



**The Honourable Camille Robinson-Regis, MP**

**Minister of Planning and Development**

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## **AMCHAM TT Post Budget Forum 2018**

**OCTOBER 3, 2018**

**AMERICAN CHAMBER OF COMMERCE, TRINIDAD AND TOBAGO  
HYATT REGENCY TRINIDAD**

## **Salutations**

- Mr. Nirad Tewarie, Chief Executive Officer, The American Chamber of Commerce, Trinidad and Tobago, (AMCHAM T&T)
- Dr. Roger Hosein, Economist, University of the West Indies
- Ms. Angelique Bart, Tax Partner Price Waterhouse Coopers (PWC)
- Mr. Bruce McKenzie, Group Strategy Officer, Massy Group
- Members of AMCHAM T&T
- Specially invited guests
- Members of the media
- Distinguished ladies and gentlemen

Good Morning.

I must say that I feel deeply honoured to have been asked once again to address your Post 2019 Budget Forum. The fact that I am back for an encore performance could mean either of two things: firstly, AMCHAM has a special liking for the Minister of Planning and Development, or secondly, it demonstrates the continued stability of this government in its quest to develop the full potential of Trinidad and Tobago. Alternatively, it could be a combination of both. I will ask Nirad to tell me which one it is after the session.

Ladies and gentlemen, I think it is prudent for me, at the onset of this presentation to ground the 2019 Budget in a specific historical context, to demonstrate that what you heard on Monday, was indeed a continuation of a carefully thought-out process that commenced with the Minister of Finance's first Budget presentation in October 2015, one month after the PNM assumed office.

You will no doubt recall the theme of that presentation was "Restoring Confidence & Rebuilding Trust – Let us do this together." In 2016, the theme was "Shaping a Brighter Future – A Blueprint for Transformation & Growth." In 2017, we concentrated on "Changing the Paradigm – Putting the Economy on a Sustainable Path," and in 2018, we were able to say, quite succinctly, "Turnaround."

The plan was clear, we first needed to stabilize the economy and rebuild the trust and confidence of a battle-weary population. We then needed to engage in some paradigm changes to ensure that we did not repeat the mistakes of our predecessors. We needed to ensure the turnaround took place, after which sustainable growth will undoubtedly follow. We have no doubt, ladies and gentlemen, that the patience exhibited by you the business community, the forbearance of our citizenry, the confidence of our international partners will all now come together in the tapestry of growth and development befitting a nation as proud as we are.

The 2019 Budget presented by the Honourable Minister of Finance therefore, was one which sought to continue the prudent economic management of the economy while promoting growth and strengthening the safety net for our most vulnerable sectors.

Ladies and gentlemen, the turnaround in the economy is neither the product of happenstance nor sheer luck, but rather the result of deliberate policies by this Government, some of which ran counter to the advice of the many experts resident in this small country of ours. You would recall that we were advised by many to devalue the dollar to a level of \$10 to \$1 otherwise we were certain to wreck the economy. We were also advised to drastically cut public sector spending and reduce the size of the public service, otherwise we were certain to wreck the economy.

Citizens were advised not to participate in the National Investment Fund, because that would wreck their personal income portfolios. Well, here we are today.

Even as we side-stepped the advice of experts, some of whom appeared to studiously ignore the socio-economic and political ramifications of their advice, this Government demonstrated time and again, that we were not afraid to take unpopular decisions, some of which have certainly not endeared us to the voting public.

If we were only about counting votes and winning elections, we would not have touched the fuel subsidy that every government for the past 50 years have spoken about and ignored. Similarly, if we were only concerned about remaining in office, we would not have revived the Property Tax debate, reintroduced the Trinidad and Tobago Revenue Authority, nor touched Petrotrin with a ten-foot pole. Ladies and gentlemen, this Government, this PNM administration, is not unmindful of the fallout of some of its key decisions, and its effects on the population. We are however cognizant that the role of government is to govern in the best interest of this generation and generations to come. We are therefore willing to have our performance assessed by you and the rest of the population, and if we are found wanting, we will pay the ultimate price. But it will never be said that we were unprepared to take the decisions that were in the country's best interest.

As a responsible Government, we undertook measures to ensure that our country would be stabilized and put on a growth trajectory. So yes, the Minister of Finance, love him or hate him, did it his way....and prevailed. We believe that this budget, building as it does on the three (3) that went before it, is the vehicle that will generate both temporary and permanent employment, generate and facilitate business, increase exports and foreign change, protect the environment, while narrowing the fiscal deficit, and ensuring that the most vulnerable are protected.

It is my intention today, to cite some key accomplishments arising out of the critical decisions taken before, as well as highlight some critical budget measures, all located within the context of Government's National Development Strategy 2016-2030, also known as Vision 2030. Vision 2030 represents the country's sustainable development strategy, and establishes the vision and broad framework for Trinidad and Tobago's development to 2030.

I am happy to advise that apart from producing the 2019 Public Sector Investment Programme (PSIP), the Ministry of Planning and Development has also produced a **Vision 2030 Progress Report for the period 2015-2018**, which has been tabled in Parliament as part of this year's fiscal package, and can also be found on the Ministry's website. This Progress Report, represents Government's first account of the implementation of Vision 2030.

Under the Vision 2030 Development Theme “*Delivering Good Governance and Service Excellence*”, our achievements include:

- A Memoranda of Understanding (MOU) signed with Venezuela, Chile and the Republic of China, to strengthen and strategically expand foreign relations;
- The launch of ConstrucTT, an online portal to automate the Construction Permitting System; and
- An increase from 15 signed Bilateral Trade Agreements in 2015 to 22 signed agreements in 2018, thus far.

In relation to the “*Building Globally Competitive Businesses*” Development Theme, achievements were the:

- Expansion of trade into the Cuban market resulting in US\$717,818 in exports;
- Approval of the Secured Transactions Policy and the National Innovation Policy by Cabinet; and
- Expansion of the types of Government Services available through the Single Electronic Window.

Ladies and Gentlemen, the decisions taken by your Government have allowed us to navigate some rough economic waters through a combination of revenue-raising and efficiency enhancing initiatives. Further evidence of our prudent economic management of the country's resources can be found in the following:

- ***Expansion of real economic activity in 2018*** - The CSO estimates that real economic activity in Trinidad and Tobago is expected to expand by 1.9 percent in 2018, up from the estimated -1.9 percent contraction in 2017.
- ***Growth in the Energy Sector*** – the sector is anticipated to recover with growth of 2.2 percent in 2018, emerging from three years of contraction over the period 2014 to 2016, averaging 4.4 percent per year. The Energy sector's contribution to GDP is therefore expected to increase marginally from 35.3 percent in 2017 to 36.1 percent in 2018. This positive outlook is premised on projected growth in four sub-industries, Natural Gas Exploration and Extraction (0.7 percent), Manufacture of Petrochemicals (12.5 percent), Refining including LNG (5.7 percent) and Petroleum Support Services (2.9 percent).
- ***Expansion of the non-energy sector*** – Vision 2030 views Government as playing a facilitative role in the diversification process, while it is expected that the private sector plays a lead role. In keeping with its facilitative role, Government is seeking to expand the non-energy sector. Recently, a number

of facilities were established to promote non-oil exports, including the EXIM Bank facility and the Business Development Incentive Programme. As we speak, the Minister of Agriculture and Fisheries is launching the Agriculture Financial Support Programme, and the Honourable Prime Minister himself is launching the new Alutech Facility at the Tamana Intech Park.

The Government also intends to strengthen the framework for boosting non-energy exports and for generating foreign exchange by introducing an incremental foreign exchange earnings tax credit for the manufacturing sector, in particular for: agriculture and agro-processing; food and beverage; non-energy and non-petrochemical products; and any other businesses approved by the Minister with the responsibility for Trade and Industry.

- ***Lower inflation rate in 2018*** - headline inflation slowed to 1.9 percent in 2017 from 3.1 percent in 2016. Over the period January to August 2018, headline inflation also fluctuated between 0.8 percent and 1.2 percent. This is among the lowest rates in the world.

## **Job Creation**

In keeping with the Vision 2030 Theme: *Putting People First: Nurturing our Greatest Assets*, the Government acknowledges that an appropriately trained and highly skilled workforce must stand at the heart of development. It is precisely for

this reason that, unlike in previous years, the Ministry of Education received the lion's share of the budgetary pie. I would be less than honest with you if I refused to acknowledge that there has been job losses, though I would hasten to add that no permanent jobs have been lost in the public service, and estimates are that at least 1,000 jobs will be available in the new Petrotrin that emerges. Even so, and I am certain those of you gathered here this morning will attest to this, the modern work paradigm has shifted from job security to income security, where workers are trained and developed to ensure that they are able to continue earning an income, rather than holding onto a job.

While job loss is a reality though, it is noteworthy that thousands of jobs will be created in the execution of many of the new initiatives embarked upon by this Government.

- The New Dry Dock and Ship building/ Ship Repair Facility project is expected to generate 2,700 direct jobs, and 13,000 indirect jobs in the two (2) major businesses which will be established in La Brea, namely a dry dock with a ship-building and ship repair facility, and a transshipment port. I hasten to add that the Caribbean Gas Chemicals Plant is in an advanced state of constructed in close proximity to this facility and has already earmarked the LABIDCO port as its point of sales.

- The Point Fortin Hospital will require 800 to 1,000 jobs in all disciplines, including security, administration, biomedical, nurses, interns, doctors, cleaners and consultants.
- The Industrial Park in Phoenix Park, Pt. Lisas is expected to generate some 1,000 jobs during the construction period and another 1,000 during the operational phase. Once fully operational, the new park will provide space for 60-80 factory shells and directly employ between 4,000-5,000 persons.
- There are also downstream gas projects in aluminum production where 3,000 indirect and 1,000 jobs will be created in the construction phase. This project is targeted for the southwestern peninsula with the production of a number of finished products for use in the automotive sector and as inputs for electrical infrastructure. and approximately 1,000 direct the operationalization of health facilities, industrial parks, housing construction and
- The Sandals Golden Grove Tobago Project is expected to employ up to 2,000 permanent employees which will, in turn, have a multiplier effect on the Tobago economy.
- When these projects are combined with the operationalizing of the Arima Hospital, the new Central Block of the Port of Spain General Hospital, the construction of the new Sangre Grande Hospital, and the expansion of the opening hours of the Health Centres in the rural communities, beginning with

Blanchisseuse, Cedros and Grande Riviere, there is a much clearer picture emerging of the true state of employment in Trinidad and Tobago.

### **San Fernando Waterfront**

Ladies and gentlemen, there is one additional flagship for the southern capital of Trinidad and Tobago which again gives lie to the notion that with the restructuring of Petrotrin, the entire south-western peninsula will be turned into a ghost town.

The San Fernando Waterfront Redevelopment project is one of the largest regeneration projects in Trinidad and Tobago to date, with the aim of reviving the economic, social and cultural vitality of the city of San-Fernando and its environs.

This transformative project includes opportunities for international and local tourism, expansion of the business sector, improved transportation facilities, development of leisure facilities, increased family oriented spaces and activities and preservation of historical assets, amongst others. At the heart of this project, is the aspiration of green growth, led by the city of San Fernando.

Substantial preliminary work has already been undertaken. The project is expected to include:

- Reclamation of land at King’s Wharf North, at a cost of \$57 million with a target completion date of November 2020;
- Establishment of a small fishing facility and jetty along Hatter’s beach;
- Construction of a mixed-use development inclusive of medium-income housing at Lady Hailes Avenue utilizing public-private-partnership arrangements; and
- Development of an administrative complex at Chancery Lane, San Fernando, with 10 floors for office accommodation, 3 floors for commercial space and 300 car parking spaces.

The combination of all these projects, ladies and gentlemen, and their successful completion, will undoubtedly serve to regenerate and revitalize the southern city.

### **Tax Administration**

Ladies and gentlemen, Vision 2030 acknowledged, that based on the data presented in the National Population and Development Policy (NPDP) 2014–2020, a projected smaller working population implied lower production and tax revenues available to Government to facilitate public investment. This, coupled with our current economic climate, makes efficient tax administration a critical component in being able to sustainably maintain and fund our development agenda.

This is the reason why Government will continue to put in place the necessary measures, (legislative and otherwise) to establish the Trinidad and Tobago Revenue Authority. Through this measure, our country can realize critical cost savings, which will be diverted towards future investments and maintaining our social protection platforms.

### **Property Tax**

Similarly, within the context of efficient tax administration, Government will pursue the collection of revenues through finally implementing a robust property tax regime in 2019. I hasten to add that Government has demonstrated its leniency as well as consideration for the current economic circumstances of businesses and individuals, by not collecting property taxes retroactively.

### **Local Content**

In fiscal 2019, Government also intends to more aggressively support local content in various areas. Indeed, Vision 2030 strongly advocates support for new and emerging sectors including the creative industries. Consequently, continued support will be offered to the “Live Music District programme,” as it will now be extended to other designated areas throughout the country.

Additionally, support will be granted to the Trinidad and Tobago Creative Industries Company Limited (CreativeTT) (allocation of \$4 million) to implement programmes and projects within the fashion, film and music industries.

FashionTT's projects for the fiscal 2019, for example, will focus on six (6) strategic areas as recommended by the Strategic Plan for that industry. These are:

- Improvement of market access;
- Innovation of organisations and operations;
- Assurance of sector coordination and support; and
- Well-governed strategic investments;
- Institution of an industry intelligence and innovation function; and
- Active management of the industry strategy and governance process policy.

FilmTT also proposes to complete various projects in fiscal 2019, including:

- The development of Film Festival partnerships;
- School visits; and
- World class film skills training and certificate programme.

These initiatives will hinge on completion of the five (5) to ten (10) year Strategic Action Plan for the development of the T&T screen-based audio-visual or film production industry.

### **Renewable Energy**

In relation to renewable energy, Government's policy as highlighted in Vision 2030, is to establish an enabling environment to facilitate the use of renewable energy for power generation. A target has been set to increase input to the energy supply using renewables by up to 10 percent by 2021. In addition, Vision 2030 also emphasizes the need to shift to adopt cleaner technologies and reduce emissions from power generation.

Consequently, as mentioned in the Budget Presentation, Expressions of Interests were received for both the establishment of a Waste-to-Energy Plant at the Beetham Landfill, and for the development of utility scale renewable energy power generation (three Megawatts (3MW) and greater).

### **Crime and Investment**

Ladies and gentlemen, the potential for all of this to become a reality, could easily be stymied if there isn't a significant dent in the crime and criminality in this country.

Government is cognizant that crime is indeed a challenge at the personal, community and national levels. There is no gainsaying that we need to do better at crime detection, and in expediting the time from the commission to conviction, and while a number of legislative remedies have been pushed through the Parliament, there is still a lot to be done on the ground.

According to Vision 2030, the goal is that Trinidad and Tobago will have a modern, law enforcement system. Vision 2030 also recognizes that the effectiveness of all institutions rests on the levels of trust in the country's institutional structures.

In an effort to build confidence and trust in the Trinidad and Tobago Police Service (TTPS), the government has taken a significant step by the appointment of a Commissioner of Police, filling a vacancy that existed for more than six (6) years, and remedying an untenable situation. The post of Deputy Commissioner of Police is also expect to be filled shortly. The TTPS has also set in train a framework for transforming and modernizing the organization, towards achieving the Vision 2030 goal. Some of the main initiatives which were highlighted in the budget speech are:

- Global Positioning System (GPS) for vehicle tracking;
- Dashboard Cameras in all police vehicles;
- Body Cameras on all police men patrolling and responding to calls from the public for service;

- Laptops and Tablets for all Police Vehicles;
- Computerization of all Police Stations;
- An Enhanced National Finger Print Data System; and
- Modernization

### **Ease of Doing Business**

Ladies and gentlemen, Trinidad and Tobago does not now enjoy a pre-eminent position on the global index of Ease of Doing Business. To a large extent we are still bogged down by bureaucracy and red tape, duplicated procedures, inaccurate and untimely release of data, and a work ethic that could be a lot more business friendly.

Since assuming the portfolio of Planning Minister, I have constantly sought to facilitate the **ease of doing business**, by improving the operations of key Divisions within the Ministry, which impact national development. I speak primarily of the Central Statistical Office (CSO) and the Town and Country Department (TCPD).

### **The Central Statistical Office (CSO)**

In keeping with the Vision 2030 theme of Delivering Good Governance and Service Excellence, the national statistical system is being reformed to provide accurate, reliable and timely data in adherence to statistical standards in order to support

decision and policy making. In this regard, work is continuing at full pace to establish the National Statistical Institute of Trinidad and Tobago (NSITT), with a policy paper already before the Parliament.

### **The Town and Country Planning Division (TCPD)**

The Town and Country Planning Division (TCPD) is continuously working to streamline its internal processes, including securing its historical data. This is to allow for smooth transition into the reformed land use planning administration system, which is a key feature of the new Planning and Facilitation of Development Act (PAFD Act). This Act will facilitate the decentralization of services to enable ease of access by customers and enable decisions on land utilization to be made by local, regional and other communities.

Launched on June 13, 2018, the Development and Implementation of an Automated Construction Permitting System project, is geared towards the automation of the construction permitting process. We anticipate that benefits include simplification of the processes to obtain construction permits, a reduction in the application transaction time, and cost to obtain construction permits. The TCPD will also be digitizing its records in order to facilitate faster application processing times.

## **The Environment**

As Minister with responsibility for the environment, I am pleased to state that in keeping with the Vision 2030 development theme - *Placing the Environment at the Centre of Social and Economic Development*, Government continues to strive for the conservation of the environment, a reduced carbon footprint, continuous promotion of energy efficiency and renewable energy resources. Some of our initiatives include:

- Better monitoring of the imports and use of green house and ozone depleting gases;
- Providing funding through the Green Fund for environmentally friendly projects and continued support for the work of the Environmental Management Authority (EMA) and the Institute of Marine Affairs (IMA);
- The design of four Nationally Appropriate Mitigation Actions (NAMAs) in the transportation, power generation, oil and gas and heavy petrochemical sectors has been completed.
- Development of a public education campaign - iCARE “Community Awareness Recycling Everyday” to embed a culture of recycling and environmental consciousness amongst the citizens of Trinidad and Tobago.
- The banning of Styrofoam products which will take place in 2019.

## **Conclusion**

As I close, I wish to reiterate that our Economic Turnaround, our nation's transformation, is being guided by the National Development Strategy Vision 2030. Ladies and Gentlemen, Vision 2030 lays the foundation and pathway for attaining developed country status by the year 2030. The implementation of the Vision 2030 has transformed our policies and programmes and have inadvertently transformed our values and attitudes, and by extension, our culture. I would like to thank the business community for recommendations and advice in the shaping of plans and programmes – it contributes to the think tank aimed at sustainable socio-economic development.

Allow me to take this opportunity to encourage us as a nation, each and every one of us, to continue to take ownership of our National Development Strategy Vision 2030, and continue to breathe life into it. What is envisioned within this development strategy can only become a reality through the effort of all, however large or small. It is our road map to the sustained economic, cultural, environmental and social development of our beloved nation.

Ladies and Gentlemen, I thank you.