

**REMARKS BY:**  
**THE HONOURABLE WINSTON DOOKERAN**  
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**ON**  
  
***“THE SEARCH FOR A NEW FRONTIER ECONOMY”***  
  
**AT**  
  
***ENERGY CHAMBER CONFERENCE***  
  
***HYATT REGENCY TRINIDAD***

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Your Conference theme and timing is most appropriate for Trinidad and Tobago today. This is so as we come to grips with the global imbalances facing the world economy and as we embark upon new frontier industrialisation policies for Trinidad and Tobago. I believe it is the Chief Executive Officer of the Brazilian Company, Petrobras, Jose Gabrielli De Ascevedo who explained his country’s challenge “to direct international investment in association with local Brazilian companies to increase local content and in so doing to embrace large swaths of Brazilian industry”. This initiative has established Brazil as, perhaps the first sustainable bio fuels economy. Indeed, it is an expression of the new frontier industrial policies now required in today’s global economy where new global imbalances are emerging.

The global imbalances of which I speak are reflected on three fronts:

- in the simmering foreign exchange currency wars visibly noticed in the current “on and off” tension between the United States of America and China , realignment of currencies in the world

- the re-emergence of new food crisis resulting from the growing gap between supply and demand and this is transmitted to countries of the world , especially those which are heavily dependent on the importation of food or the raw material needed for the production of such food; and
- the continued ripples in oil and gas prices- as the duo-politics of the world energy sector shifts to changes in technology... The imbalances of which I speak, would indicate clearly what are some of the challenges facing countries like ours.

The new fire storm in Egypt must indeed be occupying the minds of world leaders of countries trading in oil and gas as we do here, in Trinidad and Tobago. These global imbalances are indeed a reflection of the changing political order and small countries like ours must be prepared to anticipate and, as far as possible, develop policy actions to protect our economy and the well-being of our people.

Let me start this dialogue with a very penetrating question and giving you a provocative answer.

***What is holding back growth and development in the Caribbean?*** This is the question asked by a Caribbean scholar, Avinash Persaud.

Professor Persaud, in a chapter in a forthcoming publication: **“Power, Politics and Performance”** answered the question himself. He argues that the Anti-growth coalition, so deeply embedded in the socio-economic and political culture in the small states of the Caribbean must be ‘broken’, before any growth and development can take place. Reflect on the term “anti-growth coalition” – that is embedded in today’s society must be broken before any growth and development can take place. The challenge therefore, for policy-makers, development takers, practitioners and those engaged in the field of economic change is **How do we break the Anti-growth coalition?**

In a practical sense I, as Minister of Finance have at great odds been striving to restore the national balance sheet of Trinidad and Tobago as a basis and precondition for igniting growth in our economy. Yes, there are challenges, the \$13 billion CLICO settlement, the vexing problem of public sector wage

negotiations and the meeting of bills in the construction sector. These are the clouds to be cleared before we can see blue skies again. Ahead of us is the rising food price inflation now being further fuelled by the world food crisis but, uppermost in our mind is, indeed how to trigger a new growth momentum in the economy of Trinidad and Tobago.

We are fortunate that our efforts have begun to be acknowledged first by the full restoration of our sovereign A<sup>-</sup> credit rating by a major rating agency Standard and Poors (which, incidentally, recently down-graded Japan's sovereign debt) and changed our economic outlook from a "negative downside" risk to being "stable". This view was echoed in the International Monetary Fund's recent Board Meeting where the economic outlook while recognizing the weakening economic situation saw the economic outlook for Trinidad and Tobago as positive. This is what it says:

*"Directors supported the 2010/11 budget, which is appropriately geared toward reinvigorating the economy, and encouraged the authorities to accelerate its implementation. They agreed that once the economic recovery is well established, fiscal policy should aim towards reducing public debt and rebuilding buffers in the medium term. This objective could be achieved by reversing the large increases in current expenditures that occurred during the boom years, while ensuring adequate social spending and investment to promote economic diversification. They also called for strengthening of tax administration."*

This Government is firmly committed to build on this platform and to do so to confront the hurdles ahead of us or whether it reflects itself in short-term political impulses or whether it reflects itself in medium-term challenges to technology, management and competitiveness. The critical pillars for growth is indeed in the energy and investment sector, the very theme of your Conference this year. The recent fragility of our economic performance must not hide the underlying strength of our economy and Trinidad and Tobago's development potential. The 2010 Budget Statement emphasizes the search for new economic space which is reflected in our strategy for growth pole development in the South West peninsula, Central Trinidad, North Coast development, Tobago and Port-of-Spain East. Underlying this development strategy

is a supportive fiscal environment for new investment and a new programme of public offerings as we build a vibrant capital market and create new frontiers for the ownership of public enterprises.

The challenge of change requires us to depart from the premises of past development strategies and embrace sustainable programmes.

These are the underlying premises upon which the new frontier industrialization strategy is being constructed. That strategy is premised on four basic points:

- 1) Re-invigorate seismic research to identify potential resources of hydro-carbon as we seek to expand private seismic data to an open data room and set the basis for renewed exploration in the hydro-carbon sector;
- 2) Develop an aggressive programme based on finance, technology and management to make Trinidad and Tobago's economy more competitive and, in this regard, the Government has recently established the National Competitiveness Council along with the Economic Development Board to chart the new frontier ahead of us. Implicit here, is the need to speed up our decision making and we are already engaged in a programme to improve our ratings and the ease of doing business. Much of these changes require the deep professional bond, strong political commitment and a clear direction which must be embraced by all;
- 3) Our international promotional effort for new investment in the on-shore and off-shore development must now expand our global reach to include Indian, Chinese and Brazilian investment prospects. As such, a new era of economic diplomacy will now inform our efforts to vigorously seek investments to support the new direction in our development strategy; and finally

- 4) No longer must we view the energy sector as a privileged enclave of a few but, indeed, we must move to the democratization of this sector in search of opportunities to finance new economic space in our quest for inclusive development.

These premises are the main ingredients for the new frontier industrialization policy in which we are about to embark. True, the energy sector will remain a dominant factor driving this economy and we anticipate a growing contribution to the finances of this country by your deeper involvement in the petroleum industry of Trinidad and Tobago.

You will appreciate the words of my friend, Watson Duke "*I want meh money right now*" and you will realize that I am the Minister in the kitchen over the hot stove. So we must be in a rush to open up the Green Fund for environmental sustainability and not close the door to any of our citizens for a share in the stake of this nation's patrimony.

It is for this reason that as we construct the new frontier, we must not only find investment opportunities for monetizing our gas, but, place a new battery to confront the problems of persistent poverty, not by treating the symptoms but by removing the cycles of poverty.

So let me conclude by focusing very briefly on the issue of poverty and building opportunities for those who have been excluded from economic main-stream. Hereto, the new investors must accept a shared responsibility so that the "new face of hunger" must be confronted by the development of a truly entrepreneurial economy. The emergence of the entrepreneurial economy as a driver of growth and sustainable development will become and must be a shared responsibility by all the stakeholders in our society.

It is in this context therefore, that we have taken specific measures for the development of the entrepreneurial economy, once described by Arthur Lewis as the missing link of development of Trinidad and Tobago and the Caribbean, by initiating a rethinking of the process of wealth creation, income distribution and poverty eradication. We shall also, in so doing, attempt to bring to the fore, the opportunities that respond to the global imbalances and we are looking very carefully, at this point in time, at measures to mitigate against the expected increase of world food prices and its impact on our local situation. Many measures have been good formed and we are now considering how, within the framework of the market economy, to enhance the prospect of dealing with expected increases in food prices. Much of

that depends also on domestic policy considerations and that too has been given a new impetus by the fiscal measures that we have introduced -such as development of agricultural production in Trinidad and Tobago - and by the supportive measures we have put into place to encourage global food production.

My friends and members of this esteemed audience, I consider it a genuine privilege to be invited to be here to share these thoughts with you at this time, and in this country, as we begin to embark on the rebuilding of a new confidence on the restoration of growth. I feel confident that the ground work is being carefully laid. As the Chairman said, "I am not in this alone." I am in this and the government is also in this with a new mandate and with your support and with so much good men and external support, I feel confident that as we approach this exercise in the framework of the many stakeholders in our country, we will be able to find the right doors opening for investments and investments in the energy sector, notwithstanding the difficulties that we sometimes come across.

This generation, in this 21<sup>st</sup> century, in the turning point of the politics of this nation, as we begin to turn the corner we must not hold back growth and development but we must indeed break the anti-growth coalition that has dominated Caribbean societies. We must do so within the framework of a democratic system functioning at its best.

Your conference must not only be challenged to embrace this new frontier but to reflect on the real challenges facing us as is our society in an increasingly turbulent world. We will do this not with the old victim of "seeking what we can get" but with the new vision of "being inspired by what we can be".

Thank you for this opportunity.