



**GOVERNMENT OF THE REPUBLIC OF TRINIDAD &
TOBAGO**

MINISTRY OF FINANCE & THE ECONOMY

**SPEAKING NOTES FOR
SENATOR THE HONOURABLE LARRY HOWAI
MINISTER OF FINANCE & THE ECONOMY**

Formal Opening of the Operations and Shared Services
Company Limited August 28, 2013

WEDNESDAY 28TH AUGUST 2013

Ms. Sylvia Chrominska- Chairperson

Mr. Dieter Jentsch –Group Head International Banking

Mr. Mike Dervan- Senior Vice President and Head,
Operations and Shared Services

Ms. Anya Schnoor – Managing Director – Scotia Bank
Trinidad & Tobago

Distinguished guests;

Members of the media;

Ladies and gentlemen,

Good afternoon.

INTRODUCTION

I am delighted to be a part of this event which builds on an initiative announced in the 2013 Budget. At that time, we spoke of the further development of the financial services industry by the introduction of back office support centres here in Trinidad and Tobago. The launch of the Operations and Shared Services Company Limited is one of the outcomes of this initiative.

This Shared Services business model is viewed very favourably in the context of transforming business and non-private sector entities into leaner, more agile and certainly, more responsive organisations.

More than just being aware, many here today would be intimately familiar with the onset and impact of the global financial crisis of 2008. The crisis left in its wake financial and economic devastation, widespread unemployment, unstable currency markets and heightened risk aversion among investors.

Some nations were forced to restructure their macroeconomic and financial policies, which drove large sections of the private sector into survival mode.

As part of this restructuring, financial institutions had to comprehensively transform their business models to achieve greater cost and operational efficiency. It was here that many companies saw the opportunity to introduce the ‘Shared Services’ model as a mean to achieve that end.

Today, Scotiabank Limited's sweeping adoption of this model has presented us in Trinidad & Tobago with a good opportunity to publicly and judiciously review its benefits as an investment in corporate sustainability and growth.

The 'Shared Services' business model is customer focused and by strategically combining particular services, facilitates economies of scale.

It provides process and knowledge based services to multiple business units within the organization with a greater focus on inter-unit compatibility and results-driven planning.

In making this investment, Scotiabank has now upped the ante and will surely deepen its mark on the financial landscape not only in Trinidad and Tobago but in the Western Hemisphere and beyond.

DIVERSIFICATION OF THE ECONOMY OF TRINIDAD AND TOBAGO

I started by making a very stark reference to the global financial crisis of 2008. This was because the region as a whole experienced the effects of the crisis in ways, which revealed our susceptibility to risk, and the weaknesses in our regulatory frameworks.

We in Trinidad & Tobago are quite familiar with the risks associated with economic development hinged on a single sector or commodity. Though it has in the past been acknowledged, we are now acutely aware of not simply the need for diversification, but also how imperative it is for us to take firm action.

Any sluggishness in our diversification programme implementation will see us becoming increasingly vulnerable to exogenous shocks, which in turn would impact employment, and bring the attendant socio-economic issues.

Government's Medium Term Policy Framework is built, as you know, on seven interconnected pillars for sustainable

development. One of those pillars speaks directly to the delivery of a diversified, knowledge-intensive economy.

Our approach therefore has been to accelerate our efforts in developing and expanding the existing economic sectors, particularly the energy sector, while at the same time growing other productive sectors in the economy with special focus on creativity and innovation, as well as the financial and manufacturing sectors.

This Shared Services Centre (“Hub”) initiative was announced in our 2013 Budget and commenced with the signing of an MOU among Scotiabank; the Trinidad and Tobago Free Zone Company (TTFZ); and the Trinidad and Tobago International Financial Centre (TTIFC) on August 29, 2012.

The “Hub” is established as an enterprise under the Trinidad and Tobago Free Zone Act Chapter 81:07 (the Free Zones Act).

With the carefully driven phases of stabilisation, re-direction and a return to growth, Scotiabank’s expansion and process re-engineering thrust are clear signals of confidence in Trinidad & Tobago’s transforming economy which is gearing itself for greater competitiveness and efficiency.

Measures to improve efficiency

Some of those measures which our Minister of Trade has worked assiduously on over the past year include:

1. Reducing the time and cost of doing business in Trinidad and Tobago through initiatives undertaken by

the Ministry of Trade, Industry and Investment through the introduction of *ExporTT*. This has made it possible for companies to receive financial support in order to reach exports markets.

2. The establishment of InvesTT as the national investment promotion institution. The company is mandated to support investors by providing information as well as access to the prerequisites for successfully setting up new businesses. It is a "One-stop Shop" as the Agency does the walking and securing of approvals for the investor;

3. The reduction in the length of time that is required to establish a new company;

4. The development of priority sectors with a focus on the development of financial services, tourism, information and communication technology, downstream energy industries, agriculture, creative arts and the maritime industry;

5. The establishment of the International Financial Centre Management Company to facilitate and promote Trinidad & Tobago as a desirable destination for international financial services;

6. The introduction of the Financial Institution Support Services (FINeSS) Programme, designed to create a

new industry in Trinidad and Tobago that supports the outsourcing and consolidation of the middle and back-office processing for regional and international financial institutions. This initiative I am pleased to say has been a success with the opening of the Royal Bank of Canada's back office service centre last year and now with the opening of Scotiabank's Shared services hub and;

7. The strengthening the Legislative Framework to ensure that the financial services sector is governed and regulated in accordance with international best practices.

CONCLUSION

In closing, I want to express my appreciation to Scotia Bank for this investment in Trinidad and Tobago and the clear demonstration of their confidence that this is a good place to grow and expand their business.

We look to other financial institutions adopting this Shared Services business model which is no longer an experiment but a proven means of making business more competitive.

With the transforming economic environment, a clear commitment from the Government and a more comprehensive and modern regulatory framework, it is, for many, becoming the quantum leap into sustainable growth.

I commend Scotiabank for this thrust, and advocate a more detailed look at how the model can be used in more local businesses. In doing so, I would like to impress upon other businesses that the time to invest in efficient, cost effective, better aligned and more customer focused advancement is now.

We understand what the corporate sector needs and you can therefore continue to feel assured of the business friendly environment which this Government is creating.

Ladies and gentlemen, I thank you.