

Speech Delivered by the Honourable Winston Dookeran, Minister of Finance at RBC Financial (Caribbean) Limited – Introduction of the RBC Brand in Trinidad and Tobago, 7-9 St. Clair Avenue, St. Clair, Port of Spain on Monday 6th June, 2011

It is against the challenge of being a global company with its headquarters in Trinidad and Tobago and in a growing Caribbean that I see this rebranding exercise. I commend the Royal Bank of Trinidad & Tobago for taking yet another step in creating and responding to the challenges before us.

I do so at a time, when we in Trinidad & Tobago are also engaged in trying to reignite our economic fortunes and over the last year we have been attempting to put into place a serious, concerted and well-structured economic programme. To that end, I believe that we are now engaging in a new trust with a new confidence that is now emerging on the Trinidad & Tobago landscape.

The economic plan that we have spoken about is a plan that has been structured and sequenced in order to be able to ensure its durability and also to work towards the goal of major transformation in the years to come. The inheritance which this Government got was an inheritance that we must build upon, but also an inheritance which we must change for the future. And it is in that context therefore that the economic plan for Trinidad & Tobago has been predicated on three (3) initiatives:

1. The first initiative was to put the financial balance sheet in order so that there is in part durability in that regard and there is confidence so that we will not fall prey to the fact that we are an economy exposed to world developments as other economies today. In Europe, you see the evidence of that. Putting the balance sheet in order has been the first part of our economic programming. This course required a certain amount of strength and determination in order to be able to change the balance sheet of our country. Having done that, I can say with a great deal of confidence today that Trinidad & Tobago is in a safe place when it comes to the financial balance sheet of our country.
2. The second objective of our economic plan has to deal with the reordering of our priorities; so that we can find a priority of expenditure both within the State and in the national community which would reflect the requirements of the future. And what were these requirements? These requirements were essentially to alter the priorities so that the benefits of growth and development would be more equitably shared in the country. And to that end we have begun a reorganization of the delivery system with respect to the social balance sheet of the country. And when I presented the Supplemental Appropriation Bill in Parliament, I was able to point out the changes in the expenditure patterns towards a greater emphasis on ensuring that the inclusiveness of development

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does take place in Trinidad & Tobago and a greater share of our resources is directed in that direction.

The second aspect of the priority change has to deal with the institutional requirements for ensuring soundness and safety in the financial world; that has always been an agenda topic for us but we have given new emphasis to that in order to ensure that the future's vulnerability in Trinidad & Tobago can in fact be reduced. To some extent we have been able to deal with Safety and soundness in the banking sector very effectively.

Very early in this administration we invited an international financial team to come here under the auspices of the IMF to do a full examination of the strength and weaknesses of the financial sector in Trinidad & Tobago. They did that and I am pleased to report to you that after their assessment, which they reported to the IMF, they said, Trinidad & Tobago financial system was stable, can withstand the pressures of the past. Notwithstanding the fact that we had to deal with an enormous challenge on the financial landscape due to the near collapse of a major financial insurance company. That incidentally affected the economy to the extent of 10% of our GDP and affected the economy of the Caribbean to the extent of 17%. It was an enormous challenge, and how we handled that challenge will determine the confidence the international community will place in us and indeed for ourselves.

This Government inherited that challenge and after many years in which that matter had remained unresolved we began a very ambitious programme to find a solution. The solution is not yet complete, but I feel comfortable at this point that we have been able to put into place the necessary statutory resolve that is required for further growth of both the CLICO company and the British American Company. We are currently engaged in discussions with the Caribbean Development Bank in order to look at the problems in the Caribbean which are also reeling under that particular situation.

3. The third area in terms of our economic strategy was to set the foundation for growth, and that is what we have now done, both in terms of our fiscal programme that we have put in place since the last budget and beyond that, by ensuring that there are now new opportunities for investment in the energy sector as well as in the non energy sector.

I am pleased to indicate to you that I recently looked at the figures with respect to the taxation revenues of this country and we are seeing an increase in the taxation coming out of the non-energy sector; which is a reflection of the transformation that is

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necessary to place us in the post- hydrocarbon economy in the years to come. I say these things if only to indicate to you on this occasion that we are well organized with an economic plan that is working, an economic plan that requires the support of many including the banking community in Trinidad & Tobago.

To this end, I am pleased to indicate that I have recently been able to complete the negotiations for a substantial capital injection in financing the Public Sector Investment Programme of Trinidad & Tobago over the next few years with the Inter American Development Bank to the amount of USD \$1.3B and who has also provided us with grand funding of USD\$7B over this period of time. This is one example of the new approach by the Government to partner, not only with the international financial institutions but indeed with the banking community before us; and to that end, I believe the Royal Bank of Canada will in fact have an important role to play as we proceed to develop Trinidad & Tobago and position us into a situation where there will be sufficient comfort.

I believe that Trinidad & Tobago has now moved into forward gear, but that forward gear needs partnership and it needs serious partnership with the financial world and there too are challenges.

I have been making the point often that the banking community must indeed finance Government expenditure, but what is really critical is that it must finance business loans, and therefore a shift in the financing towards business loans would be welcome in terms of the proportions of the credit available to the banking sector. There are other issues; and we would be shortly putting into place an independent risk committee in order to review the risks this country may face in the future, with respect to financial failures or with respect to stability issues that are before us. So today, I'm very pleased to say that we are beginning to see the unfolding of a well structured and organized economic plan.

Today we are witnessing an historic occasion where RBC Royal Bank is being thanked once more as an indigenous bank, a global bank, a Trinidad & Tobago bank and a bank that I'm sure will continue to play its role as it had in the past.

I congratulate the bank on its hope and I look forward to a continuing partnership in the development of Trinidad & Tobago.

Thank you.