

FEATURE ADDRESS BY SENATOR THE HONOURABLE
CONRAD ENILL, MINISTER IN THE MINISTRY OF FINANCE,
AT THE OFFICIAL OPENING OF THE UNIT TRUST
CORPORATION'S NEW ARIMA BRANCH OFFICE
WEDNESDAY MARCH 22, 2006

Members of the Board of Directors and
Management of the Unit Trust Corporation

Specially Invited Guests

Members of the Media

Ladies and Gentlemen

Today we celebrate another milestone in the
history of the Unit Trust Corporation, and in this
celebration, on behalf of the Government of

Trinidad and Tobago, I wish to take this time to publicly say thanks to those who have worked so hard for us to be here today.

In the twenty five years since its establishment, the UTC has been able to mobilize the savings of the domestic population and channel them into wealth creating vehicles providing for persons of modest means a facility to understand the wealth accumulation process and the value of financial assets.

In this regard, the UTC has made a valuable contribution to changing the culture of some of

our citizens from savings to investments. The Unit Trust has also broadened our investment knowledge and educated a wide cross section of our population on all financial matters.

We now have a group of professional money managers working in the interest of our unitholders; and as a result the UTC has been instrumental in financing many of the goals and objectives of the ordinary man in the street.

This is no small accomplishment.

Ladies and Gentlemen, the expansion and modernization of your facilities throughout Trinidad and Tobago, the latest being these exceptional offices here in Arima is in my view a tangible demonstration of your keen attention to customer care and service delivery.

As the UTC continues to aggressively grow its mutual fund business and make bold strides into new areas including, financial planning, merchant banking, credit card business and foreign exchange services, your focus on customer care and service delivery will be the

key ingredient in protecting your niche as an institution of the ordinary man.

Ladies and Gentlemen, the Unit Trust Corporation operates within the Financial Services Sector and as we prepare for our place in the world economy the Government has embarked on a Development and Reform Programme.

Essentially, the principal role to be played by the Financial System in this country is to provide the infrastructure to allow surplus resources to be

allocated to those individuals and companies with deficits.

In recent years however, the financial landscape of Trinidad and Tobago has been changing more rapidly than at any period in our history. There has been a blurring of the boundaries between various sectors of the Financial Services Industry. Moreover, an unprecedented level of product development and innovation, has led to an exponential proliferation of financial options offered by both traditional and non-traditional providers. The latter including the broad range of non-bank financial intermediaries including, insurance

companies, mutual funds, credit unions and other financial service providers.

However, the Government recognized that the bank supervisory regime which was put in place in 1993 with cutting-edge best practices needed upgrading in light of the rapidly changing technology and the need to quickly resolve any risk management issues.

The Government also recognized its role in facilitating the transition of the financial market to the more efficient long-run equilibrium that technological advances are making possible. As

a result, given the realities of financial liberalization and the continuous innovation in the provision of financial services and instruments, Government is focusing its attention on the development of the financial sector, in particular through the design of regulatory structures to ensure its stability.

Ladies and Gentlemen, a multi-faceted Financial System, which includes the full range of non-bank financial institutions, offering a highly diversified range of products, can protect economies from financial shocks, while maximizing the level of savings mobilization. This notwithstanding, in developing countries

that lack a coherent policy and effective regulatory framework, non-bank financial institutions can mortally jeopardize the economic growth and development of the entire country.

It is therefore imperative that development and innovation in the Financial System be accompanied by a comprehensive and equally sophisticated regulatory and policy framework.

In this context, Ladies and Gentlemen, Financial Sector Development and Reform, is one of the most critical undertakings of the Government as it transforms Trinidad and Tobago into a

developed nation. The Government's vision for the Financial Sector is that we will become the Pan-Caribbean Financial Centre of the ACS Region.

Our Centre will be globally competitive, fully-diversified, responsive and market-driven and would provide the widest possible range of financial products and services to cater to the needs of international and regional business, domestic and regional small and medium-sized enterprises as well as the general public. The Centre will be supported by modern information

technology that delivers a high-quality, cost-effective menu of financial services options. Ultimately, the Pan Caribbean Financial Centre will be regulated by a single regulatory authority.

Government's role in the development of the Pan-Caribbean Financial Centre is essentially, two-fold: that of facilitator and developer.

As facilitator, Government will establish a comprehensive legal and regulatory framework as well as institutional infrastructure.

As developer, the Government will participate in the market under special circumstances including where the market is unable to meet particular social needs; where there are market imperfections or where there might be significant market risks.

As we see it, Ladies and Gentlemen, Financial Sector Development entails fundamental improvements to the integrity, sophistication and relevance of the Financial System and, apart from regulation includes, systematic crisis management, policy formulation, taxation

issues, payment systems, e-finance and risk management among others.

Given the complexity involved, this re-engineering process is being implemented on a phased basis, focusing on key sectors at a time. Ultimately, we will have a comprehensive regulatory and legal framework which ensures the requisite protection of investors' funds while at the same time not limiting the flexibility and dynamism of the sector.

Ladies and gentlemen, we have done a great deal over the last three years. You will recall that

in 2004, the Government amended the Insurance Act to allow for the transfer of responsibility for the Insurance Sector from the Ministry of Finance to the Central Bank, effectively strengthening the supervision of companies operating in the Insurance Industry. In 2005, electronic trading commenced on the Stock Exchange and the offices of the Financial Services Ombudsman was launched. Also in 2005, the Take Over By Laws under the Securities Industry Act was enacted and amendments to the Venture Capital Act passed.

Our payments system has been upgraded in line with international standards and we have established a Credit Rating Agency and a Financial Sector Regulatory Council to ensure co-ordination between the various regulatory bodies. Other achievements include the creation and development of the Real Time Gross Settlement Systems as well as the Government Security System.

In addition, several pieces of legislation are being finalized, and we fully expect that by the end of the year, amendments to the Financial Institutions Act and the Securities Industry Act

will be before the Parliament. Work is also well-advanced on a new Insurance Act, and on legislation which would bring Credit Unions under the regulation of the Central Bank. Also on the agenda for the immediate future, is legislation governing the private pensions industry.

Ladies and Gentlemen, the impact of our financial system on the national economy cannot be underestimated and the financial industry is generating substantial revenue. By any standards the industry's performance is

impressive. We need to continue to foster this growth but it will only be accomplished in the context of a healthy domestic financial system with strong and vigilant supervisory authorities. Many challenges lay ahead. But I am confident we are well prepared to meet those challenges. As we forge ahead, we recognize that the industry keeps changing and therefore our regulators must proceed with steady foresight to ensure that our markets remain robust.

Mr. Chairman, in the light of its importance efficient and effective public capital has now become a priority for this Government. We have recently established a number of Special

Purpose State Enterprises whose mandate is to implement expeditiously and through prudent and transparent procurement mechanisms the Government's capital investment programme particularly in the areas of education, national infrastructure, community development, rural development, sporting infrastructure, tourism and urban development. We would soon see in Trinidad and Tobago modern government buildings blending elegantly into the architectural landscape. We would soon experience a modern transportation network with major highways criss-crossing the country and a light-rail transit system connecting the major

population centres. We would soon be able to benefit from an increasingly knowledge-based economy centered principally at the Tamana Intech Park and University of Trinidad and Tobago Campus at Wallerfield; and we would see major regions of the country occupied with state of the art petro-chemical, LNG, steel and alumina plants with substantial down-stream activities; of course we are already on the world's stage from a sporting perspective. Our national soccer team is part in this year's World Cup in Germany for the first time and our master batsman Mr. Brian Lara has all the major cricket batting records to his name.

In closing Ladies and Gentlemen, in reflecting on the UTC's development and plans for the future, I could not help but notice how closely your investment philosophy and vision aligns to that of the Government.

If I may paraphrase; the UTC's guiding philosophy, includes:-.

- meeting clients' changing objectives by providing the appropriate mix of products and superior service;

- exploring and transforming investment opportunities so as to provide investors with the best return;
- providing affordable quality investment products;
- diversifying to minimize risk to our clients;
- and
- applying the right resources to derive the maximum benefit for our clients

Ladies and Gentlemen, Government's Financial Sector Reform Programme, dovetails nicely with these objectives. At the end of the day, we both aim to afford the citizens of Trinidad and Tobago

greater opportunities for advancement and self fulfillment thereby securing our economic future.

With a partner of the caliber of the UTC, I am certain that our lofty objectives will be fully realized in the earliest possible timeframe.

Ladies and Gentlemen, let me congratulate the Unit Trust Corporation once again on the commissioning of these new offices and wish you and the people of Arima, a long and mutually beneficial working relationship.

Ladies and Gentlemen, I thank you.