



2000/2001 BUDGET SPEECH

Presented by

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Minister of Finance

In the House of Representatives

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Thank you, Mr. Speaker.

Mr. Speaker, it is my distinct privilege and honour to stand before you, this Honourable House, and before every citizen today, to present our National Budget.

Mr. Speaker, please permit me to begin by expressing my warmest regards to you Sir, and to my fellow Parliamentarians on both sides of this Honourable House.

I ask your indulgence, Mr. Speaker, to record my gratitude to the dedicated public servants who have been so essential not only to this budget presentation, and the five before it, but more importantly, to making these Budgets a reality.

In particular, I wish to express my appreciation to the senior public servants in the Ministry of Finance, Planning and Development who have been such competent stewards of our fiscal health.

I would like to say thank you to every man and woman who stopped me in the street or called me to tell me what he or she wished to see in this Budget. I appreciate the submissions made by every concerned individual as well as from organizations.

Mr. Speaker, all of these people took the time and effort to help shape this Budget.

I am grateful to our media colleagues who afford me the opportunity to speak directly with each and every citizen of Trinidad and Tobago.

And not least, my thanks Mr. Speaker to all of those who wished me well in this presentation.

As I have done over the past five years, I am here to explain to the people of Trinidad and Tobago exactly -

- How our money is being spent.
- What our priorities are; and
- How we are facing our challenges.

Mr. Speaker, five years ago, the people of Trinidad and Tobago voted for change:

1. For a government to fight crime.
2. For jobs.
3. For Economic growth.
4. For Schools that worked; and
5. For Taps with water.

In the past five years, the people of Trinidad and Tobago, working hand in hand with Government achieved a number of things:

- We increased the police presence on the street;
- We took our children off the street and sent them to school;
- We attacked poverty and took Trinidad and Tobago to Number Five in the developing world on the poverty relief index and
- We also raised the old age pension, not once, but three times.

Mr. Speaker, we did much more:

- We created 60,000 new jobs
- We achieved one of the highest growth rates in the world, Mr. Speaker, and I expect it will be about 7.9% this year
- We reduced inflation significantly
- We reduced taxes
- We doubled foreign investment;
- We reduced the public debt; and
- We more than doubled our foreign reserves.

Mr. Speaker, this record of achievement has not come easy. We have had to make tough decisions. In the middle of the last five years came the contagion effects of the collapse of the Asian economies followed by Russia and Brazil with their unique problems. And in 1998, one of our fundamentals, namely, the price of oil, dropped to nine US dollars against a budgeted price of fourteen US dollars a barrel.

Mr. Speaker, in the past, this would have meant trauma for the people of Trinidad and Tobago.

Investing in people through training and education would have had to be curtailed.

It would have brought our progress to a screeching halt.

And it would have meant the dashing of our hopes, and the collapse of our dreams.

But not any more. We did well, even with such setbacks. Why? Because we tightened our belts and put our fiscal house in order. We stuck to the task and weathered the storm. We kept on growing in conditions that would have sent previous governments reeling, and the country possibly into bankruptcy.

Mr. Speaker, five years ago, I stood before this House and presented this Government's first budget; the beginning of our five-year programme for jobs and growth. At that time the former Prime Minister, and now

Opposition Leader, predicted gloom and doom. He called our programme, and I quote, “wishful thinking,” “illusion,” “callous treatment with “disastrous consequences,” unquote. These words are found in the Hansard of January 15, 1996. And every year thereafter, he has made the same prophecies of gloom and doom.

Fortunately for the people of Trinidad and Tobago, Mr. Speaker, the passage of time has not been kind to his predictions.

Mr. Speaker, let us contrast those words of gloom and doom with what the world is saying about Trinidad and Tobago.

The International Monetary Fund which has had to bail out the country in the 1980's, now praises our performance. Here's what the IMF says and I quote: “steady economic expansion over the past five years,” “a foreign investment boom,” and “the soundness of the fiscal and monetary policy stances,” unquote.

The New York Times, the most influential newspaper in the United States writes and I quote: “While much of the rest of the English-speaking Caribbean worries about making ends meet, this twin-island nation... is experiencing a burst of investment and growth.... Emerging as the region's foremost economic success story,” unquote.

The United Nations Development Program now rates Trinidad and Tobago in the top five developing nations in the world for the way we have, and I quote, “overcome severe levels of poverty.” unquote.

Mr. Speaker, this is high praise indeed.

Not only growth.

Not only new jobs.

Not only economic success. But also taking care of all of our people.

Every one of us, as citizens of Trinidad and Tobago, has reason to be proud.

Mr. Speaker, what are they really saying?

They are saying that we are better off today.

We are far better off, than we were five years ago, and we can see it.

In the next few weeks, we will hear more predictions of gloom and doom from the Leader of the other side. And I dare say, time will not be kind to these predictions either.

Mr. Speaker, some people expect that this Budget would be a bag of goodies. But this Budget is no such thing. This Budget is meant to be a toolbox, full of the equipment that the people need to build our Nation together.

This Budget is about Building Trinidad and Tobago For a Better Future, More Jobs, Better Education, More Caring.

Mr. Speaker, let me emphasise the point. This budget is not a radical departure from my previous ones. Rather, this Budget outlines exactly what this Government has been doing so successfully for five years now. Indeed, we are doing more and doing it better for the people of Trinidad and Tobago.

This means:

- Putting people first

- Living within our means
- Saving for a rainy day
- Promoting economic growth
- And creating another 60,000 new jobs.

We must do even better. That's what this Budget is about.

Mr. Speaker, when we look at our achievements over the past five years, we see that the people of Trinidad and Tobago have come too far to turn back now.

Economic Review

Mr. Speaker, my presentation today comes in four parts. Firstly, it is my duty, and in today's expanding economy, my pleasure, to report where we stand today on jobs, growth, inflation, revenues, and the fiscal conditions.

Secondly, it is my duty, and with today's record of success, my pleasure, to review key sectors of the life of our Nation and report the progress made and the challenges this budget seeks to address.

Thirdly, it is my duty, and with favourable projections endorsed by the IMF, my pleasure, to forecast the outlook for the next five years, if we stay the course and do not turn back.

And fourthly, it is my duty, and with such optimism throughout our Nation, again my pleasure, to introduce the proposed measures. So, Mr. Speaker, let us begin with the review of the economy.

Since December 1995 we have created over 60,000 new jobs in Trinidad and Tobago. The unemployment rate has been reduced from 16% in December 1995 to 12.5% today, even while the labor force is expanding.

This year, we have achieved one of the highest economic growth rates in the world, 7.9%. We see inflation remaining below 4%. Foreign investment is booming.

Our reserves have more than doubled since December 1995, from 652 million U.S. dollars to one thousand seven hundred million U.S. dollars in July of this year.

Mr. Speaker, let us put these achievements into perspective.

60,000 New Jobs

Take jobs, for example. These 60,000 new jobs that we have created since December 1995 are roughly twice as many as we saw from 1991 to 1995. In those years, the unemployment rate averaged 18%; by comparison, from 1995 to now, we have cut the average unemployment rate to 14%, and this year's unemployment rate will be closer to 12%.

These 60,000 new jobs were created over a range of sectors demonstrating the progress we have made to diversify our economy. Nine thousand of these new jobs were created in the construction sector. Ten thousand of the new jobs are in wholesale, retail, restaurants and hotels. You can see them at the Tobago Hilton, or while you walk the streets in Port of Spain, San Fernando and other areas, past all the new shops and restaurants.

Eleven thousand of the new jobs arose in finance, insurance, real estate and related businesses while twelve thousand of the new jobs are in transport, storage and communications.

Mr. Speaker, community, social and personal services sector, which includes teachers, police and the self-employed, produced 19,000 of these 60,000 new jobs. All of these jobs have been created in the non-oil sector. That is because we have succeeded in our efforts to diversify the economy.

The energy sector, both oil and gas, now makes up 26% of our Gross Domestic Product, and all those sectors I have mentioned here, creating those 60,000 new jobs, make up the other 74%.

But having a diversification strategy does not mean that we can neglect our energy sector. Indeed not. We have more than doubled our natural gas production from 600 million cubic feet per day in 1995 to 1.4 billion cubic feet per day this year. Mr. Speaker, we have 15 years of proven reserves of oil and 25 years of proven gas reserves.

Four Times More Growth

Mr. Speaker, let us look at our country's economic growth rate, which is among the highest in the world. Taking the past five years, and comparing it to the previous five years, makes for a stark contrast.

From 1991 to 1995, our growth rate averaged only 1.4% per year and for two years, it was actually negative. Since December 1995, our growth rate has averaged 5.5% per year, or four times higher than before – never negative.

Now Mr. Speaker, we must not see this as just another statistic. Sound economic growth means opportunity for all. It means providing schools and reducing poverty and progress for all.

A major part of that growth has been our trade success. We have opened up our economy by lowering tariffs, removing barriers, and negotiating favourable trade agreements. We can see the results: greater efficiencies in our domestic production, expansion in non-traditional exports, and real surpluses in our balance of payments.

Growth without inflation, Mr. Speaker, is difficult to achieve. In the earlier period, from 1991 to 1995, inflation averaged 6.6% per year. From 1996 to now, the average is 3.7% per year. As you see Mr. Speaker, we are keeping inflation under 4%.

As for our country's debt, this is down significantly over the past five years, despite the contagion effect brought about by the crises in Asia, Russia, and Brazil, and the single-digit oil price in 1998. In 1995, we inherited a public external debt of one point nine billion U.S. dollars, and we have reduced that debt to one point five billion as of the end of 1999.

Mr. Speaker, you will no doubt recall that the economic adjustment programme of the late 1980's and early 1990's depended critically on borrowing from the international lending agencies, together with debt rescheduling from our commercial and official creditors.

I am pleased to report to this Honourable House that since 1998 we have fully repaid the International Monetary Fund, and we will make the final payment on our rescheduled debt in September. Mr. Speaker, surely this calls for a celebration.

Five years ago, the world graded our Nation's foreign debt as "speculative." Now, we have achieved "investment grade" status. This is high praise, Mr. Speaker, from two of the world's leading rating agencies, Standard & Poors, and Moody's Investor Services. What are they saying, Mr. Speaker? Not only is the economy better managed, we are far better off than we were five years ago.

High ratings for Trinidad and Tobago means we can borrow on international markets on much better terms and at much lower costs than in the past. In turn, lower debt servicing and lower borrowing costs mean that we can devote a larger proportion of our revenues to investing in our people.

Prudent debt management, low inflation, stable exchange rates, open trade, steady growth – these conditions have helped create what the IMF calls "a foreign investment boom" in our country. In turn, foreign investment creates new jobs, generates new revenue, and helps us build our Nation.

Over the past five years, foreign investment has doubled. Starting at a baseline of 296 million U.S. dollars in

1995, we have averaged \$682 million U.S. dollars per year from 1996 to now.

Reserves Have Doubled

Mr. Speaker, everyone remembers that time, back in the oil boom of the late 1970's and very early 1980's, when the reserves of Trinidad and Tobago reached nearly three billion U.S. dollars. Money was no problem, said our leaders. Well, money did become a problem, as we all know.

When this Government took office, those reserves amounted to 652 million U.S. dollars. The treasury was not empty, Mr. Speaker, but its pants were hanging loose around some narrow hips after many lean years.

Today, Mr. Speaker, I am pleased to report to this Honourable House, that our Nation's reserves have more than doubled since 1995. As of July this year, our gross external reserves reached 1.74 billion U.S. dollars. A billion dollars more than in 1995.

Mr. Speaker, five years ago, our debt was much more than our reserves. Today, our reserves are more than the debt. What this means, Mr. Speaker, is that five years ago, we owed more than we had. Today, we have more than we owe. Yes, Mr. Speaker, the people of Trinidad and Tobago have come too far to turn back now.

ACHIEVEMENTS AND CHALLENGES

Now, Mr. Speaker, I begin the core of this Budget presentation, my review of our Nation's achievements over the past five years.

LAW AND SECURITY

Five years ago, Mr. Speaker, crime-fighting was focusing on peripheral issues like banning music in maxi-taxis. Our police were marching around the Red House. The Trinidad Guardian called it the first such protest in the history of Trinidad and Tobago.

Mr. Speaker, this Government pledged to do everything possible to fight crime. Our crime-fighting programme depends on the creation of jobs, providing better quality education and investing in law enforcement. Mr. Speaker, I have already spoken about jobs. Later, I will address education. Here, I want to focus on the part of our crime fighting programme with the most immediate impact. Our focus is on more police, more patrols on the street, and more investment in law enforcement.

We took our officers out of the stations and put them in the community. We increased the Police presence on the streets with 741 new police officers on Foot, Mobile and Highway Patrol. We established the E999 Rapid Response Unit.

Mr. Speaker, we dramatically improved the working conditions of our Police and Fire Services and provided them with the equipment they needed. We built twelve police stations in communities like Maraval and Moruga, plus two new divisional headquarters at San Fernando and Sangre Grande.

We put two hundred new police vehicles on the streets ensuring a speedy response to crime. We are computerising our police records and are building the capacity to use DNA results for investigations and prosecutions.

But the police can't do it alone. Not only do they need the support and help of every citizen, Mr. Speaker, they need appropriate legislative and judicial support. It has taken much effort by this House, but I can report that we have succeeded in modernising much of the legal infrastructure for crime-fighting. We have added laws for the seizure of criminals' assets, so there is no benefit from ill-gotten gains.

And now, Mr. Speaker, drug traffickers the world over know that Trinidad and Tobago is serious about fighting drugs. They are so scared, Mr. Speaker, that reports indicate they are throwing the drugs in the sea hoping that they float ashore.

More seriously, Mr. Speaker, we have to admit that no Government programme can cure human frailty. All of us must take responsibility for our own children, for our own families, and for our own behavior. And we have much more to do.

HEALTH CARE TO THE COMMUNITY

Mr. Speaker, we have much more to do in health care, too. This Government made a commitment to bring health care to the community. All too often, the old system had our people forming long lines to access health care. Now we are making health care accessible to people wherever they live; this is at the heart of the decentralization plan. We are making health care available when our people need it; and in some communities, 24 hours a day.

Through the Regional Health Authorities, we are delivering primary health care services that are essential, accessible, affordable and equitable. This requires a new level of infrastructure and support services. Let me give some examples.

Mr. Speaker, we have completed substantial improvement works at the San Fernando and Port of Spain General Hospitals. We have commenced design and pre-construction works on the new Point Fortin and Scarborough Hospitals.

We have already commissioned the Mayaro and Couva District Health Facilities, and seventeen similar facilities are either under construction or scheduled for construction in such communities as Cedros and Toco, and Success Village, Laventille. These district health facilities will bring care to the people in their communities, by providing services such as Accident and Emergency, X-Ray, Laboratory, Dental, specialist medical clinics, and physiotherapy.

We have refurbished 31 health centres throughout the country. We are building new centres at St Helena, San Rafael, Freeport, Claxton Bay, Williamsville and Tabaquite.

Mr. Speaker, new buildings are necessary, but not sufficient, to improve our health care. In addition to infrastructure, we have trained health care providers to staff these new facilities.

We are currently training District Nurses, District Health Visitors, Midwives, Scrub Technicians, Dental Surgery Assistants, and Dental Nurses to meet our growing needs.

We have successfully introduced a Post Graduate Diploma Programme in Primary Care and Family Medicine at the University of the West Indies (UWI), with a current enrollment of fifteen students and a second batch of twenty five to start in January, 2001.

In the last year, the intake of Nursing Students and Nursing Assistant Students amounted to 320 and 200 respectively. An additional 120 Nursing Students and 100 Nursing Assistant Trainees will be enrolled in November, 2000.

A new Certificate Programme in Advanced Nursing Education and Nursing Administration is due to commence in September, 2000 through the University of the West Indies.

Mr. Speaker, we put thirty new National Emergency Ambulances on the road, significantly improving response times. Mr. Speaker, we have cut the cost of medication for a number of chronic diseases such as glaucoma, diabetes, asthma and arthritis and reduced the cost of health care equipment to our physically challenged citizens.

We have considerably reduced the waiting list for cataract, prostate and urgent paediatric surgery. In the new year, we will continue to work towards the elimination of the backlog of these surgical procedures.

Mr. Speaker, we have an obligation to test any approaches that will improve health care for our people. Some countries have achieved major advances in health care and especially preventive care, through some form of national health insurance.

This Government will test this approach next year, with a pilot project. The idea is to cover all citizens and so allow them to choose the doctor they want, the hospital they want, the health care facility they want.

Those who are working will be required to make a contribution and the Government will pay the contribution on behalf of those who cannot afford to pay.

The results of this pilot project will help to determine how national health insurance can work here in Trinidad and Tobago. When those results are in, Mr. Speaker, we will have much more to talk about.

Mr. Speaker, our objective is to ensure that Health Care Services are brought as close as possible to the citizen, the family and community; and that such services are easily available, accessible and affordable.

FIGHTING POVERTY, PUTTING PEOPLE FIRST

Mr. Speaker, I have already quoted the United Nations Development Programme Reports, which ranked Trinidad and Tobago in the Top Five developing countries in the world, for the way we have and I quote "overcome severe levels of poverty." Unquote It has not been easy, Mr. Speaker.

One of the first measures this Government undertook in the fight against poverty was to increase Old Age Pension Five years ago, the Old Age Pension was only \$356 a month. The Old Age Pension had increased only once in the years from 1991 to 1995, and that increase amounted to \$41. Since 1995, we have increased the Old Age Pension not once, but three times. In 1997, we raised it from \$356 to \$420 a month. In 1998, we raised it to \$520. In 1999, we raised it to \$620.

In other words, Mr. Speaker, from 1995 to now, we have increased the Old Age Pension monthly payment by \$264. Yes, Mr. Speaker, our people are this nation's most important resource.

Our approach to fighting poverty is based on providing marketable skills to the individual, family and community, as a long-term strategy.

Across the entire country, we have developed community outreach programmes to alleviate poverty, and assist those in need. Our Community Centres host these programmes and are equipped with computers and staffed by community leaders with improved skills.

We have refurbished 53 Community Centres - and constructed new ones - throughout Trinidad and Tobago. Next year, we propose to construct additional centres at Navet, Woodland, Debe, Petit Valley, Freeport, Longdenville and La Lune.

At these centers over the last five years, hundreds of men and women have learned crafts and developed skills. As part of our community effort to assist children, we have begun to establish Homework Centres in some communities. There are now six of these where children receive free tuition, after school hours from qualified tutors and remedial teachers.

Through the "Adopt a Community" Programme, private sector companies are assisting some 20 communities across Tobago and Trinidad. New hope is alive in these communities. The corporate sponsors of these communities provide funding for a wide variety of projects.

We have also provided for individuals with special needs. In 1997 we introduced the Disability Assistance Grant which provides much needed financial assistance to approximately 2,000 persons with permanent disabilities and who are over 40 years of age.

This year we will complete construction of a remand home at Aripo that will assist in the rehabilitation of young offenders. A rehabilitation centre for those recovering from substance abuse is under construction at Piparo.

Mr. Speaker, this Government is committed to equal opportunity for women and men, and we have put in place a number of programmes to achieve this objective.

The Maternity Protection Act guarantees pay for maternity leave to female employees and protects women from losing their jobs because of pregnancy.

Mr. Speaker, domestic violence is a serious social problem. The Government has put in place comprehensive legislation to protect women, including the Domestic Violence Act of 1999. In addition, we established 19 safe-houses. And every new police station is better equipped to provide assistance to victims. Further, Police officers are being trained to provide more effective intervention in such situations.

We have conducted training sessions and workshops on domestic violence issues, and these have targeted both women and men.

Many single women find themselves raising families and in need of training geared towards finding work. The "Women's Second Chances" project, which began in 1999, provides training for employment.

Single mothers have been recipients of assistance through Family Grants. We realise that the only way to help their children is to help the mothers.

We have made grants and training available through the Micro-Enterprise Training and Development Programme, to persons in real need, to persons who receive public assistance, and to victims of domestic violence.

The whole idea here, Mr. Speaker, is to use Public Assistance to encourage enterprise.

We have come a long way, Mr. Speaker, to rank number five among developing countries in fighting poverty.

INFRASTRUCTURE

Mr. Speaker, we all remember the days when some people felt it was easier to win the lottery than to get water. Today, the taps are flowing and the infrastructure is expanding in Trinidad and Tobago.

Let me briefly give you a measure of the progress that we have made, and the challenges we still face. When this Government came to office five years ago, only 8% of our population could count on getting water all the time, that is, 24 hours a day, 7 days a week.

In December 1995, more than half of the country received water a mere two days a week. Since that time, we laid 400 kilometres of new and replacement mains that brought water to areas of our country that had never seen a dripping tap! We increased total water production by more than 100 million litres per day. We helped people with their water bills; more than 22,000 of them benefitted from discounted water costs through a hardship relief programme.

Five years ago, only 85,000 people in Trinidad and Tobago enjoyed pipe-borne water 24 hours a day. Today, that number has increased to 356,000. Today, 84% of our population is connected to pipe-borne water.

Mr. Speaker, more water is part of this Government's strategy to improve our total infrastructure in order to keep up with our growth.

Let us look at our roads and highways. Five years ago, traffic backed up at many points across the country, waiting for hours to cross one-lane bridges at Caroni and Valencia, for example. Today, Caroni and Valencia have new two-lane bridges, and we have built or upgraded 16 other bridges.

We brought simple solutions to everyday difficulties faced by all of us. We added a third lane on the Churchill-Roosevelt Highway between Uriah Butler and El Socorro, which especially helps those people living in the east who work in Port of Spain. We added the mini-interchange in the St. Ann's Roundabout, so you can go from the Lady Young Road to St. Ann's without having to drive around the Savannah.

We have added link roads at Macoya, between the Southern Main Road and the Churchill-Roosevelt Highway, and one linking Ciperó, Debe and Manahambre.

I could go on, Mr. Speaker, but the point is that upgrade of the nation's road network is an on-going challenge. We are adding major allocations in this Budget for maintenance work, because more building means more to maintain. In addition, we must also continue to improve rural access roads, even to the most remote – yes, some of the most beautiful - parts of our natural environment: in Tobago, in Toco, Grande Riviere, Manzanilla, and Mayaro.

We have introduced a dependable Rural Transport system that cuts commuting time and brings much needed relief to people from places like Blanchisseuse. And we have provided funding for more and new buses, to benefit public transport.

Mr. Speaker, I have mentioned our increased allocation for road maintenance, and we see the same need in our ports. A comprehensive plan for the re-development of the port at Port of Spain is already in place. The Port of Spain Harbour is being dredged to a depth of 12 metres to accommodate larger cargo vessels. The Port Authority is also upgrading its handling services and equipment such as its container facilities. In San Fernando, construction on the jetty has begun in anticipation of increasing trade links between Trinidad and eastern Venezuela.

Mr. Speaker, the global economy requires more and better connections with the world. Soon, the new Piarco terminal will be completed. Following this, the upgrade of the Crown Point Airport in Tobago will begin.

Mr. Speaker, we are connecting to the world and to each other. We have extended our modern infrastructure to include our mail service. TTPost, the privatized post office, serves 61% of the population with mail delivered to their doorsteps. There is guaranteed delivery within 24 hours in Port of Spain, and within 48 hours to the rest of the country.

Over the last five years, the Telecommunications Network has been expanded and modernized substantially. The proposed Telecommunications Act will ensure a more competitive environment. This will bring lower costs to customers, and greater access to a wider range of options and services, including cellular phones and the Internet. With competition, our telephone rates should decrease considerably. Farmers in Biche, and fishermen in Icados and Matelot and Charlotteville, will be connected, and on-line.

Mr. Speaker, Trinidad and Tobago now has approximately 25,000 Internet users, and that is expected to grow to 300,000 in the immediate future. In order to utilize E-commerce for business and trade, the Government has established a policy co-ordinating unit in the Ministry of Trade, Industry and Consumer Affairs.

The development of a Science & Technology Park in Wallerfield is part of our effort to make Trinidad and Tobago more competitive in the field of Information Services. Mr. Speaker, this is the kind of infrastructure we need for sustainable growth.

PROTECTING THE ENVIRONMENT

Mr. Speaker, from all I have said before, I have made the case to pursue economic growth. The challenge is to achieve economic growth while protecting our environment. Mr. Speaker, I cannot over-emphasise that each of us has a vital stake in conserving the environment.

We are proposing therefore to establish a Green Fund to encourage communities and organisations to undertake remediation, reforestation and beautification projects. This Fund will require a contribution from every company doing business in Trinidad and Tobago.

In instituting this measure, we thank our business partners in all sectors who have already made a mission statement out of their concern for the environment. We trust that their efforts will continue and grow, even as this administration advances this small but necessary initiative towards the greening of Trinidad and Tobago.

Our objective is to focus on the need to maintain a healthy balance between human needs and sustainable natural systems. To this end, the Green Fund will acknowledge and meet the environmental needs of our community.

It will be administered on behalf of citizens by a Board of Trustees representing the private sector, labour and communities. Government will be represented by the Environmental Management Authority.

The Board will be required to approve funding for environmental projects, especially those with high community input. We expect to inspire pride, responsibility, and awareness of the environment, as we instill principles of conservation.

The Green Fund will be complementary to the operations of the Ministry of the Environment which is actively engaged in the development of standards relating to water, air and noise pollution. The Ministry intends to introduce an Environmental Code and subsidiary legislation to give the force of law to monitor an appropriate balance between our economic needs and a sustainable environment.

AGRICULTURE

Mr. Speaker, increasing economic growth depends not only on a sustainable environment, but equally upon a viable agricultural sector. But the challenge of globalisation creates real problems for our agriculture. People leave the rural areas for what they see as greater opportunities in the cities, our food production declines, and the jobs that remain are not well paid.

At the same time, Mr. Speaker, we all know that our country must have a thriving agriculture sector. Our food depends upon it. Thousands of jobs depend upon it. And the quality of life for much of our country is in the balance.

Mr. Speaker, this Government pledged to bring our farmers with us as we go forward to compete in the global economy. Our programme has focused on

- * Providing incentives for production in key areas with great potential for export.
- * Building infrastructure to connect farmers with markets.
- * Increasing land tenure and the pride of ownership.
- * And linking agriculture to school nutrition and to high-growth sectors like tourism.

Let me give you the specifics, Mr. Speaker. In the current year, this Government has paid out \$26 million in

targetted agricultural incentives.

This support helps dairy farmers, fishermen, and rice farmers to expand production for export and for consumption here at home. This support injects new life into agricultural industries that are part of our tradition, such as cocoa, coffee and citrus.

These incentives mean new investment in land preparation, soil conservation and better equipment on our farms.

Mr. Speaker, better infrastructure is just as fundamental in agriculture as it is to the growth of our economy. Over the past five years, this Government has built or reconstructed 70 agricultural access roads and 113 rural roads. We have renovated all 14 fishing centres and added two new centres on the North and South coasts. We have built five new rural retail markets in communities such as Claxton Bay and Cunupia. We have renovated the two main wholesale markets at San Fernando and Port of Spain, and the latter is now open 24 hours a day. And we are raising our export and packing facilities to international standards.

Mr. Speaker, these efforts are paying off. Five years ago, the U.S. Department of Agriculture refused to allow Trinidad and Tobago produce into the United States. Our efforts over the past five years have been rewarded with full approval from the USDA.

Mr. Speaker, this Government encourages enterprise and ownership in every sector of our economy. In agriculture, this means expanding the productive use of state-owned lands. To this end, Government has issued 453 agricultural leases to farmers and will distribute another 4,300 hectares of state lands to farmers by December 2001.

Mr. Speaker, the challenge is to help our farmers and fisherman move from subsistence into a growing, exporting, thriving agribusiness sector. Our vision is to link agriculture to other sectors of the economy where growth and job creation are strong. For example, the expansion of the school nutrition programme included in this Budget should directly increase demand for our farm products.

In addition, NAMDEVCO is working with the Tourism and Industrial Development Company to establish linkages between our farmers and the growing numbers of hotels, guest houses, and cruise ships in Trinidad and Tobago. These linkages have the potential not only to invigorate our agricultural sectors, but also to create more jobs in tourism.

TOURISM

Mr. Speaker, regrettably we have missed many opportunities to develop this sector in the past. You see Mr. Speaker, even the developed countries are expanding their tourism sectors. Yet, here in Trinidad and Tobago, we have a major competitive advantage. Our Carnival is the best in the world. Our culture has invented new musical forms which have gained international recognition. Our sports produce some of the world's best in track, football, and cricket. And people come to see for themselves. This creates jobs.

Between 1991 and 1995, hardly any new hotels were built in Trinidad and Tobago. Mr. Speaker, over the past five years we have added 39 hotels with 1463 rooms to the Tourism Plant at a capital cost of \$1.2 billion. This created 2010 new jobs. The Tobago Hilton alone created 290 new jobs. Visitor arrivals have increased steadily to 360,000 in 1999. This is 40 percent higher than in 1995.

Mr. Speaker, we have taken several approaches to the development of tourism, with the major emphasis on our community-based tourism. This ensures that infrastructure, sites and attractions are spread throughout the country.

Let me give some indications of what we have done in this area. We have facilitated the development of Tourism

Action Communities in villages across the Northern Range, from Brasso Seco to Gran Riviere. We have provided training and skills development in micro-entrepreneurship, hospitality and tour guiding so as to promote tourism awareness and increase self-employment. Similar training and skills development have been provided to community groups in Carapichaima, Piparo and Las Cuevas.

We have upgraded tourism facilities at Devil's Woodyard and the La Brea Pitch Lake, and commissioned a Dive Chamber, in Tobago to enhance the fast-growing Diving Industry.

The Trinidad and Tobago Hospitality and Training Institute now provides graduates with the Associate Degree in Hotel Management as well as Certificates and Diplomas in a wide range of tourism related programmes. The University of the West Indies, at St Augustine, has entered into an Agreement with the Institute to offer a Bachelor's Degree in Tourism Management. Graduates with the Associate Degree can complete the final year at the University.

The new Tourism Development Act now extends fiscal incentives to a wider range of tourism projects and facilities.

CULTURE & SPORTS

Mr. Speaker, we should extend this same kind of fiscal incentive to our cultural and sport activities. We have to appreciate our arts, and support our sports. Our ability to share the diverse traditions of all our people makes us strong. What we take for granted in our cosmopolitan society are also the main attractions for visitors.

We have pan. We have tassa. We have calypso. We have chutney. And we have carnival. These are unique expressions of "harmony in diversity" in all our arts.

In 1998 we launched both the National Steel Orchestra and the Gandhi Institute of Culture, located at Mount Hope. We have established the National Cultural Council, an umbrella body for cultural organisations.

Mr. Speaker, our unique culture, if developed wisely, opens windows of opportunities for export business, entertainment, tourism and more new jobs. The same is true for sports. This Government is building four new stadia for the Under-17 World Youth Football Championships to be held in April of next year. After hosting these international games, the Stadia will serve 258 primary schools and 57 secondary schools throughout Trinidad and Tobago.

TOBAGO

Mr. Speaker, one of these Stadia is on the way in Tobago. So, at this time I wish to make specific reference to Tobago. This Government is committed to continue the development of Tobago using its special strengths and characteristics.

Mr. Speaker, let me begin by addressing an issue of immediate concern, that is the Ferry Service between Trinidad and Tobago. Cabinet has decided to have a new ferry added to the service no later than the end of October.

This new ferry will replace the Panorama while that vessel is in dry dock, and will remain in the service even after the Panorama comes back. In this way we will double our ferry capacity.

You will note, Mr. Speaker, that this year, we have allocated 100 million dollars under the Public Sector Investment Programme to the Tobago House of Assembly. This amounts to 10 percent of the total, up from 5% in the previous year..

For recurrent expenses, we have increased the Tobago allocation to \$375 million, or 18.7% more than the previous year. In the next year we intend to start projects in Tobago such as the Scarborough Hospital, and the

13-kilometre road linking L'Anse Fourmi and Charlotteville on the northeast coast. This road did not meet the grant requirements of the European donor countries, but nonetheless this Government together with the Tobago House of Assembly decided to make it a priority.

Primary schools scheduled to be built in Tobago include the Scarborough Methodist, Delaford RC, Buccoo Government, Castara Government, and Ebenezer Methodist.

In addition to the secondary schools already included in the Secondary Education Plan, the Mason Hall Government School will be built. Tenders are now being evaluated for building the National Skills Development Centre at Roxborough. Another major project, Mr. Speaker, which I have already mentioned is the construction of the Scarborough Hospital.

The Tobago water project at a cost of \$20 million has already increased Tobago's water supply by more than one million gallons per day, and has come in well under the widely publicized estimates of \$650 million in some quarters.

The new stadium at Bacolet will be completed in time for the Under 17 World Football Championship next April at an estimated cost of \$86 million. This will be a modern 10,000-seat facility with athletic track, electronic scoreboard and timing system as well as conference rooms and offices.

Mr. Speaker, Tobago has been at the forefront of our country's expansion of jobs in tourism. In the past five years, we have seen several new initiatives in expanding accommodation and services for visitors.

The "villas" sector has taken off: Tobago now has over 70 exclusive villas, with two or three bedrooms each, catering to longer stays. And the guest-house sector on Tobago is also growing rapidly.

The Tobago Plantations resort has opened with the 200-room hotel - Hilton Tobago. Let me remind you Mr. Speaker, that Government has invested and owns 49% of the equity in the Tobago Hilton. The resort includes 74 luxury condominiums, 57 more villas; and an 18-hole golf course.

This development will continue with the addition of a Marina and Yacht Club, a Bird Sanctuary, additional condominiums and villas, and a Resort Village with shopping and entertainment centre. When this project is completed, it is expected to employ nearly 1000 persons. This is further incentive for us to continue to train our citizens in every discipline of the hospitality industry to meet the growing employment needs.

EDUCATION

Speaking of training Mr. Speaker, education is the top priority of this Government. Five years ago, Mr. Speaker, the old educational system was sending thousands of children from primary school into the streets instead of to secondary schools. Thousands of our young people, almost a whole generation, found no place in the secondary schools, and unfortunately, some of them found themselves on the wrong side of the law.

Mr. Speaker, you and I both know that education can turn this around, by giving our children tools to compete. We know it is the best defence against drugs and crime, and a chance to turn their dreams into reality. Some of our children got that opportunity, and seized it. But far too many were left behind.

Mr. Speaker, this has to be a long-term process. Just like the decline that led to crime took decades, so will the rise back to responsibility. This Government has taken responsibility for education, Mr. Speaker. In fact, our critics want us to slow down. They claim we are moving too fast, acting in haste, without enough planning.

But we cannot slow down if that means leaving a single child behind. We cannot slow down if that means keeping children out of school and on the streets.

Let us review the progress across the board, Mr. Speaker, from pre-school to primary, from secondary to higher

education. Our focus on education starts with the youngest child. Scientific studies confirm that pre-school education improves our children's long-term school performance and curb anti-social behavior and delinquency. This is an investment with large returns.

Mr. Speaker, our goal is to make pre-school education available to all in the next five years. And we have real progress to report as we move toward that goal. We have built 18 new Early Childhood Care and Education Centres, in communities across our country, such as Esperanza and Carnbee.

We have upgraded another 22 Centres, and plan to build 10 more next year. This kind of investment in infrastructure will continue until all of our youngest children have a place in pre-school.

We are also moving forward on primary schools. We are reducing the class sizes from 30 students per teacher, to 24. This way, each student receives more attention and each teacher spends more time teaching. Therefore, we must hire and train more teachers, and build more classrooms.

In the last five years, we have built 27 new primary schools. Seven more are under construction in communities like Santa Rosa and Fifth Company. In the next year, we will begin construction of seven more primary schools, in Caratal, Maloney East, Iere, Nelson Street, Port of Spain, Couva South, San Fernando and Scarborough.

Mr. Speaker, we will ensure that every primary-age child has a place in school.

Because there were not enough secondary school places, Mr. Speaker, you will remember the old system that put these children on shifts. Under this system our children had to be hustling for transportation after dark. We are changing that system.

Mr. Speaker, we cannot leave our children to roam the streets just because we cannot find a place in secondary school for them. We are determined, therefore, that every child must have a place. Mr. Speaker, we really have come too far to turn back now.

The builders are putting the final touches on ten new secondary schools for the new school year. Later this year, construction will begin on another ten secondary schools: at Charlieville, Diego Martin, Guayaguayare, La Brea, La Romain, Palo Seco, Preysal, Rio Claro, Charlotteville and St. Patrick in Tobago. These will be ready by September 2001.

Classrooms and infrastructure are fundamental, but our schools require much more. We have standardised textbooks in primary schools in order to reduce the costs to parents. We have also provided textbooks to over 53,000 children through school-based book loan scheme. We expanded the school transportation system by providing 12,671 seats per day on routes to fifty schools.

We expanded the School Feeding Programme to 80,000 students. We are providing lunches five days a week in the primary schools and three days a week in secondary schools. Furthermore, we have established a pilot program serving school breakfasts to 1,000 students. In the next year, we are expanding the programme to provide meals five days a week in all secondary schools.

Our goal is straightforward: No child should be left behind. For the next five years, we have to extend this vision to higher education as well.

Mr. Speaker, all of us in our Nation noted with dismay the United Nations' finding that as of 1996, Trinidad and Tobago's post-secondary enrollment rate was the lowest in the Latin American and Caribbean Region. This has to be a very startling statistic.

But we all know why. If we don't get our children in pre-school, in primary school, and in secondary school,

chances are, they won't see university. We also have to address higher education directly with a variety of approaches that expand opportunity for university and technical or skills training.

Mr. Speaker, this Government has launched The Trinidad and Tobago Institute of Technology. We also established the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT). We are expanding distance learning. This Government has built nine distance learning centres to teach computer literacy and to provide international higher education opportunities. The newest Centre, at Mayaro, just opened two weeks ago. Four more are in the pipeline, at Brazil, Carenage, Barrackpore, and Laventille.

We are operating ten National Energy Skills Centres, in partnership with firms in the energy sector, to serve communities across this country, such as Point Fortin, Tunapuna, and Debe. One at Arima is scheduled for 2001. We are also making post-secondary education more affordable.

This Government proposes to expand the Student Revolving Loan Fund and the Student Loan Guarantee Facility to include all local post-secondary educational institutions accredited by the relevant Ministry.

ENCOURAGING ENTERPRISE AND SMALL BUSINESS

Mr. Speaker, all of this is necessary to prepare our young people for the world of work. As we initiate more community education opportunities specially for young people, we recognise the contribution of non-profit and charitable private institutions. These groups have been providing free vocational and developmental programmes. We intend to complement them with additional skills programmes.

For example, our District Youth Micro Enterprise project helps to develop skills and obtain the resources which young people need to become successful entrepreneurs. Small business management courses are regularly held in North and South Trinidad, exposing persons in the 17-25 age group to business techniques. We also support Workshops for Tourism and Hospitality in which some 1,100 persons have participated to date.

We continue to support national youth bodies and youth groups with technical and financial grants; and to refurbish centres offering sporting and other facilities.

In this regard, I would like to make special mention of the Community Development Fund (CDF). The CDF plays a vital part in our strategy to alleviate poverty through the funds provided for community-based projects and the creation of employment opportunities. For example, through the National Commission for Self Help, \$23 million was used to finance more than 1,500 projects. Eighty more projects amounting to over \$8 million were funded through NGOs. In total, these efforts benefited approximately 7,000 persons across the country.

Let me describe what this means. One of the groups helped by CDF is the Kernahan-Cascadoux Village Council. Kernahan as you know is near the east coast. CDF provided materials, stock and seeds for an integrated farming project. About 60 families in the area are engaged in establishing ponds for cascadura and ducks, and short term crops like bodi, watermelon and rice.

The Perseverance Village Youth Group has founded the Golden Crust Bakery. They have trained 40 young persons between the ages of 14 and 25 in bakery skills. Recently they started making profits.

In Tobago, the Police Youth Club in Roxborough completed a project in fruit processing and baking. Some of the new projects scheduled for funding include a Reforestation project by the Fondes Amandes Community to plant trees to conserve the St. Ann's watershed, and perhaps reduce flooding in the valley.

The CDF continues to fund community organisations that provide social services, but it pleases me to advise this Honourable House that small business co-operatives are accessing a growing part of the Fund.

Mr. Speaker, as soon as the small entrepreneur is ready to start business, further assistance can be accessed through the Micro Credit Programme and Small Business Development Company.

Mr. Speaker, of the 4,310 registered small businesses, the Small Business Development Company is guaranteeing loans for more than 2,500. The SBDC also provides training and marketing initiatives and multiple opportunities for e-commerce, which offers access to global markets no matter how small the company. In addition, the SBDC through its lease financing company provides another financing option for the acquisition of machinery and equipment.

We are proud to report that the small business sector has been growing at a tremendous rate, and accounts for many of 60,000 new jobs in the last five years.

THE OUTLOOK FOR OUR ECONOMY

Mr. Speaker, now we have reached the point in this Budget presentation to move to the future. Finance Ministers in the global economy today rarely have the opportunity to present economic forecasts as positive as those I am about to announce.

Let me sum it up this way Mr. Speaker. If we stick to our principles and pursue the strategies that have brought us to this point, the people of Trinidad and Tobago can expect:

- * Growth rates that average 5% every year from 2001 to 2005.

- * Inflation under 3%.

- * Unemployment averaging 10%.

- * Foreign currency reserves that double again.

- * And another 60,000 new jobs.

How can I be so sure, Mr. Speaker? One reason for my confidence is that these numbers are the forecasts that the Central Bank and the Ministry of Finance, Planning and Development developed together with the International Monetary Fund, documented in the March Report of the IMF Consultation this year.

The second reason for my confidence, Mr. Speaker, is that Trinidad and Tobago has already demonstrated an economic performance exactly like these forecasts. These numbers, as positive as they are, follow the pattern of the last five years. In fact, in many ways, they are more conservative than the experience of the last five years would suggest.

Here are the specifics, Mr. Speaker, starting with growth. During the 1991 to 1995 period, before this Government came into office, Trinidad and Tobago's economic growth averaged only 1.4% per year, with two years of actual decline.

During the 1996 to 2000 period, we achieved an average growth rate of 5.5% per year.

For the 2001 to 2005 period, we forecast an average growth rate of 5%.

Mr. Speaker, as for inflation, during the 1991 to 1995 period, Trinidad and Tobago experienced inflation that averaged 6.6% per year. For the 1996 to 2000 period, we achieved much lower inflation rates, averaging only 3.9% per year. For the 2001 to 2005 period, we forecast that inflation will average under 3% per year.

The projections on jobs and unemployment are equally encouraging. For the 1991 to 1995 period, before this

Government came into office, Trinidad and Tobago struggled with an unemployment rate that averaged almost 19%.

For the 1996 to 2000 period, we brought down the unemployment rate to an average of 14%, with the rate moving closer to 12.5% this year.

For the 2001 to 2005 period, the forecasts show the unemployment rate dropping to an average of 10%.

Again, Mr. Speaker, this is not just an abstract number. As a measure of people working, this dramatic improvement means that the people of Trinidad and Tobago can expect another 60,000 new jobs over the next five years.

Our strong economic performance means that our foreign currency reserves will add over one billion U.S. dollars to what we already have.

Mr. Speaker, our country is the envy of the world because of our economic performance these past five years. For the next five years, Trinidad and Tobago's future remains bright.

One reason why, Mr. Speaker, is that we are saving for a rainy day. Oil prices this year have been at levels higher than the US\$16 per barrel projected in last year's Budget Statement. Higher oil prices have produced approximately six hundred million Trinidad and Tobago dollars more in revenue than projected in last year's Budget estimates. We were deliberately conservative in that projection, because, as everyone here will remember, oil prices only two years ago dropped to nine US dollars per barrel.

This Government committed last year to put away the revenues above the budgeted levels in a dedicated Revenue Stabilization Fund, so that we would cushion our country against the inevitable volatility in oil prices. We all remember when oil prices crashed in the 1980s and the difficult adjustments we had to undergo as a result.

Mr. Speaker, this Government keeps its commitments, even if they mean taking tough decisions. This Government has put \$415 million into the Revenue Stabilization Fund.

You will remember, Mr. Speaker, last August, Government established the National Enterprises Limited as the holding company for Government's shareholding in certain profitable state enterprises.

Government intended to sell a part of its shares to the people. Through this mechanism the public and especially the employees of the enterprises concerned could participate in ownership and build assets.

Mr. Speaker, this meant that during the course of the year we would divest about 30% of the Government's shareholding in NEL, which would yield about \$720 million in revenue. We have had some setbacks but our plans are now fairly well advanced and this divestment will now take place in October, after the end of this fiscal year.

Since the revenues from this divestment will not be available in the current fiscal year, a deficit of \$280 million will result. But our fiscal position, Mr. Speaker, will only become stronger in the next five years, if we stay the course.

And over the next five years, our estimates show steadily increasing surpluses to about one per cent of Gross Domestic Product in 2005.

Mr. Speaker, now you have heard

* the state of our economy,

* the range of our achievements over these past five years, and

* a future we can embrace with confidence if we stay on course.

Before I introduce the Measures, Mr. Speaker, I would like to summarize where we stand, and what we can achieve, by working together.

Over the past five years, the people of Trinidad and Tobago have invested:

- Five point nine billion dollars for better education.
- Four point eight billion dollars for better law enforcement and security.
- Three point five billion dollars for better health.
- Two point nine billion dollars for better social services and community development.

Even after meeting all these obligations, we have put away four hundred and fifteen million dollars in the revenue stabilisation fund. And we have doubled our reserves. What this means, Mr. Speaker, is that we are better off. We are far, far better off than we were five years ago.

Mr. Speaker, if we work together we can achieve more. We can make sure, by 2005, that every graduate of a secondary school in Trinidad and Tobago has a chance to go higher. We can make sure that every citizen of our country has national health insurance and the freedom to choose a doctor and a hospital.

We can make sure that every citizen of Trinidad and Tobago has Internet access. We can make sure that agriculture is promoted with the same kind of incentives and tax-free interest on bank loans that have worked so well in tourism.

We can make sure, by 2005, that our streets and homes are considerably safer.

Together, we can make sure we have more jobs, better education and more caring.

Mr. Speaker, the people of Trinidad and Tobago have come too far to turn back now.

SUSTAINING ECONOMIC GROWTH IN TRINIDAD AND TOBAGO

Mr. Speaker, at this time I would like to put before this Honourable House some of the specific Measures of this Budget.

1. Agriculture Disaster Relief Fund

Let me begin with Agriculture. Mr. Speaker, our farmers are vulnerable to natural disasters that are beyond their control. The Agriculture Disaster Relief Fund is designed to ease the plight of these farmers. This year, the Government authorised the payment of \$3.8 million for farmers who had been affected by floods, even before the Fund itself is in place.

We have already started the process to register all our farmers with the Ministry of Agriculture, Land and Marine Resources.

Mr. Speaker, let me assure this Honourable House that farmers will be required to make a nominal contribution in order to qualify for benefits under this Fund. I would like to encourage all farmers to register and to make their contributions. I propose to start the Fund with an allocation of \$5 million.

2. Health Care Equipment

Mr. Speaker, in my 1998/1999 Budget presentation I removed both Customs Duty and VAT from a number of items of health care equipment in an effort to alleviate the hardships faced by our physically challenged citizens. I propose to add wheelchairs and prescription spectacles, including contact lenses to this list. So that, effective immediately, wheelchairs and prescription spectacles and contact lenses will be exempt from both customs duty and VAT.

3. Approved Mortgages

In order to facilitate the acquisition of housing accommodation by first-time homeowners, I propose to increase the ceiling on loans under the approved mortgage-lending programme from \$300,000 to \$350,000 with effect from January 1, 2001.

Accordingly, I propose that the Stamp Duty exemption be increased to the new level of \$350,000.

4. The Green Fund

Mr. Speaker, as I have said before, protecting our environment is not an option; indeed, our future depends upon it. Therefore, I propose to establish a Green Fund to provide resources for communities, and Non-governmental Organisations throughout the country to carry out their own environmental projects. I wish to underscore that the introduction of this Fund does not relieve companies of their legal responsibility for the environment.

This Fund will be financed through the introduction of a Levy of zero point one percent (0.1%) on Gross Sales or Receipts of a company doing business in Trinidad and Tobago. I especially wish to encourage community-based organisations to access the Fund to beautify, preserve and conserve their environment. The Green Fund will be established from income year 2001.

5. Support for Art, Culture and Sports

Mr. Speaker, our nation is gifted in the diversity of cultural expression and the arts generally. Our sporting talents are no secret either. We need to make a more concerted effort to assist them. There is also a need to create a greater awareness and demand for our cultural art-forms.

In order to stimulate a market for this, Government is providing an incentive to companies. This incentive is designed to encourage expenditure for the promotion of local art, local performing groups, artists, sportsmen and sporting events.

We want to promote greater appreciation of the work of local artists like Leroi Clarke, Pat Bishop, Carlisle Chang, Shastri Maharaj and emerging artists like Andy Jacob. We also want to encourage athletes to emulate Brian Lara, Dwight Yorke, and Ato Boldon.

Therefore, I propose a Tax Allowance of 150% of the expenditure incurred, up to a maximum of \$300,000 for companies promoting the arts, culture and sports. This measure will take effect from January 1, 2001.

6. School to Work Apprenticeship Programme

This Government believes that we need to help our young people move smoothly from school to the world of work. We need the support and co-operation of the private sector in this initiative.

In order to broker a partnership between the private sector and our young people, I propose to introduce a separate Apprenticeship Allowance designed to encourage more companies to hire secondary and post-secondary students between the ages of 16 and 24, for short-term apprenticeship programmes. This programme is intended to provide these apprentices with relevant experience and exposure to the world of work.

Companies will be eligible for an allowance of 200% for all remuneration paid under such a programme, up to a

maximum of 5% of the company's total wages and salaries bill for any one year. The Apprenticeship programme must be registered with the appropriate training authority and the expenditure certified by the company's auditors.

The period of the apprenticeship will be limited to a maximum of 6 months per apprentice. This measure will take effect from January 1, 2001.

7. Internet Access

Mr. Speaker, today the Internet is the ultimate information source and communications tool. Beginning in the new school year, Government will provide free internet access to all schools and libraries with computers; and eventually to community centres and all public education institutions.

This initiative will ensure that every child, and as far as possible every citizen, has access to computers and the Net. Mr. Speaker, this is another step for Trinidad and Tobago into the world of e-business, e-commerce and eventually e-government. I propose to provide \$10 million to fund this initiative.

8. Senior Citizens

Mr. Speaker, one reason our country has done so well over the last five years is that we have taken care of our senior citizens. I propose, once again, to increase Old Age Pension, for the fourth time in five years. This budget provides an increase from its current level of \$620 per month to \$720 per month. I know that this extra \$100 per month will not eliminate all the worries of our senior citizens. But it gives them more security than they had before.

In effect, Mr. Speaker, this increase will achieve our goal of doubling the Old Age Pension from its level five years ago. In addition, I propose to raise the annual qualifying income ceiling for Old Age Pension from \$7,440 to \$8,640.

Mr. Speaker, 70,000 of our senior citizens will benefit from this increase. These measures will take effect from October 1st, 2000 and will cost an additional \$82 million.

9. Family Assistance

We believe, Mr. Speaker, that taking care of our families is not a matter of choice. As I have said before to abandon our children is to abandon our future.

Mr. Speaker, we propose to increase public assistance benefits. An individual will now receive \$222 a month. Benefits to a two-person household will now amount to \$428 a month. A three-person household will receive \$625 per month and a four-person household will receive \$720 per month. A single mother and child will now receive \$428 per month.

Furthermore, we propose to introduce a training allowance targetted at single mothers receiving public assistance. In addition to any public assistance they may already be receiving, single mothers will receive a grant of \$100 for every month that they are in training up to a maximum period of six months.

Mr. Speaker, I propose to provide an increase of 52 million dollars to fund these benefits. This Measure takes effect from October 1, 2000.

10. Retired Public Servants

Mr. Speaker, last year this Government took up the plight of retired public servants. Before that their pension levels had not been increased for 14 years. Last year we increased the basic monthly pension by \$75 at the higher income level and by \$250 at the lower level.

For those retired public servants who receive pensions less than \$2,500 per month, I propose a further increase of \$150 per month. Mr. Speaker, that's \$400 within two years. This measure will benefit more than 15,000 retirees. I propose to allocate \$25 million for this measure, which will take effect from October 1, 2000.

11. Concession for Penalty and Interest

Mr. Speaker, even as we reform and simplify the tax system, we must address the problem of defaulters. We need to bring them back into the system. I propose to purge the system and provide a one-off opportunity to defaulting taxpayers to bring their status up to date in the shortest time.

I, therefore, offer with immediate effect, a one time Concession to all Taxpayers who have not filed their tax returns or have not paid their taxes. All taxpayers with liabilities in respect of Income Tax, Corporation Tax, Business Levy and VAT due on or before December 31, 1999 and which are still outstanding, will benefit from this Concession.

The Concession is the waiver of penalty and interest on the amounts due and the waiver of the penalty for late filing of returns. The principal amounts must be paid and the outstanding returns must be filed before April 30, 2001 for Taxpayers to benefit from this Concession.

To reinforce this measure and to promote compliance, I propose to increase the interest on arrears to 20 percent upon the expiration of this Concession. This Measure will allow the Board of Inland Revenue to proceed with a clean slate.

12. Small Business

Mr. Speaker, we expect the small business sector to play an increasing role in creating employment opportunities, and thus provide a more equitable distribution of the national wealth. To further support small business, therefore, I propose to increase the tax credit for approved Small Business Companies from 15 percent to 25 percent of the chargeable profits of such companies.

Mr. Speaker, the effective tax rate for Approved Small Business Companies will be only 10 percent. This measure will take effect from January 1, 2001.

13. Filing of Tax Returns

Mr. Speaker, in 1998, we made it optional for individuals earning less than \$50,000 from salaried income only to file an income tax return. This measure was designed to ease the burden on the taxpayer as well as allow the Board of Inland Revenue to devote more resources to its compliance and enforcement efforts.

I propose to extend this option with effect from income year 2001 to all individuals earning salaried income only, regardless of the amount of income. In essence, all individuals earning salaried income only will not be required to file an income tax return with the Board of Inland Revenue.

It will be the responsibility of the employers to ensure that all appropriate deductions are made at source. Since the onus will be on employers, they must ensure that proper deductions are made and paid to the Board of Inland Revenue in order to avoid penalties.

This measure will allow the Board of Inland Revenue to concentrate on its compliance and collections capabilities. For instance, by February 28, 2001 the Board of Inland Revenue will be able to accept TD4 Certificates electronically and reconcile payments automatically.

14. Business Levy

Since assuming office, this Government has reduced the Business levy from 0.5 percent to 0.25 percent. I

propose that the Business Levy be reduced further to 0.2 percent with effect from the year of income 2001. The revenue foregone from this measure is estimated at \$16 Million.

15. Tax on Interest Income

In order to strengthen the domestic savings effort, and to fuel growth and development of our new economy, I propose to reduce the tax on interest income from its current level of 10 percent to 5 percent with effect from the year of income 2001. This measure will cost the Treasury an estimated \$48 million in foregone revenue.

16. Basic Personal Tax Allowance

Mr. Speaker, over the last five years Government has taken a number of steps to simplify the tax system, and at the same time, reduce taxes.

Mr. Speaker, over the past five years this Government increased the personal allowance for individuals from \$12,000 to \$20,000. I propose to increase this even further to \$25,000.

Mr. Speaker, to give even more assistance to our citizens, 60 years and over, I propose also to increase their personal allowance from \$20,000 to \$30,000. The revenue foregone from these measures is estimated at \$55 million. These measures will take effect from the year of income 2001.

FISCAL OPERATIONS 2001

Mr. Speaker, now that we have outlined the Measures, let me speak briefly on our fiscal operations.

Mr. Speaker, in preparing this budget, I have assumed an oil price of twenty-two U.S. dollars per barrel. Our projected revenue from all sources is thirteen billion, six hundred and thirty-one million dollars. Based on those projected revenues, I proposed to spend thirteen billion, four hundred and forty-eight million dollars. I have therefore allocated:

- Two billion, one hundred and eleven million dollars, for better quality education
- One billion, two hundred and seventy-two million dollars for better law enforcement and security
- One billion and fifty six million dollars for better health care
- Nine hundred and thirty-five million dollars for better social services and community development.

After meeting all our projected expenditures, we will generate a surplus of one hundred and eighty-two million dollars.

Mr. Speaker, as I have said before, this Budget is about Building Trinidad and Tobago For a Better Future:

- More jobs
- Better education
- More caring

Mr. Speaker, you know what I am going to say: The people of Trinidad and Tobago have come too far to turn back now. Mr. Speaker, I beg to move.

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