmed with the number of matters where people are forced to challenge decisions being made at their retirement dealing with—I had a mother who at her retirement at age 60 was being told that leave taken during a pregnancy 30 years ago classified as extended sick leave with pay, was now being reclassified as sick leave without pay and that would affect her gratuity, and all of those things were holding back the payment of her pension. So you have an endemic problem in the public service as a whole, with records, with decisions being made, with the classification of leave, with increments being paid.

**12.30 p.m.**

I can tell you I am constantly having to write pre-action letters and sometimes the result, file claims or seek statements of reasons under the Judicial Review Act, with respect to issues of supervisors within the public service not

completing evaluations that are needed in order to pay increments. That is a problem that is very widespread, particularly from my experience in the Teaching Service Commission. The roll-on effect of all of this is the fact that you have people retiring, and having now the solution that has come up is that you will get your minimum pension of \$3,500.

I could speak to the police service, for example, and the salaries being paid there. Madam President, \$3,500 is perhaps just about half of the entry level salary paid to a constable. So at retirement, when someone retires, whether you are a corporal, a sergeant, you would have perhaps been in receipt of special allowances, you would be getting overtime depending on which division you were in, you could be earning a salary at retirement of more than 10 times this pension, and suddenly, due to deficiencies in the system, bureaucracy and, from what we heard at that Joint Select Committee meeting before the PAAC, you have a lot of regulations which make a system perhaps more burdensome than it needs to be. You are suddenly going to go into retirement and earn \$3,500 a month and attempt to live on it.

So really it is not even—I totally disagree with the description of this measure as being a sort of temporary solution. It is by no means a solution. It by no means brings any real relief to persons, particularly persons who are serving this country in the capacity of law enforcement. We know that they have their own special challenges, but to any public servant I would say. Because, you know, one of the things that people do not realize, that if you stay in the public service as a career public servant, and you reach the age of retirement, there are benefits such as stability and so on, but what they do not realize is that you forgo the opportunity to earn a lot more money in the private sector.

The legal fraternity is one fraternity like that. In the medical fraternity, I

mean we have persons who straddle both private and public, but if you stay in management, for example, within the medical field, in the health care sector, you will earn significantly less than you have the potential to earn. So it is really unfair that this system is continuing, that a problem identified and a measure put in place since 2018, has not produced some more meaningful action and solutions to this day. I would strongly advocate that rather than finding more of these little Band-Aids to put over these large big gaping wounds that we have, that we find a more—or that we put some traction into solving this issue.

The PAAC meeting was the subject of an editorial in the *Express* dated November 17, 2022, titled:

“Pension shame of the Public Service”

One of the things that they spoke about, and that I have also felt, in examining for example the Police Service Regulations, that I found, is really what they said here about the fact that sometimes the powers that should be used to pick up and to enforce the regulations, to make sure that the supervisors within the public service do what they need to do, are not being exercised. So the editorial really talked about how much people had to be bounced around from division to division, trying to follow up on their own issues, and the amount of delays, and that even the Chairman of that committee, who is, of course, the Speaker of the House, raised the issue that when you have divisions, such as within the TTPS, they have a Finance Branch, why can they not take on more of the responsibility of processing pensions? The answer, when I listened to that committee, because I went back and found it online, and I listened to the discussion, they talked about regulations requiring it.

So, we have brought a measure here to bring some relief, but where are the measures to deal with amending the regulations, if we have identified a problem in

the regulations? And where are the measures, or what is being done by the Government as well to encourage people in the public service to comply and to demand that Permanent Secretaries, for example, take action against supervisors who are not fulfilling their own mandate, and ultimately, as I said, the roll-on effect means they affect pensions?

The Police Service Regulations, and this was the easiest one to find, and I just pulled it out to talk about the whole section on gratuities and pension. It is interesting about how important pensions are, that there is a whole regulation that says that the computation and authorization of gratuities and pensions for officers—I am sorry, it is Regulation 183:

“The computation and authorisation of gratuities and pensions of officers whose retirement from the Service is known to be impending shall be treated as urgent matters of high priority.”

How can this be part of our law that these things should be given such high priority, but then, at the same time, Parliament is being told through a committee that the Regulations themselves are creating more circular reasoning that we need to have changes made?

**Madam President:** Sen. Lutchmedial, I allowed you to make your contribution, re what happened in the committee. But I just want to caution you a little bit that there may still be deliberations of that committee, so not to go into too much detail. Okay.

**Sen. J. Lutchmedial:** Guided, Madam President. I think the report has been issued, but okay, and I hear you.

Madam President, one of the things that, again, in the Police Service Regulations that they discuss and they impose—well, it says “The Commissioner”, but of course we know it means that those responsible for finance within the police

service with authority from the Commissioner:

“The Commissioner shall ensure that particulars of service and pay of all officers whose retirement is known to be imminent are furnished accurately to the Comptroller of Accounts not less than three months before the date on which the officers concerned are due to retire, in order to enable the computation and checking of pensions...”

So it is there in our law that certain things have to be done.

We are here to discuss a measure to bring relief, because we are hearing that sometimes from up to two years—today, I think one of the speakers, I do not know if it was the Minister of Finance or the Minister of Public Administration who mentioned it—but it could take up to two years to have pensions processed. Now, if it is that someone is not doing what they have to do somewhere, and complying with the law, then certainly we really do need to take action and to have a consequence being faced by somebody along the way, so that this does not continue to be an issue.

Now, the payment of pensions and gratuities is something as well for—the Comptroller of Accounts actually said that the compliance within the Ministries is lacking and that affects the role of Comptroller of Accounts. You have a lot of divisions who get involved in this process, and perhaps the time has come, apart from digitalizing pay records and digitalizing the systems, we need to have more linkages between some of these systems. So Comptroller of Accounts, Auditor General and well, the Treasury division as a whole, should really have a better level of connectivity with the Ministries and perhaps the Finance Branch of the TTPS, and that would solve part of the problem that we have here today.

I just want to make mention of one other issue, and that is it has come up on various fora that the filling of vacancies within some of these departments

responsible for pension, has been a cause of delay in the processing of the pensions. Therefore I think we cannot, as I said, say that we are trying to solve a problem with a measure such as this, if we are not addressing something that will not solve this problem. I also, like Sen. Drayton, do not want to be here in four years hearing that we are increasing it from 3,500 to 4,500, or something like that, when the issue of filling the vacancies—because it is still a matter of people, warm bodies needed to push through these procedures, to make sure they get done on time, to make sure they are started on time.

Retirement is not, in most cases, something that hits the public service by surprise. It does not hit any particular department by surprise. It is something that you can anticipate, it is something that you can plan for. I think as long as the personnel are there, physically there—I know somebody mentioned training, well, they have to be there first, filling all the vacancies. Once we get them inside of there and they are properly trained, then we can address the issue and we can, perhaps, see some meaningful change being made to this issue of processing of pensions.

Connected to the issue of pensions—and it is an aside, and it is not really specific to this payment, but I just want to mention as well that whilst we are dealing with improvements and talking in general about improvements in the systems of paying pensions, this thing called “life certificates”. If we are really serious as a country about moving towards digitalization, we have those digital death certificates now that are available and so on, and it is really burdensome on our pensioners to have to every year fill out life certificates and get somebody to sign it for them, and then physically take it into an office. In the year 2022, I really do not see perhaps why death certificates cannot be automatically sent to the Ministry of Social Development and Family Services, who can then treat with



those issues, and where there is a query perhaps, then the query be raised. But I would like to see perhaps those digital solutions be implemented in a way, because you see that is a—and I will come back to this later on when we deal with e-money and even with apprenticeship.

When we talk about digitalization, it is nice to say, but if you are not treating with real societal problems and issues being faced by the population, then you are just operating with spending money for things that are not really solving real problems. So what is the real problem? The real problem is elderly people and pensioners lining up outside offices in this country to bring in documentation. So as much as we are addressing the issue of pensions, perhaps the issue of life certificates could also be considered.

When this debate took place in the other House, Madam President, I listened to the Minister of National Security also saying that this measure was meant to boost morale within the TTPS. Well, Madam President, I just wanted to say that, leaving your job, which you might have been in for 10 or 20 years, 15, whatever, and at the age of 60, or before, 55 or 60, and trying to survive on 3,500 Trinidad and Tobago dollars, with the economy as it is right now, food prices, et cetera, I think that may demoralize a lot of police officers, rather than to think that the Government is doing something meaningful to ensure that their pensions are being processed quicker. That could boost morale. What could also boost morale would be, of course, more resources for the TTPS, better salaries, working conditions and all of that, but to tell someone that we are—

**Madam President:** So I was just going to caution you about going down that path, but I see you have edited yourself, so fine.

**Sen. J. Lutchmedial:** No. Yes, that is just in passing. I am not going to get into all those matters. But I find it highly demoralizing to say that we understand an

issue, we understand that there has been an issue for a very long time, and the solution that we are putting forward is you will get your \$3,500 within a matter of weeks of leaving, and go live on \$3,500 until we figure out the rest of it.

So I just wanted to make that comment, because I thought that trying to sell this provision to be more than it is—I understand the reasoning behind it you know, and I am sure there may be officers who would be very grateful for it, if it is that the alternative is waiting two years and getting nothing. But in the absence of something a little more solid, to say that we understand the problem and we are taking steps to fix the Regulations to streamline the processes, and to get everything moving quicker, it could be very demoralizing to think that this is the solution that is being put forward.

Madam President, with respect to the issue of one of the amendments to the Corporation Taxes Act for the apprenticeship allowance, I want to make mention of the fact that—well, I think it has already been touched on—but the OJT programme not getting the attention that it used to get, and not being expanded to incorporate more persons, and to offer more opportunities to young people, is really unfortunate, because a lot of people have benefited from that programme, and particularly I think that I do believe that there should be private sector participation in training young people to get into the workplace, but it is more difficult to regulate that participation.

What we do not want to have happen is—you do not want to have young people between the ages of 16 and 25 being hired in positions in the private sector, and the State allowing these private sector companies to access a financial benefit, in the form of a tax concession, but people are not graduating out of these programmes, learning anything that is really meaningful.

We do not want a system where we are telling our young people go into a

private sector business and become, you know, “go-fors” for the higher ups. Everybody has to start somewhere, but you cannot really—you do not have the checks and balances in place right now, I would assume, but I hope that they would be put in place. To make sure that younger persons trying to get a little bit of experience, and then getting into a private sector organization through one of these programmes that are going to be approved, that they are not exploited. That is the bottom line. We do not want to see our young people being told that this is an alternative—and I will get to that in a bit, that it may be viewed as an alternative to pursuing other educational opportunities, to pursuing vocational training, to pursuing some other sort of opportunity, because, again, people are desperate and they want to earn an income.

So companies may create these programmes, and it is one thing to submit a programme on paper to the National Training Agency and have it approved, but who is going to check? Who is—is the NTA, is that going to be part of it? It is just a question I raise, if it is, that is fine, that is great, but I would like someone to say and to let us know and to tell the country, whether or not these companies who will be getting a tax break to design these programmes and have it approved by NTA, whether sufficient checks and balances are going to be happening.

So, is there going to be a three-month reporting requirement? Is somebody going to be doing some sort of spot-checking to make sure that what they say they are doing, they are really doing, and that what they are teaching these young people, they are really teaching them? Or is it that they are going to simply pay people to do something that really is not building their capacity to enter into the work space when they graduate out of this programme within one year, and what they are really being used for is something totally different. So we want to see that there will be more checks and balances, I think, into that system, because it is

really unfortunate if companies are given an opportunity to benefit in some way, but that they are not really doing enough to help these young people.

The programme that is being put forward through this amendment, these provisions, Madam President, they allow for the employment of persons regardless—as the Minister said in the other place—regardless of the requirements, any kind of educational requirements. So it will also cater for persons who have not obtained a full CXC certificate. You just have to pass the age in which you are required to be in an educational institution. I see that as being perhaps not in the best interest of young people, because—I agree that not everyone can perhaps—they are not academics, but we need to also make sure that at the age of 16 and 17, we do not send someone into a workplace and tell them begin working, and to forgo other opportunities, and there are other opportunities out there. I acknowledge that, but do not create another avenue which would maybe perhaps detract from, or distract I should say, younger people away from pursuing educational opportunities.

If persons do not acquire, for example—which I think is so relevant now, and perhaps should be the bare minimum of at least a full certificate of five subjects, do we want to have people like that accessing opportunities, children—they are children, 16 years old—children like that accessing employment opportunities, as opposed to perhaps a system of vocational training that would pay them a stipend? Perhaps a system of some sort of remedial classes, where they are paid. Because, of course, at that age some of them due to family circumstances and other reasons, they need to earn some money. But do we not want to then perhaps design programmes that would encourage them to learn and to attain qualifications, whether they are technical, vocational, or whether it is obtaining their full certificate, rather than entering a work space in the private sector and

having a one-year training programme?

Another thing, that I do not know if it was mentioned, and I did not hear it mentioned is, would the participants in this programme get any sort of certificate? When you graduated out of the OJT programme run through the public sector, you had a certificate, and it is a very recognized certificate. If I participate in a programme as a young person that is run by the private sector, and the programme is approved by the National Training Agency, would the National Training Agency or any other agency of Government certify these programmes to the extent that the person leaving the programme has a certificate to be able to show, “Well, I got this certificate participating in this programme”?

Would the companies that apply for certification from NTA be required to show that they would give some sort of certification to the participants in this programme? Because this is very important, otherwise after one year, you leave the programme, the company is no longer able to access their tax benefits, so that is the end of their involvement with you, there is no guarantee that they will keep you on. I think as Sen. Lyder mentioned, right now you have people who have job experience looking for jobs. So if companies have to hire, it may not be that they are going to hire someone who has gone through a one-year apprenticeship programme. It would be that they would hire one of the 120-something thousand people that stopped paying NIS, but who were paying all the years and have job experience.

So after one year when there is no tax benefit, and there is no incentive for them to keep you on, do you have a piece of paper in your hand to go somewhere else on the job hunt? Because when you read, for example, some of the articles in the news, and you hear that—I remember there was one article in June of this year entitled, “The Young and the Desperate”. It explained, for example, about

graduates from UWI hunting for jobs out there, talking about the fact that entry level jobs required at least three years' experience, and that they were paying something like \$5,000 a month for some of these jobs. But they wanted you to at least have your degree or be completing your degree, and have three years of work experience.

So when we take into account the reality—and that article was based on real life stories and interviews and so on, with people who are out there doing the job hunt, and those are the things we have to consider. So if that is the reality that is basically facing the country right now, then I cannot see how this apprenticeship programme would really help the real programme that is out there. Because if there is no certification, if it is just for one year, and if it is not really going to be building and required to build skills, the Government really ought to set a minimum. I do not know if this will be done through the NTA, but again I said that is why we are here, right, to ask for more details about these things that we are being asked to approve.

Is the NTA going to stipulate that the programme that you are registering for in order to get this tax exemption, is it mandatory that you deal with, for example, certain basic things that you would be required, or that persons of this age group would require, the skills that they would require to make themselves marketable later on? That to me, if any company is benefiting from a tax exemption, they should be able to provide that information and they should be required to do it.

Madam President, I also just want to say that I do not think, and I do hope that this programme will not be used as an alternative to rebuilding and expanding the OJT programme, because there is room for the OJT programme and the benefits of the OJT programme. It should not be a substitute for that programme, and we should continue with that programme, because, as I said, regulation and all

of that and giving people the opportunity to work for two years in a public service environment has significant benefits. Not just to the public service, to fill some of roles and so on when jobs are vacant for a period of time—as we know in the public service, they can fill in some of those roles and functions—but it is a great learning opportunity, having passed through the OJT system myself.

I want to say here that when they are listing or approving programmes for particular companies, it would also be useful I think to encourage companies, to an extent, or even if not to make it a requirement, that a certain amount of hiring takes place—if it is applicable of course—to the communities in which these companies are based. We have a lot of big business operating in some very depressed communities. Communities that face a lot of challenges right now with joblessness, due to the closure of certain industries, due to the downturn in the economy and certain areas being impacted more than others. If you have companies applying to qualify for this tax exemption, I would like to see that the NTA perhaps be able to put in some requirement, if not through the Minister of Finance who is proposing this programme, but maybe through NTA, that they require that a certain percentage of people come from the community in which they operate.

That is to me basic corporate social responsibility, that you serve and give back to the community in which you operate. I think that would be a suggestion that could help to uplift some of these communities, and it also has other benefits in terms of—when people could find employment within the community in which they live, there are a host of benefits that would redound to the country. Less need for young people to have to travel long distances.

That is actually one of the things that affect a lot of young people from going into the workplace. They do not want to have to travel to Port of Spain, when you

live in La Brea, or when you live in some of the more far flung areas out of a main town or city area. Transportation difficulties and so on affect a lot of these areas. So if you have business operating in those areas, and they want to benefit from this, mandate that they hire within the areas that they are operating, so that there would be additional benefits to redound to the country. It might even ease traffic congestion a little bit, which is important as well.

I want to say that I do not believe as well that one year is sufficient for a programme such as this. So I do hope—I heard the Minister say that it would be looked at later on to expand to two years, similar to the OJT, and I would suggest that that would properly be done.

The last point I want to make about this apprenticeship programme, is that teaching more and more people who are entering the job market the same skills that other people who possess those skills are looking for jobs in those same industries really is not going to push the country in the direction that we need to go. We sit here, or in various other fora, and discuss the need for more innovation and entrepreneurship and more push towards building our sectors, manufacturing and so on. But young people, even if they are not inclined towards the traditional academic fields, they are very innovative if they are given the right opportunities, and the right environment in which they can flourish. We do not have enough programmes in this country that encourage innovation. Innovation is one of those things, again, as I said before, you would solve societal problems if you encourage more people to get into businesses and to promote their business ideas, which are targeted at existing problems and using problems.

It occurred to me, and I heard about something very recently in Europe, where there was a massive growth in snail farms. I was shocked, but it turns out, and I have heard of it before, that harvesting of snail mucin has become a billion-



dollar industry, because it is used in cosmetics, Korean skin care. I decided to look up on this and, you know, it is the same giant African snail that our Ministry of Agriculture, Land and Fisheries is putting out brochures on and so on, trying to tell people how to get rid of it, that people are actually starting farms all over Europe, because the industry—and I did look it up. It is a US \$3.7 billion industry right now, cosmetics alone, projected to grow to \$12 billion by 2029.

Now, do we through apprenticeship programmes like this, and giving tax exemptions and concessions to private sector companies to teach young people about, I do not know, bookkeeping and whatever else they are going to learn through these programmes, are we really leveraging our potential of our young people to address societal problems, to get into new industries and so on? Or are we teaching them the same thing over and over and over, and putting them out there into the same work space to become part of the rat race of people who are looking for the same basic jobs, who several of them have actually lost jobs?

I did a couple of career days all over the place, and my own alma mater and different schools and so on. When you ask the people—I try to talk a lot about businesses—what type of business do you want to get into, and I ask young girls—because I am always invited to girls' schools—what type of business do you want to get into, they will tell you, I want to have an Instagram account to sell make-up. They talk about doing the same things over and over, but we do not encourage people to think.

So if we are going to give tax concessions to any sort of programme or any sort of—because this is lost revenue, right. It is lost revenue in the sense that—and you hope to derive a real benefit from it. We as a Parliament have to approve programmes, and the Government should really look at having programmes that would encourage more people to get into innovative businesses, get into things that

really change the way you do things, solve a societal problem. I think that is a good point for me now to get into the issue of e-money. I will make a few comments on that now, simply because I also was part of the committee, and I have been reading up and following the issue of this whole fintech industry.

So we have come here today again to introduce measures to try to bring people into this space, and to allow them certain incentives. But the problem identified with people coming into this industry, and more e-money issuers, and more people becoming payment service providers, is red tape and bureaucracy. That became abundantly clear when one of the JSCs had a hearing and a sitting dealing with that, and I am part of that JSC, so I was there.

**1.00 p.m.**

And I asked a lot of questions. And I was very disappointed to hear that one of the companies that participated in the rolling out of CourtPay—a big boast from the Government, the rollout of CourtPay and so on. But they had moved their headquarters out of Trinidad and Tobago and go in to Jamaica because the bureaucracy and red tape had prevented from actually expanding that programme. And it had to do with regulations.

Now there is a lot of “govspeak”, as they say, when you deal with regulations and financial requirements in the public service and coming out of the Treasury. But a simple tax incentive will not solve the problem of wanting to expand and having more competition in that fintech space and in industry when the bureaucracy and the red tape continues to exist. So, yes, these measures are being promoted as those that will help—and perhaps they will help, but they will not help alone. You must hold hands together with the changes that really have to be made to the public system. Sorry.

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

**Sen. J. Lutchmedial:** And it was not a complaint. The issue of the changes needed to the bureaucracy was not simply a complaint that came out of the providers and so on who would have spoken on these issues. But, you know, there is a fintech association in Trinidad and Tobago and they lamented the pace of change of regulations. They also basically, you know—we were told by the IFC, which has a role to play in this whole system as well, that it is a simple matter of regulation being passed and instructions being sent to Permanent Secretaries and so on, on how to use these systems and that that was causing a delay.

So, I do not know until we address the issues of the inefficiencies and the bureaucracy and so on that we are really going to incentivize persons to enter this particular space.

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

One point that was raised and I think it has a lot of merit is because—is that government needs to become a user of the services. So the payment of pensions perhaps is a good place to start and to show that the use of fintech, that people would just be, you know, able to do all of these processes, that things would be moving quicker, the expansion through the Judiciary— I have been impressed with the progress made by the Judiciary during the pandemic. But the fact that it took a pandemic for us rollout things like electronic filing and the payment of legal fees, your yearly bar fees and fines and penalties and so on via an electronic system is kind of sad because really that should have been done some time ago. And if we have started it, let us not let bureaucracy hold us back because tax incentives would not be enough to encourage the competition. And I do not know if we needed Lithuania and Estonia to comment, tell us the competition is key. I think that that is a given. You want as much competition as possible. We cannot get that competition until we address the issue of the regulations and so on.

During the pandemic when you talk about the—sorry. One of the things that came up a lot was the de-risking. And when you are dealing with fintech you want to make sure that you are not leaving behind a particular part of the population. Again, it has come from all of the persons appearing in all these different fora speaking, whether it is JSCs or otherwise, we have a problem in the country when banks choose to de-risk customers or not to take on customers. So you have people who are—and I learned differentiating now between those who are unbanked and we still have a population—part of our population being unbanked, and then those who are underbanked in terms of they are just not getting access to the full range of services that are available. And why is that so? We do not know. And I think that problem has to be solved as well and has to be solved in tandem with the push to have more companies enter the fintech space. Because why are we trying to attract companies to come into the system when the pool of users is going to—the pool is limited by the actual amount of people who want to participate in this. The IFC said that they are going to do a survey about why people are not utilizing the system. Well, if you go to any bank in any part of Trinidad and Tobago on a Friday evening you will understand why that is so.

And very quickly I just want to say with respect to—I had a little part here written about the incentives being given to the small and medium enterprises. One of the things that we did during the pandemic is that we gave a lot of grants through the Entrepreneurial Relief Grants and we spent something like \$30 million giving grants to small businesses, many of whom did not meet all of the requirements to be registered as small businesses. Too many times in this country we have data sitting in silos and if we are going to, again, incentivize small businesses through concession with taxes, let us ensure that all persons who benefitted during the pandemic from these grants and so on, and came about—

came up and presented themselves to NEDCO, or whoever else, to access these grants, that we now bring them into the system and that they pay their taxes and pay their fair share of the taxes, particularly if they can potentially benefit from some of the measures in this Bill. I thank you, Mr. Vice-President.

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

**Mr. Vice-President:** Sen. Deyalsingh.

**Dr. Varma Deyalsingh:** [*Desk thumping*] Thank you, Mr. Vice-President, for allowing me to partake in this discussion, the Finance (No. 2) Bill, 2022. And as mentioned by the Minister of Finance, this was something that we expected to come to, you know, actually give some teeth to what we spoke about when the budget was presented. So it is seven clauses and whole idea of it, it sees, it touches various—a variety of things, which we saw is increasing pensions for the defence force and police service; also, to incentivize the small business and manufacture; also, oil and gas exploration; and also, the young citizens, employment for young citizens.

So while I look at clause 2 and 3—and I must make note that it is really to give pensions to the defence and police service. And we have seen a lot of recommendations and it was mentioned, the PAAC had a report going into recommendations. And even before that, we knew that we had some problems with getting these pensions on board and this is why it was moved from the Treasury department into the staffing of the defence force and the police service to look at those retirees, to see which ones would be retiring soon and to see, somehow, to hasten the process that was really in the Treasury.

But lo and behold, we did not get much improvement with this method by bringing into the departments which would have had an area, a better view of those who were going to retire. So not much improvement. But, you see, what I am

looking at is the retired officers are supposed to, by law, get their retirement benefits within three months of their retirement. And I read in the press that some of them were even planning some sort of legal action to ensure that they would be given the settlement. Because, Mr. Vice-President, it is—I mean, poverty is increasing. Prices—food prices have gone up, some persons say 60 per cent in fuel prices. It is increasingly difficult to live in Trinidad and Tobago. And with the COVID, persons' savings have dried up.

So this, I think, is an interim measure that the Government has used to serve the defence force personnel. And I must say, we owe it a lot to the police and the defence force. I mean, people look at me as doctor and say, “Doc, next to God is a doctor.” I look at police officers and say, “Next to God is you.” Because when I am under some sort of attack, I am depending on these people. So, I think it is really unfair for those people. And I think that—I commend Government's effort but however, I must say, we need to know if we are doing this as an interim measure, when are we going to get it fixed? When are we going to—a timeline to say that, you know, we get things mobilizing? And this is where my concern is. I think that, you know, those essential workers deserve a fair system that is coming into place. And I always say, why is it taking so long to put something in place? We have known about this before. Before that, we looked at the public service, servants, and we did introduce something similar for the retirees in the public service. And here comes now we are doing and admitting a failure of putting it into the hands of the relevant departments. So, I think it is a failure of the Executive to get this done.

And I am saying that we have to do something better. We have to do something better because we are really making paupers of our retired personnel. And why I am saying we have to do something better, I am concerned because I

am trying to see what is the problem. How could we motivate the staff who has to do this, to do their work? Is it a lack of leadership in the relevant departments? Is it that, you know, the challenges from COVID now will exacerbate this and make it worse? All these are things we have to look at. Because even in the UK, the public servants there are in some sort of distress. In the United States, some persons do not even want to go back to work. So what was bad before, may get worse.

So, on one hand, I commend the Government for this effort. And on the other hand, I was disappointed that they are not able to put something in place after seven years in office and I think, you know—I am scared that this could be the norm. So, we need some way to get this system beefed up. We need some way to get—to mobilize the civil service to do their jobs. And, you see, why I am disappointed, we have the Minister in Public Administration, she is a very credible person who came from the private sector. She actually worked in the esteemed PricewaterhouseCoopers company and, you know, I was hoping that bringing that private sector sense of getting things done, she might have been able to push this forward. So, please, we really need—so I support this but we need something better. We need—there is a disappointment on behalf of the Government and I think we need to work together to this.

If we have to—I mean, meetings were held with the Chief of Defence Force and Acting CoP to bring this sort of benefit for them, and I wonder what grade the Acting CoP would have given the Government for its failure to improve the public sector delivery in seven years? So this is interesting. But, however, it is supported because our persons out there need it.

I also now would like to look at clause 4. So this was covered in clauses 2 and 3, and I look at clause 4 the Corporation Tax Act being amended. And this

looks at the apprenticeship training programme, and it also looks at the fact that young persons will now be afforded the opportunity to be able to seek some sort of employment. Young persons will be able to come, and instead of being home, instead of being distressed, instead of being depressed because they are not able to get jobs, this is a very excellent initiative, and I commend the Government for this. And, I mean, we had the OJT and I was lucky in the sense, when I was in the public service, when I was in the regional corporation, I used the OJT to get psychologists on board to actually help us. And, again, I think this is like a private OJT initiative, and I commend it. And it is also a smart way to bring unemployment figures down. Because in the next elections, the Government could say, you know, “Listen, we did it bring down.” So it is a smart way, but benefit is there and praise them.

Now, two things I want. The national training—the NAT, right, would they really be able to do a job in guiding these young ones? You see, the thing is we have to appreciate—we are living in a society where young ones could be exploited, sexually, job-wise, lack of sick leave. You have persons in office who may do that. So, I would also try to say, okay, the NTA may give a small online talk to those young individuals who are now going into the workforce. But I am also hoping if they cannot come to market, the Ministry of Labour will give the persons their rights in their working environment from predators and actually tell them what are their rights, how they can complain. This is part of, I think, some sort of a training. All these young persons will need to know what we are—what guidelines we have; the OSHA guidelines, you know, rights for holidays, all these things. So therefore, I must say, I think the two years are not enough—the one year is not enough. I would have rather give these young persons two to three years.



I saw Sen. Lutchmedial did mention the fact that, you know, when persons are asking for job—a sort of a job description, actually working three years seems to be something—they want to know how long you stayed in—[Inaudible] So, I think I would have rather that be extended to three years. And what I would also make a suggestion here is that the fact is, somebody mentioned, will it really help those persons in terms of their training? But the thing is young persons are home, they will be getting a job, they will be getting a salary, the money will be spent in taxi, in buying food, buying dresses, so it will stimulate the economy. So whatever it does, it stimulates the economy, as well as give those persons a sense of purpose. I always believe every single home should have one working person and those young people who come out and cannot get a job, they will be depressed. I have always hired young doctors in my practice just to give them a sense of guidance—sometimes three months, sometimes six months, rotated them, just to let them know—and that three months would have given them a great benefit. So this one year, I would suggest, you go two years, I would suggest three years. I would suggest we look at the—look at guarding them against the things I mentioned.

And also, since this falls under the Corporation Tax Act, I understand it is a limited liability company, while partnership and sole traders may not fall under this. So, I just need a clarification. Could the partnership and sole traders also be able to hire these apprentices? Because remember, they are not under the corporation tax as, you know, the limited liability company. So this is some clarification. Because I think some sole traders and partnership could benefit in this sort of intervention.

Also, I want to know that, you know, if those individuals are now paying NIS and health surcharge, this is a way that we are now getting our NIS funding increased. So it is another nice venture. I say, if they are paying the NIS, we

would start them making their payments early, as well as expanding our depleting NIS funds.

I want to look at clause 4 now which serves to, you know—further down, (c), (d), (e), and (f) and (g), which serves to, you know, look at the Small Business Development Company Limited and the Industrial Development Corporation being negated. And it seems that—when I looked at that, I was trying to figure, why? The Minister said he is going to take a new company and actually let the new company oversee the small business enterprise. And this benefit here, I must say, it is something that definitely, it is a lifeline to these small enterprises. The UK has it. The European Union, you know, the small businesses there are what is really the lifeblood of the economy. And even in the UK, they are trying to stimulate the small business. So here it is an excellent initiative on the part of the Government and I think this tax benefit to those persons, assisting in these small companies should be something that we should recommend and should support.

And I am thinking though that with the \$50,000 tax credit for one year, I still now think it is too short to upgrade in some instances. Because we have with the—I may want to grade my company and I might need some ultrasound or some equipment. But with the COVID pandemic still having certain things that—in place, that we are not going to get good shipment, they do not have material, you find that I may have the intention but it may not materialize within this year and persons expect a global recession, so it may be harder for companies to catch.

So, I would think, yes, good initiative, \$50,000 tax credit, go onto two years, three years, at least let us try and ride out and see what is happening in the economy. And could we somehow get back those companies that were folded up? During the pandemic some companies had to close down. Could we now use this to reach out to them and say, “Look start back your business. Those who did not

sell out their equipment, yes. Let us come on board. We are offering this.” And this is something I think the Minister may have to decide; could we reach out to those companies which are not really existing again, but knowing this is a lifeline they may be willing to come back on board.

So, I had a little concern also with the fact that the Minister said that the Small Business Development Company Limited would be no more. He will have to create a new company. And this something I am always worrying about. You know, when the SBDC came around, it was touted as to be something that would save us. So, you hear all these good plans, the Small Business Development Company Limited, what it does. It was to:

“...promote...”—exchange and skills and—“...spirit and awareness...”

It was to provide an:

“...environment for the development of...Human Resources.”

All these good things were listed in their statements. And their mission statement actually sounds so good. And the fact is:

“The Small Business Development Company Limited...”—was—“a majority owned enterprise under the Ministry of Enterprise Development and Foreign Affairs.”

And actually they had, I understand, 51 members and a president.

So, I was just wondering, I do not remember how long these companies are not existing or if they are still existing. I know the IDC is not existing. But, you see, we keep changing a company's name and going onto another company. And I would like to know, if this company failed, why did it fail? Is it that they overreached? Is it they did not come up to their mandate? Because we created new companies. It is like calling URP, DEWD, having the same work ethics, CEPEP. I need to know. The Minister said he is going to have another agency to

look after—to look at these—this part of the legislation. But I want to know, why did it fail?

What happened to the IDC? Because remember, the IDC was something, when it came around, it sounded so well because it was really—it was really in 1957, the Government of Trinidad and Tobago, on the prompting of, I think, it was Mr. Arthur Lewis, he established the Industrial Development Corporation and he felt that the IDC was indispensable for the industrial development of a country. And the task of the IDC was to assist government in setting up production, oil production, assist investors, et cetera.

So you had excellent cooperation. Some may have been of no use again. But the overarching goal—and I want to quote this study done by Ann Marie Bissessar and Roger Hosein, “The Role of the State in the Economic Development of Trinidad and Tobago with Special Reference to the Petrochemical Sector”. They, you know, in this report, they looked at sometimes:

- “• The lack of properly trained staff...”—to advise persons—“capacity to formulate policies.
- The lack of adequate resources.
- The lack of vision on the part of the political directorate.
- The emphasis on what”—is—“believed to be more pressing concerns”—as reasons why certain companies were not allowed to develop or to fall on the wayside.

So this initiative is excellent but I still want to know, let us say, we set up a new company, will it fall in the same way that in the next few years we will be coming down and saying, “Well, whatever new company we have, whatever name we have it, we will put it under,” will now be like a failure again? We need to know what went on with these companies, you know, just a reminder. Did it fail? What were

the challenges? How are we going to solve that?

I want to now look at the clause 4(h), which looks at the Corporation Tax Act, looking at the e-money issue, how to license these persons, how to stimulate these individuals to come on board as a business sector. The Prime Minister had stated some time ago that, the—a cashless society would definitely help with the crime situation, so you would not have all these big robberies going. So, I support that. And I think this initiative definitely would be something that would carry us forward. So, in a sense, it is a good economic policy. This is the way the world is going, but it will also have an effect, as the Prime Minister said, in helping our crime situation. So tax incentive, \$50,000 in 2023 for equipment, et cetera, good initiative. This is the way to go, even to help against people stocking money, as we remember when the \$100 bills were changed, the fiasco that we had with certain people coming out with lots of money that was just hidden. So cashless society, we are on the way to that. And so, I support this initiative here.

I would like to now go on to clause 5. So clause 5 now basically serves to stimulate our petroleum industry, to stimulate those companies to start back exploration. Now, we are in a situation where Guyana is there, they may offer better incentives, so we are now in competition with Guyana. So the Government has to see how they can best—you know, we were once the king of the oil market in the Caribbean. Now we have to go cap in hand and we have to formulate policies to bring these persons to come and do exploration to get us in a situation. But, you see, Mr. Vice-President, I looked at the incentives and I realized what is the intention.

And I also had some sort of problems because, while on one hand I would like us to get the earnings from the oil and gas industry, I also had a problem where I looked at the environment. Because remember, recently there was a JSC which

looked at the IMA about oil pollution, the effects, carcinogens and, you know, while you are having the exploration, accidents could happen. We know our water is filled with fish that may have carcinogens. So we have to be, on one hand, aware of the environmental factors. We have to be aware on the one hand that while we are touting, we are signatory to the Paris Agreement; while Members attended the COP27 and promises were made that we could reduce our carbon footprint. But here now we are trying all how to explore, to dig up the ocean, to pollute. If an accident could happen—what are we putting in place to prevent more deaths if persons have to explore, go into a pipeline, deaths that are still—we are waiting to hear answers from the Paria fiasco. So, I am saying, we have to have things in place.

But I really had, what I may call it, a cognitive dissonance. Because on one hand, I would want to balance the fact that we need a cleaner environment. We need—the whole idea of us having flood, global warming, we wanted to, you know—I would commend government's efforts to reduce our carbon footprints, so less reliance on oil and gas. But I looked at what the Ukraine and Russian war churned up. While we were getting the dialogue from Europe and Germany that they were green, et cetera, they had, you know—they were doing all the best for environment and they were pointing fingers at others, that war actually unclothed that they are highly dependent on the fossil fuels. They are highly dependent, Germany, other European countries. So, I was wondering, are we being fed a big green hoax? And this is what I am trying to figure. I mean, you are getting on one hand big conferences saying one thing and, on the other hand, they are going now and using the same things they telling us not to use. So, I know the effects of oil and—the effects of the oil, the pollution, the effects on our planet. We have flood down here. We need to mitigate but I think we meet to balance; balance that.

And I took comfort really that—and I am jumping now. I took comfort that clause 6 actually commented on, you know, somehow amending Schedule 2 of the Value Added Tax Act to zero rate VAT on new equipment for manufacturing companies that utilize alternative energy technologies.

And so, on one hand, I am seeing clause 5 trying, you know—will be bringing on more pollution. Clause 6 will now be giving sort of benefit; some sort of benefit here. But I do not think we went far enough. You see, we have to encourage our companies to move to any sort of alternate source of energy. We have to encourage them to reduce their electricity dependency.

So, I am thinking that we could have gone a little further with this section—with clause 6, where we could have somehow given a tax exemption and incentives back, just as how we are giving to the apprentice, to companies who will say, “Okay, by next year a quarter of my electricity input will be reduced because I am now bringing in solar or whatever sort of panels.” For those with a half, we will give them, you know, a sort of sliding scale and total, you know, environmental exemplars should be given, as I am saying, a tax benefit I would have wanted, not just the VAT off on these things.

So even a \$50,000 tax benefit, which would have encouraged me to say, let me change my office, I am getting this. I am going to put it back and let me now get solar panels. Let me see if I can get some sort of—even home—put some sort of—well, it is not home. If it is my business, if I can wind panels on the roof. And in this way, I know I am not paying it out of my pocket. The Government will be giving me back it. They will be giving me probably an incentive back also. But at the end of the day, and in the next three years, our whole landscape would change where we are not going to be using certain other fuels.

**1.30 p.m.**

So, if you have a machinery that is using diesel, all these things we would now be able to change that because we are getting this tax incentive. So, you see, it is something I think we could have gone further and given this, and I think it would really have had a great benefit to encourage more persons to come on board with a greater environmental impact. So, I come back to clause 5 where I am saying that I had this sort of, what I will say, cognitive dissonance because on the one hand I know that the fossil fuels have a negative effect, but I want our country to come out of any sort of a financial distress. And thankfully the Minister of Finance had balanced books recently and I think we are all proud that he got that balance and we are out of these 14 years. I think he mentioned, we are in a better place now. We have to congratulate him. Hard measures, yes, but at least we are now beginning to see some improvement.

But you see when I had this dissonance in terms of pollution over green, I did get some comfort from the words of our Prime Minister, and I would like to quote “T&T intent on ramping up natural gas production to highest levels possible”. This was an article on OilNOW, June 13, 2022, and in this I want to quote:

“While some international groups have advised that nations move swiftly towards the diversification of their energy mix with renewable resources taking the lead, Trinidad and Tobago’s Prime Minister, Dr. Keith Rowley, said his home country is taking a different approach. According to the CARICOM Head of State, Trinidad will plug significant investments into fossil fuels, particularly gas, with a portion into extending to renewables.

During the 2022 Trinidad Energy Conference, the Prime Minister reasoned that there is no conflict between investing in renewables and in



hydrocarbons as over time, renewables can liberate oil and gas for export markets, and also create a diversified energy mix. However, for the foreseeable future, the Prime Minister categorically stated that hydrocarbons and in particular natural gas will continue to drive the economy of Trinidad and Tobago. He said the global outlook along with relevant reports support this.

The current outlook due to geopolitical events and energy security issues, he said, suggests that natural gas is increasingly being considered not only as a low carbon alternative but as the fuel of choice. Expounding further, he said the Gas Exporting Countries Forum (GECF)...”

—he mentioned that they would now be looking at this so-called cleaner natural gas.

So I say that I appreciate the fact that he made this statement. I appreciate the fact that it caused me some comfort, because, you know, we are now tackling it both ways, looking at renewables whilst utilising what lies under the ground. And I also appreciate the fact, because of its low carbon footprint when compared to other fossil fuels, natural gas is seen as a fuel that will help the world move to other sources. So the PM did say this and I got comfort in it, and I must say while we cannot pay our bills with a green dream, we have some time—the Government has to do a balancing act with income earned by the fossil fuel industry, and, you know, also try to maintain a green environment which I think clause 6 tended to put in there.

So sometimes we must look at geopolitics too and ignore those who serve to control our perception and our Republic. And I would like to quote, Mr. Vice-President, a somewhat article which I was a little disturbed where it was also OilNOW and the article was October 16, 2022, “Unappealing fiscal terms, mature

gas fields placing Trinidad at risk”. And there is this young American guy based in Florida, Arthur Deakin. He is an analyst—he works at the American Market Intelligence, AMI, and he analyses our oil industry as well as other countries. And in his article, he said he:

“...believes that Trinidad and Tobago’s oil and gas prospects remain dire and will continue to spiral without new oil and gas discoveries.

And why I mentioned this article, here we have in this Bill, trying to get the exploration and trying to prop up our economy, but he had a different aspect, so he said in an oil and gas—he noted that:

“Trinidad and Tobago has been struggling with declining gas reserves, a result of having mature gas fields, unappealing fiscal terms, and overshadowing discoveries in neighbouring countries like Guyana and Suriname.

And he said:

“The country was one of the top exporters of oil and liquefied natural gas (LNG) in the Caribbean and Latin America region. In 2021, Trinidad and Tobago was the sixth biggest LNG exporter in Europe, after the USA, Qatar, Russia, Algeria, and Egypt, accounting for 2 per cent of the total LNG imports to Europe.

But its numbers have been declining.

This year”—he—“noted, T&T’s LNG exports declined within the first five months of 2022.”

—and he quoted the Prime Minister as saying the:

“Quality of life for Trinidadians at risk if no new gas projects come online soon.”

So, the Prime Minister had mentioned this before, and this exploring for gas and

oil is really to materialize this. It is something—the Prime Minister’s dream to come about to get it. So, it is really a manifestation of trying to do what our Prime Minister said he had planned. So, therefore, I want to also quote where he was mentioning about investment, blocks not coming on stream, and Trinidad will be trying to encourage investor interest in its upcoming oil block option with a proposed increase in the investment tax credit for energy companies, and a reduction in the Supplemental Petroleum Tax for new wells drilled in shallow waters. So, what he mentioned here in this article in October 16<sup>th</sup>, we are seeing it here being realized.

But in”—his view he said—“this will barely make a dent in the situation”.

He said:

“With the global energy crisis in full swing, T&T has been looking to team up with its neighbour Venezuela to revive its LNG export sector. The idea brewing is to export gas from Venezuela to Trinidad by pipeline to put through its Atlantic LNG facility for onward delivery to international markets.

But...he...said that unless sanctions on Venezuela are lifted, or a major gas discovery is made — both of which”—he says—“are rather likely — Trinidad will see a continued decline of its oil and gas industry.”

Well, I think he is wrong, because right now the relationships with Venezuela that came about because the geopolitics came into place and the US wanted to put Venezuela as a narco-state, made sanctions. They cut off Venezuela. And any country who would have wanted to have the foresight, especially Trinidad who being so near to them, to have some sort of agreement to some gain, mutual gain, they would have been now stifled by what Uncle Sam would have been putting on to us. So therefore—but it is a changing world with the Russian/Ukrainian war by

then steel, Biden is now making amends to get Maduro to come into some sort of agreement.

So it is a turnaround. It is an about turn from the American Government, and I am saying that we have to appreciate that, you know, Venezuelan is now coming in from the cold, according to how they are now being treated by the USA, but we were always under the impression that we could have done business with them. So it was the US who brought pressure to those who supported Maduro. Dr. Eric Williams once told us, told the America where to get off with the Carenage occupation. And our Prime Minister and Minister of Foreign and Caricom Affairs must have a balancing act to get us to a better place with our global duty to protect the earth, to get better finances from oil, and without causing too much geopolitical isolation. I think this move here shows that Government is committed to go after the oil exploration. I think this also, clause 6 shows that they are also thinking about the effects on the environment, and I am thinking that based on the fact that what we saw here in this piece of—what this presented here in this Bill was mentioned before by our Prime Minister. Was mentioned before.

So, people looking on the news would have realized it was coming, and it is all I think in good faith. It is all in good faith, it is something that I think I hope we can get the best out of it. It will help our young persons. It will definitely help the economy if we could get more oil and gas exploration, if we could get something out of that, I see it is a benefit that could only help the population. So, I wish the Minister of Finance well and I hope some of these things mentioned here today will be materialized. Thank you.

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

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

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

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

Thank you very much, Mr. Vice-President, and I must that I am pleased to contribute to this Finance Bill (No. 2). We were here only a few months ago, or not a few months ago at all, but we were just here last month in November, so that this follows on from the Finance Bill (No. 1), and we already just implementing, seek to implement that which is necessary coming out of the budget which was read in October.

So just to say that the provisions here today together with those done in November really forms part of our medium-term policy framework, and just to put it into context, and part of that would have been supporting our youth in national development, including attracting them to the agriculture sector. Also supporting business environment in which the private sector can strive and grow and facilitate a buoyant non-energy sector, also deepening the human capital development through multi-faceted education and training programmes. So there is a context to everything which we are doing here today, and it is not being done in a vacuum. It comes against a plethora of—and Sen. Lyder will not like me to say this, a plethora of initiatives that the Government has put in place, particularly for the SME sector, which we are depending on to help grow this economy, and particularly on the non-energy side.

And so I go straight in to clause 4 of the Bill which seeks to do seven amendments and all critical to advancing businesses and trade and industry and so on, but I go to the whole question of the apprenticeship allowance, and, of course, there was so much criticism by Sen. Lyder on this apprenticeship allowance. I do not know why. But it is absolutely needed, and again it is about developing our human resource capacity and addressing existing and future skills gaps and shortages of human resources. And therefore, these kinds of programmes continue

to be developed not only in Trinidad and Tobago but across the globe, and I will tell you, and again here is our Government, always acting in the interest of the young people, and we have them at heart.

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

**Sen. The Hon. P. Gopee-Scoon:** But developed countries, all these G7 countries, Canada, the USA and the UK, Japan and Europe and so on, Germany, all have these established and structured apprenticeship systems and programmes that are integral to their development strategy. And of course, why? Because it is the foundation of their technical capacity. So again, what we are doing is building capacity. Yes, we are providing job opportunities to young people, but it is about overall building capacity so that our industries can flourish and we can close the gaps in terms of having the necessary employees and skills, both skilled and unskilled.

So again, we in this Government recognized the importance of the apprenticeship programmes, and so this is not the first that we have done. We have implemented several of them. But again, I am disheartened, I am really disheartened by Sen. Lyder's contribution, when he seems to think that we have done very little for young people and so on. I want to tell you that even, Sen. Lyder even with them—I go a little bit astray because I have to respond to him, Mr. Vice-President. When I tell you that InvesTT created something like, more than 1,700 jobs in 2022. That is a fact. When I look at our OJT programme, which has been a success, I mean, they recently celebrated their Twentieth Anniversary, and they would have hired something like 150,000 persons.

And someone on the Opposition made the comment that there is no structure when they go into the OJT programmes, there are goffers for the more senior persons. That is not so. Because we are taking people at different layers and from

those who hold across certificate to those who hold three O levels, to those who hold A levels. There is a different category, those who have a technical diploma, those with an associate degree, undergraduates and post-graduates as well. Highly successful programme which continues for young people as well. And I can tell you again in the BPO industry we have hired 1,800 persons in the new business and process outsourcing industry which we have started over the last few years. And I can tell you the figure that we have over the next two years coming through that industry, is another 2,225 jobs seats to be created through the BPO industry. And there are a number of BPO industry executives who have been calling on our doors. Why? Because we have the capacity. We have an educated workforce. And there are those that are coming in—wish to come in at higher levels. In other words, not just looking for those who have graduated with five subjects and so on, but looking for those who have other defined qualifications, lawyers, accountants, et cetera, who can in fact operate in different level in the terms of the BPO industry.

So, you all are wrong about the fact that Government is not doing enough, and this is only a one-year programme, et cetera, et cetera. The Government has certainly done its fair share in terms of apprenticeship programmes. And this time we are acquiring the assistance of the private sector to do this, and this is the way in which we are doing it. So we are incentivising the private sector to engage in apprenticeship programme while ensuring that our youths are provided with the opportunities for growth and development.

So, clause 4(a) of the Bill seeks to insert this new section 10W under the Corporation Tax Act to provide companies that are—to engage in this apprenticeship training programme to hire young persons age 16 to 25, and who have completed a secondary school education, and we made it clear you do not

have to have any O levels. And that is another gap that we are filling, once you have completed the employer would in fact have 150 per cent allowance in January 2023, commencing January 01, 2023. And we talked about the NTA and so on. I do not think it is important to go into that again. Easy to operationalize. I think we understand how it works. But for the employer, again if you were to spend \$3,000 a month as a stipend to a trainee it means that you would be—annually it would amount to \$36,000 and you would therefore have \$54,000, you will be eligible for the entire \$54,000, provided it is less than or equal to 20 per cent of the company's entire salaries and wage bill and so on. And that 20 per cent is not a non-realistic figure.

But we are pleased to do this, because we know that there are those who struggle to gain employment because they do not have the experience, and they have not done so very well at school. And this is why we have dropped the level down to at least completing school so that they can enter the world of work. And again, another Member of the Opposition levelled criticism again at us, what are they going to do, they are not going to be able to—they do not know—we should not encourage this. They should in fact be encouraged to go into higher education of some form. This is a gap. This is one year of an opportunity where they can learn, understand the structure of work and in the discipline of work, customer service, et cetera. And all of those elements are very, very much important for them being able to move ahead. And perhaps the discipline they did not have before they would get it in a work environment and they would understand, look, hey, this is what was necessary for me to be able to move ahead. And so, we value this programme very much and it is open to all sectors and all industries as well, and therefore, again, the benefits would be two-fold providing our young persons with the exposure to the world of work, and yet still we are training and building



our human resource capacity. Right?

So, Government overall is in support of apprenticeship programmes. I have said that, and I have preached that at this pulpit, in that there are a number of apprenticeship programmes which have been designed by the Ministry of Trade and Industry which we are doing at this time. One, for the non-energy manufacturing sector, and the other one for the wood and wood products subsector as well. And why? Again, because coming out of a 2019 labour market analysis conducted by the NTA we saw that there were many gaps, and therefore the programme was designed in conjunction with the MIC to ensure that we fill those gaps and give those youths, with a stipend, an opportunity to further develop their skills, and to be useful—have a useful life and opportunities in the world of work as well.

So, we are happy at the end of day we are going to have some 335 persons ready for the manufacturing sector, getting again on the job training at the level of the actual manufacturers, and again in the case of—no, I think it is about 435, and in case of the wood and wood manufacturing there are another 100 persons are being trained. So, we are focused on building human capacity in several sectors. And, as I said, this new apprenticeship programme covers all sectors, we have done the manufactory, but we are building capacity in fashion, and I do not need to go into all the details, Mr. Vice-President, we are building human capacity in fashion in terms of a number of designers. In fiscal '23 we have 10 of them undergoing the global value chain tier in terms of enabling them to be able to get their lines out into the global marketplace. We then have another 74 designers that are in the business advisory tier training. Again, training for young people, and this is being undertaken in conjunction with UWI.

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

**Sen. The Hon. P. Gopee-Scoon:** Again, we have another 75. This is all in 2023. This is what this Government is doing, another 75 new and emerging designers enrolled in entrepreneurial proficiency tier, learning about business plan, development costing and pricing, record keeping and cash flow management. Well-designed programmes for young people entering the world of work. In the area of film, we have had 50 industry professionals benefiting from employment opportunities as well, in the world of music as well. You do not want to accept it Sen. Lyder?

**Sen. Lyder:** [*Inaudible*]

**Mr. Vice-President:** Sen. Lyder the Minister is actually responding to your statements, the least you can do is give the courtesy of listening.

**Sen. The Hon. P. Gopee-Scoon:** Thank you very much, Mr. Vice-President. Yes, I am speaking to him because he sought again to say to the population that this is all, what we have brought in this Finance Bill (No. 2) is the very limited initiatives that the Government has put forward, and that is not so, and that is why I am just taking the time to run a scan of everything that we have on offer for the young people of this nation in terms of training and readiness for the world of work across all sectors. Across all sectors.

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

**Sen. The Hon. P. Gopee-Scoon:** And then now I go to the approved small companies' status. And again, all of this is in keeping with our Vision 2030 commitments where we are focusing on the creation and growth of small businesses and ensuring that we have the necessary human capacity, et cetera. It is all about that. And this is again to provide support to existing small businesses and encouraging the development of new and small businesses. And this is why we are revitalizing the approved small company status incentive and so on. There is no

need for me to go into the details about the changes in the Corporation Tax Act or so. But the Minister of Finance would have read out all the list of requirements under the Act.

In other words, for those companies that will qualify for this certificate of approval to operate as an approved small company status, to be assigned that status, and there is no need for me to go through this again. But this would imply though, especially where it speaks to, has machinery, equipment, working capital which does not exceed \$1.5 million TT—what this would speak to is that this largely for the benefit of manufacturers, is also largely to the benefit of small manufacturers. Because if you are talking about not exceeding \$1.5 million in equipment and machinery and working capital, you are talking small business.

So again, I am making the point again where you have said that what are we doing for small businesses and so on? This is a direct opportunity for small businesses. Right. And again, there is the list of requirements, and we were going to be reviewing these in that they must not have a shareholder, any other company holding shares either directly or indirectly through its nominees, must maintain accounts that are audited, must have the potential for creating permanent jobs, at least five permanent employees, may come to a use of locally produced raw materials, et cetera. So that is the current criteria. And I want to say, because you came back and say, what have we done about this? And this is Sen. Lyder. What have done about it? What have we done about it? Well, I am going to tell you the problem came, and yes we know that we have had when it was first introduced it was the Small Business Development Company Limited and the IDC were in existence then, and in 2002 the SBDC then transformed into the Business Development Company Limited, and subsequently it evolved into exporTT.

And it is along that way, so then it no longer became relevant according to the Act which specified the particular companies that were to benefit from—through which the companies can benefit. But that was the problem. And it is your government, it is your government in 2012 who morphed from the SBDC into exporTT. And when you did it in 2012, you did not assign this particular facility anywhere at all. That is where the problem originated in 2012 under your government. Right? I am just educating you. So, nothing was done about it. And then also, of course, one part of the BDC then morphed into—no, I think it was the IDC then morphed into TIDCO. So, along the way it got lost, but it is this Government intention, and this is why we are here today to ensure that this is captured once again, and the opportunity is given to the small businesses in this country to in fact qualify as an approved—as a company having approved small company status.

So, the amendments will allow the Minister of Finance by Order to designate, and subject to the negative resolution of Parliament, the particular entity that will deal with this. And you did say, Sen. Lyder, that it could be—or, I think it was the Minister of Finance who say it could be exporTT, InvesTT, CreativeTT or so, but really and truly it would start off under exporTT. That is who we intend to recommend, and then, of course, it will morph then into the new Trinidad and Tobago Trade and Investment Promotion Agency. So I think that is how it is going to go. Because I see within that new agency an area that is responsible for sector support development. So again, they will take the responsibility of having programmes for SMEs in particular to ensure that they elevate into a company that can in fact export, et cetera. So that is where I see it going. And I think what we understand is that all these programmes, particularly this one, and another one I am going to talk about, all of these are in fact filling gaps within the entire business

ecosystem. Right. As I said, we have much regard in this Government for small businesses, they add value and so on, and when they grow, they create levels of employment, there is increased revenue generation, there is opportunities for export, and generally greater investment in our economy. So the more businesses that enter that ecosystem and grow, it is the better that our economy will do in fact, and certainly will grow. Right?

And I want to say, so what we are doing here under clause 4(b) is extending the Corporation Tax exemption from five years to a period of six years, and that starts in January 01, 2023. And again, what this allows for our company to do is to refocus their tax savings into their operation, so it is a source of capital for them almost. So, money goes back into their business. Again, they are able to solidify, they are able to grow and so on, and of course it encourages once again the entrance of new companies. So, we intend to aggressively promote this incentive by ensuring that the application process is smooth. We are taking the responsibility for it, and it is easily accessible to everyone. And, of course, this incentive will complement the recent amendments to sections 21 and 22 of the VAT Act, Chap. 75:06, to increase the commercial supply threshold of persons exempted from the registration requirement under section 20 of the VAT Act. Meaning that that particular threshold was increased from \$500,000 to \$600,000, so that any micro enterprise and small businesses that are in fact turning over less than \$50,000 a month are benefiting and so on, and it causes them again to be able to make their products more competitive, et cetera, et cetera.

And then we go on to the manufacturing tax credit which is another incentive, again for the SMEs, and it is a one-time manufacturing tax credit, and, of course we review. When we introduce, we review always to see whether or not we need to put it in for a longer period, but we want to test how successful it will

be. So, this is about making new investments in machinery, production lines and equipment in 2023. And really this is about enhancing efficiencies and processes in a manufacturing business you always have, you are always introducing—you always have to replace parts, et cetera, buy new moulds, change out your machinery so that there is greater efficiency, introduce new production lines, et cetera.

**2.00 p.m.**

And when you put a figure of 50,000 it tells you, again, that this is geared towards small businesses because it would have been a larger figure. And this is not about big business as you were trying to imply, big business is all that we are about. Fifty thousand tells you that that is what we are targeting, small businesses, right. So that any company involved in manufacturing would frequently need to upgrade and acquire new equipment in order to remain competitive and to grow and so on, and just to ensure sustainability as well. It is a given, you always have to buy machinery and parts, et cetera, et cetera.

So, again it will—the name of game is efficiency, competitiveness, again, and the ability to escalate the company's innovation and diversification efforts. So that is the very pointed reason for all of this, to make sure that they can introduce as they go along, technologically advanced machinery and equipment. And so it may be one aspect of it, it is not the entire line, it may be one aspect of it that would make a difference technologically and so on. And again when they do that, what is it helping them to do?—increase their production levels, hiring more people, expand their export markets and even penetrate and so on, earn foreign exchange and so on. This would encourage the small and medium size manufacturers, I would encourage them, certainly, and we are going to be advertising to use this facility coupled with the other facilities that we have had in

Ministry of Trade and Industry, in the Ministry of Agriculture, Land and Fisheries, in the Ministry of Finance as well, all serving to assist the small businesses and so on.

E-money may have been covered, but I will just say something about it. Again—so clause 4(h) provides a onetime tax credit to a company registered as an e-money issuer, under the E-Money Issue Order, 2022, to a payment service provider registered by the Central Bank up to a maximum of \$50,000 and it is ultimately aimed at furthering the Government's cashless agenda. And that is where we are heading towards, a cashless society.

So the tax credit will be relative to the expenditure incurred in the income year for 2023 and for the acquisition of equipment; intellectual property related to software; outsourcing and creation; product development; web development; security and maintenance; hosting; regulatory cost; bank settlement fees and so on. So there is a range of ways in which this tax credit can be used, can be expended. So, we all know what e-money is about. Typically it is an electronic device such as a mobile phone or computer is used where that data is stored and used electronically and, of course, it has its origins in the early days of e-commerce and so on. But there have been significant advancements in the financial environment globally driven by all the increase of digitization. And all of this has led to this development of e-money which will allow the users to store and to spend money electronically without the need of a physical currency, cheque or credit card or so, right.

So there are a number of e-money systems available, like Apple Pay and Google Wallet and so on. We do believe, our Government believes that e-money has the potential to significantly boost e-commerce and, of course, the overall economy of Trinidad and Tobago, of course, providing that convenience and

increased convenience and accessibility for allowing for quick and easy transactions or so, eliminating the need for the physical cash or credit card payment and so on. It provides improved security and definitely more secured than physical cash transactions as these are often encrypted and they use secure payment systems and of course it helps to reduce the risk of fraud. It also provides enhanced financial inclusion. There are those who may not have access to the traditional banking services and may not know that, our credit cards and so on, people in rural areas. So this can help to promote financial inclusion and support economic growth in Trinidad and Tobago and so on. And then it facilitates a reduced transaction cost; it ought to, because it eliminates the need for the intermediaries like the banks and credit card companies, et cetera.

So, overall we believe that there are lower fees attached using this system and therefore the consumers and the businesses can in fact benefit and of course it helps to improve the entire efficiency of the economy allowing for faster and more efficient and more secure transactions, right. So, again, so traditionally only licensed financial institutions under the Financial Institutions Act could issue e-money and however because of the advancements in Fintech the Government has adopted an E-Money Issuer Order effective August 04, 2020, which allows companies other than licensees to issue this e-money order, right.

So this e-money order establishes the framework for the issuance and regulation of e-money in the country and so on, and it covers the definition of e-money and the requirements of becoming an e-money issuer and their duties and the obligations of these EMIs and so on, and it includes the provisions—the supervision and enforcement of the regulations by the Central Bank, right. Trinidad and Tobago would have registered—sorry—the Central Bank would have registered the country's first e-money issuer which is PayWise Limited. PayWise



is the first non-financial institution I am informed that is authorized to issue e-money in Trinidad and Tobago.

And the other clause that I would quickly go on to, Mr. Vice-President, not wanting to use all of my time, but is to speak of the zero-rating of VAT for alternative technologies and renewable energy options to manufacturing covered in clause 6, which we strongly support. I do not see how anybody could have an issue with that.

Again, everybody, governments across the world, all countries, developed and developing are fast adapting to the new reality of the need to go green where both businesses and the environment can win. So supporting businesses that are using green technology therefore is a strategy that all countries must adopt for tackling climate change, poverty alleviation, pollution, health and those other SDGs that we talk about, right.

So this Bill, adds this new item that would zero-rate new equipment purchased by a manufacturing company that utilizes any alternative energy technologies and renewable energy options, including, gasifiers and using biomass and renewable energy harnessed using wind, solar or water certified by the Minister with responsible for energy. And I would tell you why I like this, because it really promotes sustainability within the manufacturing sector. You want them to start to be less dependable on fossil fuels or so, but you want them as well to have more reliance on renewable energy and to be very focused on going green. That is not just the responsibility of Government, that is the responsibility of each and every one of us as citizens, to go green and also the responsibility of manufacturers, in particular, in the kind of waste water treatment plants that they utilize and so on. We expect them to be thinking in that direction, right.

So, it is all about reducing our carbon footprint and of course our

government's drive to meet our global carbon reduction commitments as well. So those companies seeking to benefit from this, again will be eligible for zero-rated until December 31, 2023 and again we will monitor to see how the uptake on this particular facility which we will advertise and ensure that it is in place very early, but we want this to happen very quickly, we want to encourage all companies, particularly in the manufacturing sector to take advantage of the opportunity to green their production processes and so on.

So I have talked a lot about the particular areas that I thought that were relevant to the Ministry of Trade and Industry. Again I want to say as I begin to close, Mr. Vice-President, that this Government has always had the interest of seeking to grow the SMEs and we have done this in several ways through financing, having access to finance in the capacity building and improving market access through many of our programmes. And I say this, I say this again in response to Sen. Lyder who seems to think that we are operating in a little vacuum here today and we are only implementing a few items. Not so at all. I am so very proud of that loan guarantee programme that we had introduced and which we modified during the COVID—

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

**Sen. The Hon. P. Gopee-Scoon:**—period. I can tell you that 900 businesses benefited through the commercial banks, that loan guarantee programme. It is the reason the Minister of Finance has announced this new loan, long term loan guarantee system that is available to SMEs; \$500 million that we have put into this programme. And the reason why—and they need it—we have done that is to again ensure sustainability and give them that chance to grow. And this is why, again, you have that 10-year facility, it is going to be implemented, launched, yes, but implemented in January of this year, but there is a two-year moratorium.

So it gives you the chance for survivability and sustainability and so on, to step in and then to see where your growth comes—and then to focus on growth. And this is all for the non-energy sector. But again a two-year moratorium, and all of this, again, it is about boosting the non-energy sector and of course enabling further diversification and so on, which we are very, very, focused on, which the Opposition always seems to miss and we have done that in so many ways.

Again through the EximBank facility and, again, someone said the point in the Opposition that, yes, the EximBank facility was there and we have given out more than US \$1.28 billion. But the majority of the beneficiaries—and Sen. Lyder knows that, it is just that he does not import any basic items. But all of those who import basic items, importers, eh, and also manufacturers for their raw materials, for the purchase of equipment and so on, all them have benefited in large measure, a large potential of them have benefited from that EximBank facility. They have and that is in addition to—and I do not want to run afoul of the Standing Orders, how much time do I have?

**Mr. Vice-President:** You have eight more minutes.

**Sen. The Hon. P. Gopee-Scoon:** “Ohhh”.

**Mr. Vice-President:** Yeah.

**Sen. The Hon. P. Gopee-Scoon:** Yes, I could just remind, I am responding to Sen. Lyder and I can just remind him—

**Hon. Senator:** [*Interruption*]

**Sen. The Hon. P. Gopee-Scoon:** And I am reminding him again—I am so sorry to the new Senator who is standing there—again, 25 persons have benefited from the grant fund facility, all SMEs in various sectors as well and we are allowing them to enter new export markets. Again, we have put out the grant fund facility for wheat processing and agro-processing, research and development, 17 persons

have benefited from that grant, the steelpan manufacturing grant fund facility. Again which a number of steelpans have benefited again. To date, nine manufactures and we are expanding that facility. The new programme we are talking about, access to finance for SMEs, that new listing on the junior stock exchange where SMEs will enjoy a full tax holiday for the first five years. No corporation tax, business levy, and green fund levy, a 50 per cent reduction in taxes for the second five-year period. How can you say, Sen. Lyder, that we do not put any—we have not put any incentives in place for the small and medium size businesses in this company. Not at all, they are all there, the SME mentorship programme, the—

**Hon. Senators:** [*Crosstalk*]

**Sen. The Hon. P. Gopee-Scoon:** Close to 50 persons have benefited from our yachting grant facility as well.

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

**Sen. The Hon. P. Gopee-Scoon:** Close to 50 persons, Mr. Vice-President, many of those stakeholders are in fact benefiting. SMEs, again, well on the way, 800 women benefiting from the National SheTrades shops.

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

**Sen. The Hon. P. Gopee-Scoon:** ScaleUp, I can tell you, I just participated, I was allowed to meet the 15 new SME entrepreneurs involved in manufacturing and the services industry. And I can tell you that they are all excited. Some of them said to me—they have done two workshops already, and they said to me, why are we not allowed to pay for this? Why is the Government giving us this free? It is so beneficial. Those are the words of the persons who are participating. You must become more familiar and try to diversity your own business, that is what you should do, right. So a lot of them benefited, SMEs benefiting from market access

and so on, through all of our programmes in market promotions, et cetera. People in Tobago, businesses in Tobago benefiting as well. Our International Certification Fund.

I am going to stop here in respect for my colleague who is now standing across from me, but Sen. Lyder, you in particular ought to have known better, instead of coming here—

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

**Sen. The Hon. P. Gopee-Scoon:**—coming here and misleading the population, misleading the population into believing that what we have come here to do is just the limited few things that we are doing for SMEs, totally untrue, totally false, do not mislead the population. Thank you very much.

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

**Mr. Vice-President:** Senators, the Senator is ready to give his maiden contribution. I call on Sen. Dominic Smith.

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

**Sen. Dominic Smith:** Good day, Mr. Vice-President. I want to start my contribution by delivering some words of wisdom by Woodrow Wilson. And it is my hope that this quote will resonate with each Member of this Senate as I deliver with humility my contribution to this honourable place.

“There is no higher religion than human service. To work for the common good is the greatest creed.”

And so today marks for me an indeed exceptional and auspicious personal occasion. Many of you may not know but this is not the first time I have been able to lay faith in this honourable Senate and symbol of democracy though under different circumstances and context.

You see, Mr. Vice-President, many years ago as a young man and then

teenager I stood between these hallowed walls beaming with pride and reverence, a young man full of hope and conviction about nationhood and the duty to country. It is in fact a great coincidence and not but a few weeks ago the Commonwealth Youth Parliament took place just here, and in that process they would no doubt stay with this blessing. You see the ability to represent one's country is not lost on our youth. Certainly with naive untampered optimism each one believes with conviction that they are the future of this great nation. And so in reflection and nostalgia it gives me great pleasure to once again be here, not as an exuberant youth, not yet touched by the realities of our country, but now standing before you in an atmosphere of what I would like to call metamorphosis. God the creator has allowed me the opportunity to make a contribution to this honourable Senate for which I am eternally grateful.

And so, Mr. Vice-President, the voice of the people is important but this voice must take into consideration all segments, sections of society, all manifestations whether far or wide, intrinsic in the DNA of our nation. All people must be represented and so indeed the voice of the youth represents a segment of a society that must be heard as they are the leadership of tomorrow. And it is with this I give thanks for the opportunity, Mr. Vice-President.

This opportunity however was not of my own doing and so I wish to beg your further indulgence a bit further on this occasion to express my gratitude to the Leader of the Opposition and former Prime Minister—

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

**Sen. D. Smith:**—the first female Prime Minister of the Republic of Trinidad and Tobago, Mrs. Kamla Persad-Bissessar, for her continued belief in the people of our nation and more so today as a champion and promoter of young professional leadership in the United National Congress.

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

**Sen. D. Smith:** Her confidence backed by her actions speaks to a woman of whom God has blessed with the wisdom, purpose and direction and this is a testament to her leadership and faith in the citizenry of this nation whom she has always believed and provided opportunity for. Thank you, Mr. Vice-President, for your indulgence as I wanted to express these sentiments in the *Hansard* as a matter of public record.

And, Mr. Vice-President, as I set the stage for my maiden contribution to this honourable House I suppose you may have picked up on the metamorphosis of which I spoke. These sentiments as a young parliamentarian were spoken as a man of hope and optimism for our country. Some 17 years ago my colleagues and I would have debated about many facets of the country and the developing world. It was a proud day then and it is a proud day now. In fact, some of you are still sitting Members of the Senate and I recall with great pride how in awe I was of the leaders I felt were making a difference in the lives of our citizens.

And so, Mr. Vice-President, it is unfortunate that I, similar to many professionals, colleagues, friends, no longer hold this exuberant view. Time and the arduous calls of life have shown many citizens and they have witnessed first-hand over the last seven years a situation synonymous with shattered hope for young professionals looking to our government for support and leadership. Tainted by the ineptness of the existing regime, we have had the first-hand understanding that there are many forms of leadership, some of which unfortunately leave much to be desired.

And so, Mr. Vice-President, it is unfortunate that we are here to discuss a Bill or elements of a Bill that in my opinion raises many questions and gives few answers in the direction and strategy aimed at reversing the current trend. You see,

Mr. Vice-President, any Bill proposed, amendments brought to this distinguished Senate must have the public interest at heart and not only the public interest but all of the public interest and not some of the public interest. But unfortunately this has been a recurring theme in recent time but we are here because we must champion the people we serve and in service to them we will do what we must.

And so, Mr. Vice-President, I call this segment of my contribution the obstacle in the way. And if I were to use the words of the meditations of Marcus Aurelius, he said and I quote:

“While it’s true that someone can impede our actions, they can’t impede our intentions and our attitudes, which have the power of being conditional and adaptable. For the mind adapts and converts any obstacle to its action into a means of achieving it. That which is an impediment to action is turned to advance action. The obstacle on the path becomes the way.”

And I say that to say this. In terms of this Bill there are many, many obstacles that Trinidad and Tobago is challenged with and unfortunately the details of this Bill treats with small elements and I do not see a way forward.

And so the first thing I will look at in the Bill, Mr. Vice-President, is the Corporation Tax Act and as I look at clause 4, I want to consider the amendments which speak to, and I quote:

“10W. (1) Where in a year of income commencing from 1st January 2023, a company incurs expenditure in the hiring of a young person who has completed secondary education for an apprenticeship training programme with that company, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income an allowance equal to one hundred and fifty per cent of the actual expenditure incurred, up to a maximum of five per cent of the total wages and salaries bill of the



company for that year...”

And, Mr. Vice-President, in this concept this new section 10W would at first glance seem like legislation that has come with a notion of value. But the obstacle in the way that I spoke to earlier, Mr. Vice-President, are the following: Where are these jobs coming from when the Government shut down the economy in a post-pandemic period, during the COVID pandemic, the ramifications of which we are still struggling to cope? I want us to really understand the economic calamity that has overshadowed our country.

You know Sen. Lyder spoke about:

“6,000 businesses”—facing—“permanent closure...”

And based on a survey that was done:

“The Ministry of Legal Affairs says”—that—“there are about 28,000 registered businesses in”—Trinidad and—“this is the formal sector...”—and I quoting here from *The Guardian*, and—

“Out of that 28,000, 17,000 are micro, small and medium enterprises”—and—“from that 28,000, it is estimated that 9,000 is from the retail sector...”

And so, we have a situation here where he called on the Government to offer cheques to small business owners so that they could retool, restock and rehire employees. Now this in my mind would have been a better initiative by the Government.

So we have before us a Bill that focuses on incentivizing the business sector to hire young persons for repayment of 150 per cent of the actual expenditure, but the Government does nothing to accelerate these businesses to allow them access to these benefits. This is a cruel treatment under this amendment. And so, Mr. Vice-President, it is in this sentiment I am compelled to lament what could have been.

This amendment seeks to give with one hand, more by the way of levels of false intention and to take even more from our already depraved sector. And if I were to speak to the words of Martin Luther King on the Mount, he said and I quote:

These simple arms we do not find among the worldly—

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

**Sen. D. Smith:**—for their giving is such of a character that the right hand gives but the left hand takes. Yet given in such a way that one takes ten times as much in place of what he gives.

And so, Mr. Vice-President, I am indeed challenged by the proposed amendments given here today. And if you we look at ILO regional director for Latin America, post pandemic he said and I quote:

“An employment crisis”—will occur—“that is too long”—and it—“is worrying because it generates discouragement and frustration, which in turn has repercussions on”—the—“social stability and governance”—for many countries in the Caribbean.

And so, Mr. Vice-President, in order for us to assess clause 4 we must consider the catastrophe that has been allowed by the State in the present economy.

The second point I want to make is, where is the linked direction to a strategic plan for our young citizens eager to fill these hypothetical jobs in the job market? Are these jobs being directed to areas of the development pillars, areas of diversification, areas of future development, otherwise how can these jobs be sustainable for both parties? What are we really trying to accomplish here by these incentives? One would hope that we are not alluding to a give them, “ah wok” mentality by this incentive.

And so, Mr. Vice-President, if we look at the Social Sector Investment

Programme in 2022, and I am quoting from that, under the section “*Resilience in the Face of a Global Pandemic*”:

“Box 3.5, Policy and Research Initiatives of the Ministry of Labour for Fiscal 2022”.

I saw a number of items highlighted here that required research and one of them was the:

- “Determination”—of the—“impact of the Minimum Wage Level on the Economy...
- Development of a Modernized Labour Market Information System...”—and three, a—
- Development of a Child Labour Policy...”

And I wondered what the Government had instated for our young population.

And I could only think, Mr. Vice-President, as these young persons are moving into these supposed jobs, what is the compensation that will be given to these young persons, these young leaders of tomorrow? And, so, to allow incentives that benefit the employer and not the employee would the enclosures of this legislation towards a development objective, that is what must be assessed here. Otherwise we are faced with a challenge as I mentioned earlier, policies and legislation for the few and not the whole. And if I were to look further to the subsections of clause 4 related to the Corporation Tax Act:

“This clause would also exempt an approved small company as defined in the Corporation Tax Act from the payment of corporation tax for a period of six years commencing 1<sup>st</sup> January 2023.”

And if we look at the previous clause by the approved company and the business in the regional development area:

“(c) an approved activity company,  
shall be exempt from the payment of corporation tax for a period of  
five years commencing the 1<sup>st</sup> January 2006.”

Now, this is what was there before.

And so we are moving the period now from five years to six years. And, you know, I think about what is the overall impact of this change in a year. Will this translate to the benefit of the persons intended? Will it translate to the benefit of the working class? And so this legislation has been put in place prior and there is no mention of the success of this initiative in the past, and will this really bring real economic change and growth for the SMEs? And so, Mr. Vice-President, is this a testing ground again and is this legislation by “vaps”? These are the things we have to consider when we are looking at these clauses, what is the real material impact that these amendments are going to have to the citizens who need it most?

**2.30 p.m.**

Considering sections 16A(5) B, C, D, E, H, these will also be amended, references to the Small Business Development Company Limited and the Industrial Development Corporation and substituting these references with the words “designated entity”. This is quite curious because I asked the question why such a vague title as “designated entity”? The lack of transparency on this name of designated or group of companies under consideration is really something that, you know, I take offence to.

If we look at the legislation before, we saw that in 16H:

“For the purposes of section 16A to 16E inclusive...”—the reference was made to—“‘Minister’ means...member of Cabinet to whom responsibility for the Industry is assigned.”

And so, Mr. Vice-President, this is setting a precedent of non-transparency in the

legislation that leaves too much for, what I call, mischief.

In fact, when we consider the writings of Amartya Sen—and many of you may know him as the noble laureate in economics—he said, and I quote:

“Transparency guarantees”—and—“involves”—the—“rights to certain types of information. These rights help to prevent political abuses arising from information asymmetry and permit individuals or organizations to respond to information through political, civil and economic actions. Such rights when granted to individuals ultimately help in correctly executing the reform in a country.”

And so, Mr. Vice-President, I take great issue—and forgive me for the hyperbole—great, great issue, with the bringing of legislation that has such vague characteristics. The people of the Republic of Trinidad and Tobago deserve the details, and I beg to say all of it. And we all know the famous phrase, “the devil is in the details”, and we want to understand all of the details so that Almighty God can shine his light in the darkness, Mr. Vice-President.

Moving on to section 16K, and it relates to the TT \$50,000 to the manufacturing companies approved by the Minister of Trade and Industry for expenditure incurred to acquire new machinery, new production lines and new equipment in 2023. And 16L, which speaks to a tax credit, again, of TT \$50,000 to an EMI company and to PSP companies, and the tax credit relative to expenditure incurred in the year 2023 for the acquisition of equipment related to intellectual property, software outsourcing, product development, and it goes on to list a number of activities, including bank settlement fees, et cetera.

And when we are considering the legislation, we must consider the literature on tax incentives. Because the Government is suggesting that they are using these tax incentives to motivate persons in these sectors to really make an impact. And

so, what is a tax incentive? And, in essence, it is:

“...a reduction in taxes that encourages companies or people to do something that would help the country’s economy.”

For example:

A tax incentive worth millions of dollars—“...brought dozens of companies and thousands of new jobs to the region last year.

A new initiative offers tax incentives to households which reduce their annual output of waste.”

And so, the incentive must be aligned to some, in my mind, economic outputs. So the question here before us is: Will this legislation, this piece of legislation, this amendment to the legislation, have the desired impact that the Government is looking for?

And so, if you look at the Centre for Economic Policy Research, in speaking to issues of tax incentives specifically as it relates to tax reductions, this is meant to offset the amount that the firm is obligated to pay in taxes. When it relates to tax refunds and rebates it allows them to repay a portion of the taxes a firm has already paid. And then as it relates to tax credits, which we see featured here again, they allow the firm to offset a proportion of its tax obligation and they can then be carried forward to the subsequent tax years or to be sold in the secondary market.

And so, if we consider the literature as it relates to tax incentives, Mr. Vice-President, it is usually a very weak measure. In fact, the OECD in terms of taxation as it relates to development, they have stated and I quote:

“Forgone tax revenues ranged between 9.5 and 16 per cent of GDP per year in the Eastern Caribbean Currency Union over the years 2001—2003, while the effect of the tax incentive regime and foreign direct investment appeared to be”—and this is a direct quote—“very modest...”

And this is in relation as well to the IMF who had similar sentiments. In fact:

“A study of 40 Latin American, Caribbean and African countries for the year of 1985—2004 showed that there is no effect on the total investment or economic growth due to tax incentives...”

And I am quoting here the IMF 2009.

And so, my challenge with the above, Mr. Vice-President, is not only on the measure of the amount of the incentive making a real dent in the purchase of physical capital for the purpose of the intended, but we also must look at this at the backdrop of economic pressures that the economy has faced. When we look at the forex issues that have been a great issue, specifically in our local and small business economies, the purchasing of capital again become very difficult. And so, the legislation does not adequately address, in its essence, these implications and variations. You see, Mr. Vice-President, not only are the incentives flawed from an academic and literature perspective, but we do not have the supporting legislation to make this addition worthwhile to potential investors.

And if I were to move to section 16L, we are speaking here, Mr. Vice-President, about EMIs and PSPs, but the Government has shown a history of hesitancy to new technology. We only need to look at a few examples to see this evidence. If we consider our local banking sector an oligopolistic system; if we look at the risk adverse nature of our banks to lend capital to entrepreneurship, to lend capital to small businesses; when we look at the difficulty it is or the ease of doing business required for opening a personal bank account, far less the rigors of a business account; when we look at all of these hindrances to the mechanization of this legislation, it really creates a problem.

You know, in the budget 2022 statement, page 61 specifically, there is reference made to experts, Lithuanian experts—I think I heard it here today as

well—Estonian experts. And I ask the question: Where is the legislation to create the enabling environment for these types of companies? There seems to be always a massive pushback. And, you know, my colleague, Sen. Lutchmedial, she mentioned of a specific instance where there was great opportunity by one of our own home-grown technology savants and yet there was a lot of pushback, and specifically there was not an enabling environment to allow and facilitate this business to thrive locally. So we are speaking about legislation with no ecosystem to support the legislation and that becomes a problem, because it becomes simply a matter of “ole” talk rather than actual operationalization. And that for me, Mr. Vice-President, is a problem.

We are speaking about incentives for e-money but what we are significantly lacking in our understanding, as I said, is the ecosystems related to digital money for this economy and this industry to thrive. And so, Mr. Vice-President, these policies come from a place, in my humble view, of an older way of thinking, a thinking out of touch with the new economies that are emerging in the world and in the global space. Mr. Vice-President, it is as though the Government is attempting to pour old wine into new bottles and this approach has never worked—

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

**Sen. D. Smith:**—and it will continue to not work.

And so, the legislation outlined lacks real conviction in my mind because when I look at the areas that we should be addressing in this type of legislation, when I think about the new economies that we should be addressing, things such as—this might be new to many persons—the metaverse, Web3 technology and the environment, specifically areas of Fintech that we can invest in, when we are speaking about blockchain and the deregulation of the financial markets and the development of a mature stock exchange where companies can move to finance



and help finance small business, in my mind these were the areas in which I would have liked to see in this Bill. And if the Government was serious about small business entrepreneurship, they would look to invest in these areas.

You know, if the Government was serious about helping SMEs, they would improve the ease of doing business, they would allow for the capitalization—

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

**Sen. D. Smith:**—and investment that would encourage foreign direct investment in non-oil and gas initiatives, in technology initiatives, in technology services because this is where the globe is going. Follow the money and you will see where new industries are developing. But it seems we are stuck in this old, archaic, “50 years ago” mentality, where we must try if we will to pour new wind in old bottles.

When I think about the taxes that have been put to our public related to online sales, this is not an incentive, this is not a Government espoused with the ability to produce and motivate the SME sector. Because, as I have said before, you are giving with one hand and you are taking away with the next ten-fold. Yet you are promoting and boasting of supporting SMEs in a post-pandemic period which has eradicated many small businesses in our economy. And so, I take great offence for this. The stifling of local producers of earning forex, who are wanting to sell their product and services to a global market, where is the ecosystem to support this?

And so, Mr. Vice-President, if the Government was serious about SMEs, these are the types of initiatives that they would be looking at. If the Government was serious about SMEs, they would look to reduce the cost of export via TTPost externally. If they were serious about SMEs they would look to reduce the local shipping cost and encourage trade locally in the economy. And so, Mr. Vice-President, the legislation is not a serious piece of legislation. It is catered and

centred to the few and not the many, and this is why I take great offence to the legislation here.

Mr. Vice-President, it is disingenuous, which brings me to the other point related to the Value Added Tax Act and exempting companies from the Value Added Tax upon entry into Trinidad and Tobago on—sorry, you know, the implementation of the Value Added Tax Act. And specifically it is unfortunate that, you know, in this particular amendment we have more obstacles in the way. We are speaking about zero-rated VAT on equipment and other assets when our Government does not keep its promises as it relates to VAT. They do not keep their promises.

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

**Sen. D. Smith:** And so, how can we trust a government to execute on these initiatives when in the past we have seen they do not keep their promises as it relates to this?

And so, it is unfortunate, Mr. Vice-President, we have a legislation being laid out here with all bark and no bite. It is something I call “ruff-ruff” legislation, Mr. Vice-President.

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

**Sen. D. Smith:** “Ruff-ruff” legislation is being laid here. A more suitable intervention, Mr. Vice-President, may be to simply pay the VAT returns owed to the manufacturing sector and allow the market to decide where investment capital can make a direct economic dent. Allow the trickledown effects of economics to take place in our economic policy. Allow the market to decide where capital is deployed, you know, leaning on the veterans in this space. You know, there was an article in *Newsday* which spoke to this again by Mr. Lok Jack, where he described the slow payments as a “tremendous blow” to the manufacturers. And I

quote:

“I think in my group alone, the Government has tens of millions of dollars in VAT refunds...”—and outstandings—“and we are not getting it back and”—all—“this is money that we need...”

And so, Mr. Vice-President, we are speaking about encouraging the manufacture sector, we are speaking about giving back to SMEs, we are speaking about incentivizing these industries, and yet still we have things that are still in the corridor waiting to be swept up. People are still in the corridor waiting to be given their due. And so, I cannot trust the words and sentiments, and the legislation amendments being done here, Mr. Vice-President. And for a second were we to accept that this legislation’s intention, and we were to stretch the limits of the tax incentives and its usefulness on a whole.

We are challenged by the operational aspects that always seem to be lacking in the executional arm of this Government. You know, it saddened me to hear in the news, in the *Guardian*, matters as it relates to the port scanners. Months and months and months of undetected items coming into our country. And so, they bring legislation—and I will come to the relevance. Because the point is, is that we have a way in Trinidad of putting specific points to the floor without an ecosystem, an infrastructure, a willingness to operationalize and execute. And for me, as a businessman, that is one of the things that is regrettable, when I look to the Government for leadership. And I lament the fact that Members on the other side, they look across here and, you know, they are scoffing and laughing and making their own little jokes in the corner because this is a Senate that is meant to have a level of dignity and honour.

**Mr. Vice-President:** Senator. Senator.

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

**Mr. Vice-President:** Senator, as much as I have overlooked and allowed many things in your address and have been extremely generous for almost 40 minutes, that part of your contribution goes over the Chair and that shall not be tolerated. You have five more minutes to wrap up your contribution, Sir.

**Sen. D. Smith:** I am guided. I see here on my end seven minutes, but if you say five no problem, hon. Chair. Forgive my passion. Sometimes it runs ahead of me, Mr. Vice-President. And so, I apologize, but when speaking to the business of the people I tend to get a bit passionate. So I do apologize, Mr. Vice-President.

I will move on. One of things I want to treat with—I will quickly move on to clause 5 because I feel as though this is an important clause that we need to have in our level of backdrop. You know, the Minister of Finance boasted earlier that we are a country that has been in the oil and gas and fossil fuel industry for over 100 years. And, to me, that is not a matter of boasting because when I consider the fact that we have yet to achieve a proper diversification strategy, it is actually a sad thing. Speaking to this specific clause 5 as it relates to the Petroleum Taxes Act, we are praising, in many respects, our ability to attract investment externally. We are saying to ourselves, “Yes, there is oil in the ground and we want to get it out, and we want to utilize as much as possible this specific natural resource towards the development of our country.” But this must be taken in the backdrop of the resource curse that faces many economies with naturally espoused resources.

And if I were to look to a segment done called the sustainable development lessons, these are lessons learnt by countries that have natural resources—coming out of that statement by a lady called Kimberley Process and she was specifically addressing the UN, she said that she recognized specific structures related to institutions and countries that have natural resources. And some of the important characteristics that she said needed to happen for these countries are as follows:

“1.”—Recognizing the—“...participatory rights in decision-making and access to information about our natural resources.

2.”—Ensuring—“...equitable sharing of the natural revenues and the benefits between stakeholders.”

And when we consider ourselves as blessed, we must understand that this natural resource is a blessing to all the citizens of Trinidad and Tobago. And so, it is crucial that we use this time to create a level of diversification that is meaningful. And in my mind, this legislation does not support a meaningful use of that natural resource.

When we look at our circumstance, Mr. Vice-President, we have an unemployment rate of 4.5 per cent, down from 7 per cent. We have a labour force participation rate of about 54 per cent. We have a debt-to-GDP ratio hovering of around 71.8 per cent. All the literature says that at 40 per cent level of debt-to-GDP, this is alarming. We should be ringing the bells. We should be going to many experts and developing think tanks that can help us to really turn this economy around, to use the little time that we have to really get the benefit of this natural resource.

And the writing is on the wall, Mr. Vice-President, because when we look at COP 27, when we look at how the world is moving away, Mr. Vice-President, from fossil fuels, and yet we are here debating little intricacies of a Schedule and a movement of 5 per cent incentive upwards and 5 per cent incentive downwards, we are really living in a fantasy land in this country.

So, Mr. Vice-President, again, forgive my exuberance, but I want us to understand that the decisions that we make here not only impact the Members in this Chamber, but it has an impact on the future generations of Trinidad and Tobago. And so, the plans and policies and the amendment, these simple

amendment that we are making, do in fact have a great impact. Because the burden of our economy shifts from this generation to the next, and I for one want to believe that our children should be able to benefit and have the same level of living, the same standard of living as those who have the benefit of the petroleum dollar now.

And so, Mr. Vice-President, I want us to take note that we do not forfeit the future of our children for a cold supper. You know, there was this story in Genesis which spoke of Jacob and the porridge, and he is forfeiting his birth right for a small sum. And so, in these shift adjustments, we really need to understand the impact that were making.

And also, there is a need to understand, if these incentives are being given what is the benefit in return, in terms of the tax expenditure's lost because that is also a consideration. If we are given the incentives, the citizens of the country should know what are the dollars and cents as it relates to the tax incentives, so we can say, "Hey, this is in fact justified or not justified. This incentive increase is worthwhile or not worthwhile," because we are acting on the benefit of the people.

And so, Mr Vice-President, this is not a piece of legislation that can be taken lightly. The Government must demonstrate to the people the impact of the intended legislation in its entirety. And if I were to quote from *The Wealth of Nations* by Adam Smith, it says:

"No society can surely be flourishing..."—

**Mr. Vice-President:** Senator. Senator, your time has come to an end. Thank you very much.

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

**Mr. Vice-President:** As customary in this House, I would just like to recognize the maiden contribution by Sen. Smith.

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

**Mr. Vice-President:** Minister in the Ministry of Finance, Mr. Brian Manning.

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

**The Minister in the Ministry of Finance (Hon. Brian Manning):** Thank you, Mr. Vice-President. Mr. Vice-President, I would like to begin by acknowledging and congratulation Sen. Smith on his maiden voyage in this House, but he may want to reconsider his seating arrangements because clearly he is sitting too closely to Sen. Lyder. Some of what I heard today is just a flowery display of misinformation and not understanding or not knowing or not wanting to know exactly what has been going on. I shall limit my contribution to only a few segments of this Bill, Mr. Vice-President.

Let me begin with the amendment of the Corporation Tax Act where Sen. Lyder had a clear misadventure. He spoke about the SMEs and the lack of objectives, a lack of ability of this Government in terms of assisting SMEs in Trinidad and Tobago. Clearly, Sen. Lyder has not been paying attention. These are mere amendments to pieces of legislation, and it is only part of an entire programme that has been developed to benefit SMEs in Trinidad and Tobago.

[MADAM PRESIDENT *in the Chair*]

Just recently, the Ministry of Finance launched something, in conjunction with the Central Bank and also with the Ministry of Trade and Industry, something called the SME Market Place, which brings all of the services and funding and benefits provided by the State to SMEs in Trinidad and Tobago.

Madam President, we firmly understand and appreciate the benefits of having a strong SME sector and also a strong manufacturing sector—which I will get to later—can be used or involved in the development and the growth of the economy of Trinidad and Tobago. For the listening public, the SME Market

Place—and this is located on the Ministry of Finance’s website, where I am sure happen Sen. Lyder can easily access and also other members of the public who are interested in what is being offered to SMEs in Trinidad and Tobago.

“The SME Market Place is an online 24/7 portal connecting SMEs with business support products and services currently offered by various public and private sector entities. The Ministry of Finance along with its partners, the Central Bank of Trinidad and Tobago and the Trinidad and Tobago Stock Exchange launched the SME Market Place in October 2022 as a facilitative environment for SME sustainable growth by aggregating relevant business information to a dedicated web portal, enabling easier access to information and services for SMEs.” Clearly, Sen. Lyder missed all of this. And some of the services offered by this portal will be:

“Financial Support Services”

“Tax Incentives”

“Non-Financial Support”

And:

“Partner Agencies”.

You are even allowed to partner with relevant persons in business and also those who are quite educated in the field so that you can be compliant and be able access government services.

Sen. Lyder said that many SMEs were unable to access services. And we have been providing these services to SMEs in Trinidad and Tobago so that they can access funding and everything else that is afforded to develop the SME sector in Trinidad and Tobago.

Clause 4 of Bill, which is an amendment to the Corporation Tax Act, Chap. 75:02, the new section 10W will be inserted:



“...to provide...an apprenticeship allowance to a company that incurs expenditure in the hiring of a young person who has...”—finished—  
“secondary education for an apprenticeship training programme...”—that is less than a year.

Now, I listened to Sen. Lutchmedial in her contribution and I would like to say to her that this programme is certainly not a substitute for the OJT Programme, but it is designed to supplement the OJT Programme. It is designed to create even more opportunity for our young people. It is not designed to replace OJT, but to assist the OJT Programme.

Many of our young people in between secondary school and tertiary education may come out of school not knowing exactly what it is they want to do with their lives. This apprenticeship programme allows young people to enter the world of work, see what it is like so that they can make better decisions about their future.

**3.00 p.m.**

What kind of education do they want to get in the first place? They may be considering medicine and decide that after a year of apprenticeship that medicine may not be for me, I want to do something else. So the apprenticeship programme is designed to facilitate and benefit companies that allow our young people an opportunity to get first-hand experience and relevant experience in the world of work. It is not a make-work programme, it simply supplements the OJT programme which is there which is designed to help our people to gain relevant experience.

A new subsection (1A) will be inserted into section 16A to allow for an approval of small companies to be exempted from the payment of corporation tax for a period of six years commencing the 1st of January 2023. Again, this is an

incentive to allow our small and medium enterprises to survive and to grow within this economy. We all recognize the adversity and challenges that businesses have endured during the past few years.

First, we were stricken with COVID, I could even go further back but let us stick with COVID, the past two years, that was extremely traumatic for many business people and for the people of Trinidad and Tobago. After that, we had record rainfall in this country which also would have affected many businesses within Trinidad and Tobago. The Government of Trinidad and Tobago has recognized these challenges and has implemented this corporation tax break for small and medium enterprises so that they can have an opportunity to strive, grow, create employment and also in many cases, generate foreign exchange.

I move to the new section 16K will be inserted to provide a one-time tax credit of \$50,000 to a manufacturing company approved by the Minister of Trade and Industry for expenditure incurred to acquire new machinery, new production lines and new equipment in 2023. Now one of the criticisms that I heard from those on the other side, especially in the other place is that this tax credit was not enough. I would like to remind those on the other side that the manufacturing sector of Trinidad and Tobago is our second largest earner of foreign exchange, after the energy sector. Our manufacturing sector dominates store shelves throughout the entire region. It does that because it benefits from one, lower cost in terms of their energy consumption and also due to lower financing costs which are available in Trinidad and Tobago.

In the manufacturing sector, our manufacturers can borrow funds somewhere between 6 and 8 per cent in many cases. Our Caricom neighbours are unable to do so. And because of the lower cost structure in Trinidad and Tobago, our manufacturing sector is dominant within the Caricom region. Our

manufacturing sector also benefits, as you would have heard earlier, by funding coming from the Exim Bank. So because our manufacturing sector is the second largest earner of foreign exchange, it is given preferential treatment in terms of its access to foreign exchange. That way, our manufacturing sector along with the SME sector can grow, become more robust and in many energy or resource countries, the manufacturing sector and SMEs are the sectors that have led those countries from developing to developed. The Ministry of Finance and the Government of Trinidad and Tobago have recognized that and we are doing all that we can and all that is possible to facilitate those sectors in Trinidad and Tobago.

I move on to the new section 16L which will be inserted to provide a tax credit of \$50,000 to an EMI company or to a PSP company. Yes, and we have the definition for those companies here and I wanted the national community to understand exactly what it is we are talking about. The tax credit will be relative to expenditure incurred in the income of the year 2023 and that is for EMIs and PSPs and those are defined as entities registered with the Central Bank as a payment service provider or payment system operator or money remitters registered with the FIU, mobile network operators authorized by the Telecommunication Authority of Trinidad and Tobago, technology service providers and other financial institutions such as credit unions, insurance companies and Trinidad and Tobago Unit Trust Corporation. So this is designed to benefit those operating in the Fintech space, Madam President, and it offers a tax credit for those that are in the acquisition of equipment, intellectual property related to software outsourcing and creation, product development, web development, security and maintenance, hosting, regulatory cost or bank settlement fees.

Now you would have heard earlier from the Minister of Finance that the Ministry of Finance and other regulators are working diligently to ensure that there

is as much competition as possible in the fintech space. It benefits the people of Trinidad and Tobago in terms of B2C and also B2B business. We could not have a situation where we had one or two providers because of our first move advantage taking complete control of this sector.

We have been advised and in best practices we have seen around the world that we must encourage more and more competition in this space and we have been steadily moving to become more digitized. We have electronic payments now at the Ministry of Finance, we also passed a Bill recently in the Senate where banks now were shifting a lot of their back end to electronic form. So there is a lot going on.

Let me move on to the amendment of the Petroleum Taxes Act. Clause 5 of the Bill will amend the Petroleum Taxes Act, Chap. 75:04. Section 26(1), investment tax credit will be increased from the 25 per cent to 30 per cent of the qualifying capital expenditure incurred for approved development activity in mature marine oilfields or approved development activity in mature land oilfields or the acquisition of machinery and plant for use and improve enhanced oil recovery projects.

Madam President, these are all about tax incentives to the multinational energy companies operating in Trinidad and Tobago. These are sensible tax incentives. I would like to compare what is being done here to what was done by those on the other side during their time in office from 2010 to 2015 or the dark ages as some call it. Where it is they proceeded in a course of action that almost crippled the energy sector in this country. They allowed many of our multinationals to expense directly in the year the expense was incurred, any investment in terms of capital investment and that is generally not how things are done.

Capital expenditure is usually capitalized on the balance sheet, that way it can be depreciated or amortized over a period of time and when that is done, you do not dramatically reduce the taxable revenues or taxable income of those entities. Because they were allowed to expense in the same year that the cost was incurred, it allowed the accrual of huge tax assets would have denied the people of Trinidad and Tobago a tax revenue from the energy companies for many years to come. Madam President, I shudder to think what the situation would have been like if we were unable to have any kind of meaningful tax revenue from the multinationals during the time of COVID when we desperately needed revenues. What situation would we have been in? Madam President, this is what proper and sensible fiscal policy looks like and this is how you offer incentives which both benefit the energy companies and the people of Trinidad and Tobago.

We could not have implemented these measures before because we desperately needed the revenues and we had windfall earlier this year and Madam President, for the first time, I would say the Ministry of Finance and the Government of Trinidad and Tobago, for the first time in 14 years, we have been able to present a budget where our revenues vastly, well not vastly, somewhat overcome our expenses. This is the first budget that we have had in 14 years where we did not have to borrow, it was not a deficit budget and that is a major accomplishment.

Item 2 in the First Schedule, the rate of petroleum profit tax will be decreased from 35 per cent to 30 per cent for every dollar of taxable profits of a person in respect of petroleum operations in deep water. Paragraph 3A in Part A of the Third Schedule, the regime for supplemental petroleum taxes will be extended beyond the financial years of 2021 to 2022 and paragraph 3B in Part A of the Third Schedule, the production limit of a small onshore producer will be

increased from less than 2,000 barrels of crude oil per day to less than 4,000 barrels of crude oil per day. Again, Madam President, all of these are meant to be incentives so that the energy sector will, of course, invest more capital into new wells and new discoveries so that our energy sector can be vibrant, continue to attract more foreign exchange and also create more jobs.

Now recently in the news, there was a lot of discussion about windfall taxes. I believe it was in the United Kingdom and I received several messages from the general public asking about windfall taxes in Trinidad and Tobago. I would like to inform the public that that is what our SPT or supplemental petroleum tax rates are about. It is a windfall tax. It means that as energy prices go higher, energy companies would pay more in taxes to the people of Trinidad and Tobago. That is sensible policy.

Let me go in for a bit into exactly what those tax rates look like because I realized that quite a few people do not understand or did not even know that the SPT tax exists and we have four different categories. There are A, B, C and D. A is for marine development; B, new field development; C, land and deep water block development, D new well existing field development. Now from when oil is \$50 to \$70 a barrel, there is a 15 per cent tax rate for new fields, new field development and new well in existing fields. From 50 to 90 for marine development, there is a 33 per cent tax rate and for land and deep water block, development, there is an 18 per cent tax rate. From 70 to \$90 a barrel, for new field development and new wells in existing fields, there is a 20 per cent tax rate and it just increases from there on and on.

Madam President, I move on to the amendment of the Value Added Tax Act. In clause 6 of the Bill, we will amend the Schedule 2 of the Value Added Tax Act, Chap. 75:06 by adding a new item 51 to the Schedule. The new item will give a

zero rate of Value Added Tax on new equipment for a manufacturing company that utilizes alternative energy technologies and renewable energy options, including gasifiers using biomass and renewable energy harnessing wind, solar or water. Again, it is an incentive because this Government understands and recognizes the need for renewable and green energy in Trinidad and Tobago. And again, this is but one part of a much bigger programme. If you have been listening to the Minister of Energy of late, he spoke about this country building the single largest solar farm in all of Caricom region, Madam President. We are extremely proud of that. We are also developing a hydrogen programme for Trinidad and Tobago and we are now promoting in the manufacturing sector and in other parts of the private sector, the use of these renewable fuels.

Madam President, this simple Bill offered a handful of amendments and you know, when we were talking about SMEs and other parts of it, the Members on the other side gave the impression that somehow these simple amendments were meant to be a silver bullet for the issues that they were designed to address. That is not so. They are simply a small part of an overall and overarching programme where this Government has recognized certain issues and has made a move to rectify those issues.

We take a look at the defence regulations and also the Police Service Regulations. Due to the bureaucracy and also since we have data that is required to exactly calculate the retirement benefit of persons within our national security system, it has been difficult to make payments to our hard-working members of these different organizations, the Defence Force and the Police Service, in a timely manner. The Government has recognized this issue.

So we have implemented a \$3,500 pension, interim pension, while the proper documents can be accessed from their various jurisdictions and their various

departments from various aspects of where they are throughout the public service so that our hard-working national security personnel can be paid the pension that they are due. This is an interim measure, it is not a cure-all, it is not a total fix. We have been working diligently to improve the ease of doing business in Trinidad and Tobago and my colleague Sen. Bacchus in the Ministry of Digital Transformation has also been working diligently to move so many of our Government services online for greater access and greater efficiency for the people of Trinidad and Tobago. And I am sure that he will say more about that when he has his turn to speak.

These simple amendments, as I said, are all—except for the Defence Force and Police Service, were all incentives and that is what we have said and determined that we were going to do during the national budget debate. We are incentivizing the growth of the economy of Trinidad and Tobago while protecting the most vulnerable persons within our society. We recognize the reality of the situation. We are moving into a digital economy. We want to grow an SME sector that employs our people and also generate foreign exchange, at the same time, makes us a more robust and strong economy, at the same time, with our manufacturing sector which is the second largest earner of foreign exchange after the energy sector in the Trinidad and Tobago. Our manufacturing sector receives many benefits and many other assistance from the Government of Trinidad and Tobago. What we have put in here is simply in addition to what has already been given to the single most dominant manufacturing sector within all of Caricom. Our manufacturing sector is number one in the entire region.

And, Madam President, I will say the Ministry of Finance and also the Government of Trinidad and Tobago will continue to do all that we can do to ensure the growth of our economy and the creation of jobs within Trinidad and



Tobago. And with those few words, Madam President, I thank you very much.

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

**The Minister of Finance (Hon. Colm Imbert):** Thank you very much, Madam President. Madam President, as usual, we have had Members on the Opposition Bench trying to outdo each other. I have spoken to Sen. Lyder but it appears that my advice is falling on deaf ears. He seems to be intent on becoming the new Wade Mark, Sen. Wade Mark that is. Shouting and screaming and ranting and raving but I give up on that, I shall no longer advise that young man.

**Hon. Senators:** [*Crosstalk and laughter*]

**Hon. C. Imbert:** There are some facts that I need to put into the system. One of the features of Sen. Lyder's performance in this honourable Senate is misinformation, inaccurate information. I heard Sen. Lyder say that 6,000 businesses shut down in COVID and then 100,000 people dropped out of the National Insurance System. So I decided, Madam President, to go and look at the annual reports of the National Insurance Board from 2018 coming up. And based on what is publicly available and laid in this Senate and in the other place, I can report that in financial year 2018, there were 452,234 contributors to the National Insurance System, NIS. That dropped quite understandably during COVID from 452,000 down to 404,197 quite understandably in financial year 2020.

But the misinformation that is in the system is what happened after that, Madam President, and I am happy to report that in financial year 2021, the number of insured contributors in the National Insurance System increase from 404,197 insured contributors in financial year 2020 to 446,116 in financial year 2021 and 455,448 insured contributors in financial year 2022. And therefore there are more insured contributors now in the National Insurance System than there were in 2018. There were 452,000 in 2018, in 2022, there are 455,000. So if there are

more persons paying NIS contributions now than they were four years ago, how on earth can 100,000 persons just disappear from the National Insurance System? “The maths not mathsing.”

And that is not all, Madam President, that is not all. I contacted the banks and you would have heard Minister Manning referring to this but I am going to give some data now. I contacted the banks with respect to the small and medium enterprise loan programme that we introduced in COVID and a feature of that small and medium enterprise guarantee loan programme put in by the Government in recognition of the fact that businesses were experiencing severe difficulty during the COVID years of 2020 and 2021, and our focus was small and medium enterprises, unlike the propaganda that continuously emits from Members opposite, our measures are primarily geared to assisting the small and medium enterprise sector—

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

**Hon. C. Imbert:**—not the big boys, not the so-called one per cent, but the small and medium enterprise sector. And the data I have is that we started our phase one SME guarantee loan programme in 2020, in the COVID period and then we continued with a new and improved phase two guarantee SME loan programme in 2021. So far that programme, which for the benefit of hon. Senators and especially Sen. Lyder who seems not to know anything about anything, that was an interest free loan programme. There was no interest.

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

**Hon. C. Imbert:** The Government took on the responsibility to pay the interest to the commercial banks for those loans. That was interest free. And therefore if I have to come in here and listen to Sen. Lyder say “we should be giving interest free loans” when so far, we have given loans to 932 businesses in Trinidad and

Tobago; 932 interest free loans just in the last two years.

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

**Hon. C. Imbert:** Loans totally well over \$160 million interest free, moratorium on payments of principle for the first two years. Those are the facts. Not the propaganda coming out from the Opposition Bench.

Let me move now to some more relevant commentary from the Independent Senators and for the young Senator who just spoke. There is a convention that one does not interrupt a maiden contribution but there is also a convention that one needs to be relevant and these measures flow from the 2023 budget. That is what a finance Bill is all about. It does not fall from the sky, it is not the ramblings of somebody's mind. In the budget statement, fiscal measures are announced every year and those fiscal measures require legislative action and therefore, after the presentation of the annual budget in September or October as the case may be, most of the measures announced have a start date for taxation purposes of the 1<sup>st</sup> of January in the following year and therefore, it is incumbent upon the Minister of Finance, having presented a budget with fiscal measures, to come to the Parliament before the end of December and legislate the fiscal measures announced in the national budget. That is what we are about today. We are not here to debate everything under the sun but we do not interrupt maiden contributions.

So let me move on to the contributions of Sen. Seepersad and Sen. Deyalsingh and I must compliment both of them for their very supportive comments. Sen. Seepersad very insightfully realized that reducing the tax burden on approved development in the energy sector such as reducing the investment tax credit—or sorry, increasing the investment tax credit and thereby reducing the tax burden from 25 per cent to 30 per cent would certainly be beneficial and in particular, this is what Sen. Seepersad said. This will be most beneficial for

smaller producers who are subject to the windfall tax and smaller producers have a key role in mature fields in particular.

In the onshore oil sector, most of the producers are small and the vast majority of them, if not all, may be just Heritage might be the only one, would be producing less than 4,000 barrels a day. So that in addition to this investment tax credit increase from 25 to 30 per cent, increasing the cap for the enhanced threshold for SPT from 2,000 barrels a day production to 4,000 would certainly help small producers in particular, because again, it is the small producers who are contributing a significant share of the national oil production in Trinidad and Tobago.

With respect to the reduction in petroleum profit tax, Sen. Seepersad also revealed that this must encourage companies to invest in the deep water and that the appetite for deep water soft due to high risk. It is also a question of uncertainty. When you go and you drill one well in the deep water area, you could spend as much as US \$150 million, sometimes US \$200 million and therefore, the level of investment is significant, it is huge and therefore, in order to encourage entities to invest in the deep water where risk is high, uncertainty is high, you have to have lower rates of taxation and therefore this is part of a continuum of continuously seeking to incentivize the deep water exploration in Trinidad and Tobago because I heard the young Senator say that I boasted that we have been producing oil for 100 years. I did not boast, “dais not ah boast”, it is a statement of fact.

And what was not understood is that because we have been producing oil in Trinidad and Tobago for 100 years, we are what is called a mature oil province.

**3.30 p.m.**

And in a mature oil province, the oil may not come out of the ground under

its own pressure. When you drill an oil well initially, in quite a few wells, there is sufficient pressurization within the field, so as you break through the various layers of rock and you break into the oil reservoir, the oil comes out under its own pressure. So, that in the first few years of an oil discovery and oil production, you do not have to use what is called secondary recovery to get the oil up to the surface. The oil comes out on its own.

And in a mature province, many of the wells would be old and you would have to use all sorts of different techniques to get that oil out. You inject gas, for example. You compress the oil coming out. There are many different forms of secondary recovery that you have to use. So that, because we are a province that has been producing oil for 100 years, we do not have the type of production like, for example, you get in Guyana. Guyana is a brand-new province, if I daresay, if I could use a word. It is a virgin province. And, therefore, the oil that is coming out in Guyana, the level, the degree of difficulty, in terms of lifting that oil, would be far less than in Trinidad and Tobago.

The lifting cost for oil in Trinidad on Tobago, because of the maturity of the fields, because of the fact that you have to use all sorts of techniques, special equipment, and special approaches to getting the oil out, much higher than in other provinces that are not as mature as Trinidad and Tobago. So, the point that needs to be understood is that because our oilfields are so old, our lifting costs are higher than other newer fields around the world. And, therefore, we need to incentivize mature fields. And this has been a feature of our petroleum legislation for years.

I am not the first Minister of Finance who has dealt with the whole question of the maturity of an oilfield. If you look through the petroleum legislation over the last 40 years or so, you would see a consistent focus on reducing taxation, as it becomes more and more difficult to recover the hydrocarbon, and as it becomes

more and more costly to recover the hydrocarbon, the taxation is reduced. And this is all of what we are about today. And Sen. Seepersad completely understood that.

In terms of revenue and production, this is unknown at this point in time because it all depends on what the effect of these measures would be. One cannot—you do not have a crystal ball when one is introducing measures of this nature. Because it is an incentive. You are trying to motivate producers to explore and increase production. And, therefore, one would have to wait for a year or two to see what the effect of all of this would be, before one could do an accurate estimate of the revenue foregone. But I am satisfied that the revenue foregone is much less than the revenue that we would receive from increased production. Because for every barrel of oil that is produced, the Government gets revenue. And this is a feature of our taxation.

One of the innovations that we did as a government in the 2017 period is looking at the situation that we were handed by the previous administration. You would have heard Minister Manning talk about it, accelerated recovery of capital expenditure, a tax regime that was more or less one-sided, weighted towards the oil companies, the big boys, as Sen. Lyder likes to call them. We came and we found a one-sided tax regime that was weighted towards the wealthy companies. And the result of that, we were visited very early o'clock by some of the major oil companies and told that because of the tax regime introduced by a former administration, that we would get no revenue from oil until the year 2024.

I remember the President of BP coming to see me with a graph and a slide presentation, in October 2015, and showing me on the slides that Trinidad and Tobago will get no revenue from production of oil and gas from that company until the year 2024, 2024. That was not acceptable to us. And fortunately for me, I had

done a lot of research on energy taxation regimes. While we were in the period of Opposition, I took the opportunity to improve my educational base. And I had taken a look at energy taxation regimes all over the world. And one of the countries I looked at was the Russian Federation, and it has a very interesting approach to energy taxation. Some countries tax oil companies based on profits. So that is called a profit-based tax. Other countries tax companies based on volumes. And the Russian Federation is almost 100 per cent focused on volume taxation and a volume tax is a royalty. The royalty is on the number of barrels of oil produced and the price received for the barrel of oil.

And the Russian Federation has consistently, despite pressure from the international oil companies, continued to have a regime of royalties and to avoid petroleum profits taxation. The reason is, you have issues of accounting. When it comes to petroleum profits, you have to do a severe auditing of income and expenditure to determine whether the oil majors are reporting to you faithfully and accurately. It becomes quite difficult when you are dealing with a profit-based taxation regime in the energy sector to audit it properly, to determine whether you are being cheated or not. But a volume-based system, where you are just measuring the amount of oil that is produced and the price is fixed by the international market, it is much more reliable in terms of revenue, and it is also guaranteed. Because if you have a price of oil of \$40 or \$30 and you have a royalty-based system, based on volume, you are still going to get revenue. Whatever the price is, whether it is \$10, \$20, \$30, \$40 or \$100, once you use a volume-based system, the royalty system, you are going to get revenue. But if you rely on a profit-based system, once the price drops below a certain level, \$40 or \$50 as the case may be, which is what it was in those days, you have nothing to get.

So that, having studied the Russian Federation, I realized that it was time for Trinidad and Tobago to move from a profit-based system to a royalty-based system and we then introduce a 12½ per cent royalty on oil and gas across the board in Trinidad and Tobago. What that did for us, our revenue from petroleum was in the order of TT \$20 billion a year before all of this tinkering with the tax system, by the former UNC administration, and before the price of oil dropped from \$100 to \$25. It went from \$20 billion to \$400 million. So, we were faced with a situation, because of the nature of the energy taxation regime, the structure, the reliance on taxing profits, rather than volume, when the price of oil dropped, our revenue as a country dropped from 20 billion down to \$400 million. I could not tolerate that. As Minister of Finance I could not tolerate that. So, in discussion with the then Minister of Energy we agreed we are going to impose a royalty and our revenue went from 400 million, to 2 billion, to 3 billion to 4 billion, to today it is back over \$20 billion.

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

**Hon. C. Imbert:** So all I would advise the Opposition Senators is that go and understand what you are talking about before you come and talk in the Parliament.

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

**Hon. C. Imbert:** And just go into the measures themselves. It is obvious that these measures are focused on small business. Because if you are giving a tax credit of \$50,000 for the purchase of a new machinery, which in effect is machinery that might cost \$150,000 or \$160,000, what type of business would be investing in equipment that might cost \$150,000? Only a small business. So, how can a tax credit of \$50,000, which is from purchase of equipment and machinery of \$150,000, help the one per cent? It cannot. It is obviously designed for small businesses. And so it is with all of the measures inside of here. The



apprenticeship allowance, the investment in alternative energy. It is all focused on small and medium enterprises.

And I heard an absurdity that we should not give tax incentives. Foolishness! Every business in Trinidad and Tobago today tries to reduce their tax rate by taking advantage of tax incentives and tax concessions. They have a purpose. And I am certain that these incentives that we are introducing today, which flowed directly from the budget and do not drop from the sky, are going to incentivize a number of businesses in this country, small businesses, in particular, to invest in new credit lines. The measure where we are exempting small businesses from corporation tax for a period of six years, that must help a significant number of small businesses, must help them. It must help hundreds of them, thousands of them I daresay. And the investment in renewable energy, technology, and so on, again, must small help businesses, all of those tax credits.

So, I reject the statements made by the Members of the Opposition. They are not living in this world. They do not live here. They live in Cloud Cuckoo Land. Because when you realize that we have more persons in the National Investment Scheme now than we had before, it puts paid to the propaganda coming out from the other side.

And when you listen to the Minister of Trade and Industry, listen to the progress that has been made in the manufacturing sector over the last two years. Fantastic performance, 20 per cent increase in production, 20 per cent increase in exports. In fact, when I talk to the EximBank with our facility there, which is primarily focused on small and medium enterprises, 80 per cent of the assistance we give is for small and medium enterprises through the EximBank forex window. When I talk to them, we have already reached a point and gone beyond, where the amount of foreign exchange that we are giving to manufacturers and exporters in

the small and medium-size sector, they are repatriating more foreign exchange than we are giving to them, which shows confidence in our economy as well.

And, therefore, Madam President, I simply wish to thank Sen. Deyalsingh and Sen. Seepersad for their very supportive comments. The other queries that they made, as usual we will take them under advisement and look at them very, very carefully. And I am sorry, I cannot compliment a single one of the Opposition contributors. I beg to move.

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

*Question put and agreed to.*

*Bill accordingly read a second time.*

**Madam President:** Minister of Finance.

**Hon. C. Imbert:** Thank you, Madam President. I beg to move that this honourable Senate do now resolve itself into a committee of the whole to consider the Bill clause by clause.

**Madam President:** Minister.

**Hon. C. Imbert:** Oh, I am sorry, Madam President.

**Madam President:** You are actually asking for the opposite.

**Hon. C. Imbert:** Oh, I am terribly sorry, Madam President. No, it is not the fault of the Leader. It is my fault, I had the wrong procedure. Madam President, in accordance with Standing Order 57(2), I beg to move that a Bill to make Provisions of a Financial Nature and other related matters not to be committed to a committee of the whole. Madam President, I apologize.

*Question put and agreed to.*

*Bill accordingly read the third time and passed.*

## ADJOURNMENT

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

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

Madam President, I beg to move that this Senate do now adjourn to Friday, December 16, 2022, at 10.00 a.m. when we will debate the Scrap Metal Bill.

**Madam President:** Hon. Senators, before I put the question on the Adjournment, leave has been granted for a matter to be raised. Sen. Lutchmedial.

### **Beverage Container Bill**

#### **(Introduction of)**

**Sen. Jyanti Lutchmedial:** Thank you, Madam President. Madam President, I wish to raise the issue of the need for the Government to mitigate against the harmful effects of plastics on the environment by introducing into this Parliament a beverage containers Bill. Madam President, in 2012, we had a beverage containers Bill that was laid during the tenure the People's Partnership Government. And that Bill has never been passed. Since then, we have been told, and shortly after filing this Motion, it was stated in the public domain by the Government that the Bill is receiving attention. However, to date, this Bill has not been laid in Parliament and the effects of plastics continue to be seen around this country.

Why is plastic such a big problem? The impact of plastics on our oceans, ecosystems and on human health and its contribution to global greenhouse gas emissions and climate change cannot be denied. Plastics have a lifecycle which at every stage has a negative impact. There is an impact on oil and gas drilling. There is the impact on plastic refining and manufacture, and then, of course, waste management. It is a problem when plastic pollution ends up in our oceans and our environment.

Around the world, we are moving towards global carbon budgets and emission commitments, and so on. But it is estimated that with current trends, with the production and use of plastic, countries around the world, their ability to reach

agreed emission targets, would be severely hampered because of the use of plastic.

In Trinidad and Tobago, each time we have a flooding crisis we discuss the issue of the improper disposal of plastics, which pollute our rivers and minor watercourses. However, that conversation simply ends there and is not being translated into sufficient action.

Since 2017, the United Nations Environment Assembly passed a resolution supporting a series of actions to eliminate the discharge of plastic litter and micro plastics into the oceans, through preventing plastic waste, increasing re-use and recycling, and avoiding the unnecessary use of plastic. We are severely behind in terms of implementing any such implementations.

There are some very alarming statistics which would inform the reason why I chose to bring this Motion please, Madam President, and it involves the use of plastic and its impact on our marine environment.

Over 12 million tonnes of plastic leaks into the oceans around the world every year and over 800 marine species are impacted. About 8 per cent of the world's oil production is used to make plastic, and it is used to power the manufacturing of plastic. But the projection is that that figure will rise to 20 per cent by the year 2050. Over a million plastic beverage bottles are sold every minute around the world. That is a significant number, and any law or policy, or directive that can address that number and bring it down is certainly something that we ought to be pursuing. A holistic policy is needed to address manufacture, import, collection, recycling of plastics, not just beverage containers, but beverage containers is a good way to start.

Any Trinidadian who participates in Carnival activities, or sporting events, I am sure, would be alarmed when you see the pileup of plastic trash after any event that happens in Trinidad and Tobago; plastic and Styrofoam, two very harmful

products for our environment.

The Bill presented in 2012, seeks to establish what we call a deposit refund system for certain sizes of plastic beverage containers. And that regime would deal with the collection of those containers meant to reduce the disposal of those containers improperly and alleviating that pollution problem that we face and other sorts of related issues, as I mentioned before like flooding.

The Bill would incorporate all of the measures needed to encourage other measures used to encourage the reusing and recycling of beverage containers. Particularly, the Bill would impose fines for manufacturers who do not collect the returns, and also there would be fines when manufacturers do not dispose of empty containers in accordance with regulations, which would be passed by the board that is to be set up under the beverage containers Bill. Again, these are not, perhaps, perfect measures that would address the entire issue of plastics, but it is a very good place to start.

It would provide structure for the collection and safe disposal. And not bringing this Bill since 2012, it being in limbo and being looked at again and again and having further consultations, what we have seen is a facilitation of significant harm to our environment, blockage of waterways, litter in our public spaces, rivers, and streams. So, the law is needed to incentivize the collection and the recycling of all beverage containers, but specifically plastics, but it can also be extended to aluminum cans and even to other plastic products which are not beverage containers.

Expertise and competence exist around the world, as well as right here in Trinidad and Tobago. And what the law can do is present a number of business opportunities to current manufacturers to diversify their line of business to include other areas in the recycling space. It is the responsibility of Government to create

the enabling environment for business to thrive and businesses to want to enter a particular market. A good place to start would be with a beverage container law.

I am in no way trying to minimize the responsibility that the public holds for the degradation and the condition of our public spaces as a result of improper disposal. However, what we have seen, because we have had litter laws since time immemorial, and enforcement of those types of measures is really woefully inadequate to curb the current problem that we have; a law that makes processes easy for us to make recycling part of our everyday lives. Most of us who have travelled out of the jurisdiction, or who have family who live abroad, and so on, would see that recycling comes naturally. Because when a law is in place—it is like when we first introduced the seatbelt law in Trinidad and Tobago, I remember I was a child, but it was not commonplace. And now it is extremely commonplace and you would rarely ever see someone driving in a vehicle and being so irresponsible as to not be wearing their seatbelt. When you pass a law, that is the first step in introducing a change in culture. And to introduce that change in culture, and to encourage recycling, a law such as a beverage containers Bill is definitely needed.

There are many examples of laws right around us, such as in Jamaica, the Trade (Plastics Packaging Material Prohibition) Order is actually mentioned in many international journals, and so on, as a good example of a law that has actually banned the use of certain types of plastics. And these laws would take the issue even further, because they not only address the issue of collection and proper disposal of plastics, but they would also tackle what we call unsustainable alternatives, directly. So, they ban biodegradable plastic and they ban single-use plastic. I think Barbados has also implemented laws to address the use of single-use plastic.

In the Bahamas, they have extended their laws to include Styrofoam packaging and plastic straws, because, of course, they place a lot of emphasis on tourism and their marine environment and ocean-based tourism. And so, the impact of plastics was of specific concern to them.

A deposit refund system is really something that has a long history of making the collection on recycling of containers more popular. And, therefore, all it would require is really for the consumer to be paying a small deposit to be refunded when the container is refunded. It is also, as we know, in Trinidad and Tobago, something that creates a sort of form of employment for many persons who are otherwise unemployable. And although, as I said before, it is most common to apply for beverage containers, it can be expanded to cover other plastic products as well.

The point of all of this though is this, we cannot be caught with analysis paralysis while we sit down and look on while tonnes of plastic bottles clog our waterways and contribute to the problem of flooding. We also cannot ignore our global responsibility to have laws that would address the issue of plastics and wider concerns such as global emissions, the extensive use of oil refinery products, and so on, to manufacture plastics and the overall negative impact that plastic has on our environment. And so, Madam President, I call on the Government to lay the beverage containers Bill as soon as possible in this Parliament today. Thank you.

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

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

**The Minister of Public Utilities (Hon. Marvin Gonzales):** Thank you very much, Madam President. Madam President, let me thank Sen. Lutchmedial for bringing this Motion to the Senate, because, of course, it presents an opportunity

for the Government of Trinidad and Tobago to let the national community know and to provide a reasonable update to the national community on our plans for the solid waste reorganization and restructuring, as we moved towards ensuring that we have a sustainable environment for the people of Trinidad and Tobago.

Sen. Lutchmedial is very right; that this whole notion of the beverage container Bill has been around for quite some time. But I do not agree with the Senator when she said that a good place to start is to bring the beverage container legislation to Parliament. Madam President, the reason why the beverage container legislation has been languishing in different parts, in different government departments in Trinidad and Tobago, it is because, over the years, we have not seen it fit as a country to come up with an integrated approach and an integrated policy to treat with the issue of solid waste management in Trinidad and Tobago.

And what do I mean when I speak about an integrated approach and an integrated policy to treat with different streams of waste management in Trinidad and Tobago? Beverage container, or plastics is just one stream of waste that is required to be legislated. And, therefore, I wish to disagree quite respectfully with the hon. Senator when she said that a good place to start is to introduce a beverage container legislation.

Madam President, the last time a waste characterization study was done in Trinidad and Tobago was in 2009, a PNM Government, and the result of the waste characterization study suggests and proves that approximately 700,000tonnes of waste is generated annually in Trinidad and Tobago, with an average citizen producing 1.5 kilogrammes of waste daily. So, the hon. Senator speaks about beverage container. But when you look at your waste characterization study, it paints a very interesting picture about waste and the character of waste in Trinidad and Tobago. So, outside of that, or part of that 700,000tonnes of waste being



generated annually in Trinidad and Tobago we have organic waste comprising 27 per cent; plastics, 19 per cent; paper, 19 per cent; glass, 10 per cent; textile clothing, 8 per cent; household hazardous waste, 5 per cent; old coagulated cardboard, 4 per cent; ferrous metal, 2 per cent; nonferrous metal, 2 per cent; beverage container, 1 per cent; construction and demolition work, 1 per cent; and other types of waste, 1 per cent.

So, when one comes to the Parliament and says that a good place to start, yes and I agree, I agree that we need a beverage container Bill in Trinidad and Tobago, but to do so outside of having an understanding of the character of waste in Trinidad and Tobago, and doing it outside of a policy to treat with the various forms of waste, it is not a good place to start.

**Hon. Senators:** [*Crosstalk*]

**Hon. M. Gonzales:** Madam Speaker, I am being disturbed.

**Madam President:** Can I please have silence while the Minister is speaking?

**4.00 p.m.**

**Hon. M. Gonzales:** Thank you very much, Madam President. And therefore, Madam President, it is recognizing that in Trinidad and Tobago, a good place to start is not the introduction of a beverage containers Bill, but a good place to start is to have a national integrated solid waste resource management policy for Trinidad and Tobago, and this is what we have done.

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

**Hon. M. Gonzales:** And when one starts by putting an appropriate structure, an appropriate policy in place, then everything that flows outside of it will have its life and will have a general understanding of how we treat with the various streams of waste in Trinidad and Tobago.

So, again, I wish to remind citizens listening to this debate that a good place

to start, unlike what Sen. Lutchmedial has advanced a short while ago to this Senate, a good place to start is to commence with a policy to treat with the various streams of waste in Trinidad and Tobago, and that is what we have done. And therefore, I wish to inform this Parliament that we have done quite a lot of work in putting together the national solid waste management structure and policy in place. And in one month's time, this policy will be advanced to Cabinet for approval and once approved by Cabinet, then everything with respect to recycling, with respect to beverage containers, with respect to e-waste, with respect to tyres what have you, will find its life in an overarching policy with respect to waste management in Trinidad and Tobago.

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

**Hon. M. Gonzales:** And whilst we do that, Madam President, we also put together a national waste recycling policy because there are different types of waste to be recycled. And as the waste characterization study in 2010 has suggested to us, beverage container only comprises one per cent of all your waste. The 700,000 tonnes of waste in Trinidad and Tobago, beverage containers only contain one per cent. And therefore, what you need in Trinidad and Tobago is not only a beverage containers Bill but a national policy treating with recycling that would be able to guide the various forms and streams of waste recycling in Trinidad and Tobago.

And I am pleased, Madam President, that over the last two years we have done quite a lot of work with respect to completing the national recycling policy, and that will also be advanced to Cabinet for approval. And once it is approved the country will now have a national integrated solid waste resource management policy and a national waste recycling policy.

With respect to the beverage container refund policy, Madam President, we

also did work on that. Because as the Senator indicated, yes, we had a draft Bill, but together with that draft Bill, I had a number of objections coming from various sectors in the national community. The Supermarket Association, for example, disassociated themselves with the Bill. There are several parts of the manufacturing sector in Trinidad and Tobago, also disassociated themselves with the Bill. And therefore, when you have key players in the national community expressing serious and profound concerns with your beverage container Bill, then the Government has a responsibility to listen to those concerns and make adjustments where adjustments are needed.

But if I had brought a Bill to Parliament with so many parts of the national community expressing reservations as to what was contained in that Bill, then it is the very Opposition will accuse the Government of not listening and not interacting, and not doing this, and not doing that.

So therefore, Madam President, as Minister, I saw it fit, I saw it responsible, I saw it as prudent to listen to the various sectors who will play an integral role in this beverage container Bill, and therefore I listened to their views.

We held national consultations, we went out into the communities and even in the pandemic, we held widespread consultations, virtual consultations. I am pleased to say, Madam President, it was for the very first time, we have a draft Bill that is anchored in a national recycling policy, that is anchored in a national solid waste integrated policy, and therefore most of the stakeholders, not all—because in Trinidad and Tobago and in any democracy everyone would not agree with everything. But I can tell you that based on the consultations we have made tremendous strides in finalizing the beverage container Bill. And therefore, very soon, with the national integrated solid waste management policy and the waste recycling policy, the beverage container Bill will be brought to Parliament and we

will see an overarching framework, a legislative framework to treat with the issues of recycling in Trinidad and Tobago. Thank you very much. Madam President.

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

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 4.05 p.m.*