

**Statement by the Minister of Finance Honourable  
Karen Nunez-Tesheira  
at the Signing Ceremony for Caroni(1975) Ltd. Pensions Plan.**

Senator the Honourable Dr. Lenny Saith Minister in the Office of the Prime Minister;

Mr. Jerry Hospedales, Chairman, Caroni (1975) Ltd.;

Dr. Euric Bobb, Chairman, Colonial Life Insurance Company (Trinidad) Ltd;

Mr. Charles Mouttet, General Republic Bank Ltd.;

Mr. Deosaran Jagroo, Chief Executive Officer, Caroni (1975) Ltd.;

Mr. Deryck Murray, Vice-President, Employee Benefits, Guardian Life of the Caribbean

Other Specially Invited Guests;

Ladies and Gentlemen;

Members of the Media

Thank you very much Ms. Foster.

This signing ceremony for Caroni (1975) Ltd. Pension Plans is a truly signal event representing as it does not only the culmination of an era that has shaped the cultural, social and economic landscape of Trinidad and Tobago, but it also marks in more ways than one, the transition to a future laden with opportunity.

These new pension arrangements will bring considerable security and comfort to the lives of a significant number of former Caroni workers. It is only fair that this should be so – their contributions over time have helped to make Trinidad and Tobago the special country that it is today.

The closing of Caroni came after almost **three (3)** decades of operations without ever having generated a profit in the process. In the period **1975 - 2002** total financial support amounted to **\$4.755 billion**.

THE VSEP PROGRAMME, which was by any standard quite generous amounted to **\$2,583.317million** and included provision for training, payment of pensions including funding the deficit of the company's pension plan, development of 30 residential estates, 17 agricultural estates and the exit cost of farmers from the industry.

Additional costs relating to meeting outstanding financial liabilities, including legal fess, consultancy services and the assumption of outstanding loans of the company by Government amount to \$6.6 Million.

This caring Government has been resolute in pursuing this and other accompanying initiatives that have also changed the lives of former cane farmers

Today, due in no small measure to Government's insistence on making education and training part of the programme for the closure of Caroni (1975) Ltd. Former Caroni workers played a crucial role in the National Gas Company Cross Country 56" pipeline which at peaks employed over 200 of these workers in welding the pipeline from Guyaguayare to Point Lisas and many became involved in their own businesses.

Even as we speak, Government is undertaking the development of **22,012** infrastructure-ready residential service lots on **38** estates on a phased basis. Government is taking an intensively facilitative role in ensuring that the small farmers project operates at full potential

These pension arrangements are however, but a part of the wider CARONI story.

The CARONI experience goes way beyond these efforts to secure positive changes in the personal lives of its former employees – it is

also, in part, a story of a nation taking its place in a global economy where confidence made the difference between success and failure.

The reform of Caroni has been instrumental in helping to make Trinidad and Tobago into a strong, resilient and confident economy capable of forging a high quality of life for all of its citizens.

Trinidad and Tobago remains one of a handful of countries in the western hemisphere that is still expected to record positive GDP growth for 2009. Trinidad and Tobago has, to date, avoided the recessionary conditions that affected so many economies.

Looking forward and notwithstanding the downside risks that persist in many areas, Trinidad and Tobago's growth outlook for 2010 is quite encouraging and assuming that the global economic situation stabilizes, will set the stage for furthering our aspirations to become a fully developed country by 2020.

Trinidad and Tobago has posted relatively large fiscal surpluses over the past six years and while we expect a modest fiscal deficit for the 2008-2009 period of 1.7 percent of GDP, this is also an exemplary

result in the context of the economic conditions that engulf the global economy towards the end of last year.

We are here today because of the collective efforts of a number of parties including Caroni (1975) Ltd, the Trustees for the pension plans, the actuaries, the service providers - CLICO and Guardian Life, the Attorneys, the National Strategic Management Group of the Office of the Prime Minister, the Office of the Attorney General and the Ministry of Finance.

When, earlier this year, the Central Bank drew the situation at CLICO to the attention of the Ministry of Finance it was immediately clear that there was little option but for the Government to step in to provide liquidity support for the institution. By virtue of its extensive linkages throughout the domestic financial system, allowing the company to "fail" would have imperiled our entire financial system. CLICO posed a very real and substantial systemic risk.

With the security and safety of the resources of pensioners and other investors in mind Government acted decisively to forestall any possibility of losses to these groups. In so doing, Government has effectively become a creditor to CLICO providing it with the liquidity to transition to the renewed and vital organization it can be in the financial landscape of Trinidad and Tobago.

That CLICO is an integral part of these arrangements attests to Government's confidence that CLICO can provide the highest level of service delivery to the satisfaction of its customers. Moreover, the Government as a demanding customer is certain that CLICO with its new business model will continue to grow from strength to strength.

Even as Government seeks to ensure that the taxpayer dollars which are being used to provide the required liquidity for CLICO results in a viable and sustainable enterprise, Government is not in the business of running the daily operations of the Company.

Government has put a very competent and capable Board of Directors to set the policy directions of the company going forward.

That being said, Government does, however, expect to play a critical role in ensuring that effective oversight is in place.

Our focus will continue to be on protecting the hard earned pension of our people as the consistent, compassionate and caring government that we are.

Ladies and Gentlemen: I Thank You

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