

**An address to the nation,
by Prime Minister Dr Keith C Rowley**

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Fellow citizens,

Good evening

One year ago, when you cast your vote and placed upon the shoulders of the People’s National Movement, the mandate to take responsibility for the affairs of state, the Government—which I have the honour and privilege to lead—willingly and graciously accepted the mantle, fully conscious of having made two very deep-seated commitments to all the people of T&T.

In our election manifesto, which has since been adopted as government policy, we gave you some specific undertakings:

The first was to rebuild our country and our economy, restore confidence, equity and social justice and enhance and improve every area of national life.

We assured you that we had prescribed a broad-based suite of detailed policy initiatives, projects, programmes and measures that will lift us out of the chaos that had been created by the previous administration and put T&T back on the road to growth, development, social peace, economic stability and transformation where all citizens will get their fair share of national resources and receive good, honest, equitable and transparent government.

Secondly, our vision was, and still remains, that of a society where integrity and morality in public life would be of the highest priority; one in which the government serves the public good above all else and where decisions are made and actions taken in the best interest of all concerned, even when the decisions are difficult.

Those were, in summary, our overarching commitment to you. They are commitments which no one can deny us the honour of having so far to set out, diligently and methodically, to discharge.

It is against this background that I address you today to give you a brief account of our stewardship over the past 12 months.

My government took office in September 2015, against the noticeable backdrop of energy revenues collapsing precipitously by as much as 70 per cent or more. This was compounded by a protracted shortage of natural gas, falling oil and gas production, an economy contracting at the rate of two per cent per year and commodity producers slashing exploration investments and downsizing operations worldwide.

For the last 10 years we have been sitting on a crisis in the oil production side and we have allowed it to escape us largely because the situation has been masked by relatively strong revenue stream bolstered largely by favourable prices.

The situation can no longer escape our attention and sustained lower prices now and into the medium term should be a matter of great concern to all of us.

These	are	the	production	figures:
2006		:		143,000
2010		:		98,000
2015		:		78,000

2016 : 66,000 (July)

We have also been hiding from unfavourable production trends in gas availability at Pt Lisas: bcf

2010	:	4.33
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2011:		4.11
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2015	:	3.83
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2016: 3.21

These developments have serious consequences for our revenue base and, must of necessity, significantly raise caution in our consumption patterns and debt management activities. It also means our challenges today cannot be wished away by simply waiting on the oil God, who is supposed to be a Trini, to step in and save us.

Stringent measures

Whether we like it or not, we are required to be aware and informed of the country's situation and know that T&T expects every man and every woman to contribute to our recovery. Whilst there are some activities afoot to raise the 2016 figures going forward the overall trend is downwards and troubling.

In addition, we met an exchequer account that was so recklessly overdrawn to the extent that there was barely enough cash to run the affairs of state for a mere three days.

Add to this, the more than \$5 billion in arrears of salary—unapologetically owed to government employees—the billions of dollars owed to several contractors and sundry creditors, some clandestinely contrived, all in the face of less than one month to prepare and present a national budget and you begin to capture the scale and nature of the task ahead. Many state enterprises are heavily indebted to other state companies.

Add to that, the secret billions of short-term loans which became due for payment six months after the swearing in of the incoming government. Suffice it to say, this is just a miniscule overview of what your new government was confronted with from day one.

As a means of extricating the nation from this near calamitous state of affairs, bold and decisive steps had to be taken to save the day, not the least of which was the directive to all ministries and state corporations to reduce expenditure by seven per cent: the first signal of the call to the nation that belt tightening was inevitable.

In spite of these stringent measures and in recognition of the social consequence of the economic circumstances, we reduced VAT to 12.5 per cent, increased the personal allowance to \$72,000, increased OJT stipends and removed fees paid by our senior citizens for essential services if only to ease their burden of economic adjustment.

Thanks to fiscal prudence by your current administration, we are steadfastly and meticulously positioning our economy to confront our own revenue shocks and the worsening international economic forecasts. Our treasury has roughly 11 months foreign exchange cover.

Notwithstanding the issues surrounding the availability and consumption of foreign exchange, we have managed to maintain our reserves at US\$10 billion, the same as it was in September 2015.

As we had indicated in the budget last September and also in mid-year review, contrary to allegations of secrecy as being made by some, we did transparently withdraw US\$375 million from the stabilisation fund leaving a balance of US\$5.45 billion.

Our commercial banking and insurance sectors have once more sprung to life with foreign exchange issues receding, and a strong, well equipped and progressive private sector developed and grown over years of prudent incentivising, making us capable of not only rising to the challenges ahead but also leaving us poised to take advantage of the significant opportunities which times like these often tend to create.

What this means is: we as a people have a golden opportunity which, if capitalised upon judiciously and intelligently, can restore confidence in our ability to dictate our own future with dignity and assurance and without the harsh and unpalatable structural adjustment impositions which are the hallmarks of IMF rescue programmes. This is not an option which my Government proposes to exercise.

Bold initiatives

Grappling with uncaring, sudden and drastic elimination of essential subsidies on fuel and utilities, heavy suppression of social programmes, massive increments of retrenchment along with precipitous currency devaluation are bitter remedies that we prefer not to be instructed on by external lending agencies because we failed to acknowledge that we are spending much more than we earn.

We are too gifted, talented, resilient and sensible to succumb to that. We are better off mixing and applying our reduction remedies on our own volition, especially when experience has shown us that these externally imposed structural adjustment programmes have such devastating effects, most often disproportionately on those in our society who are least able to bear the burden.

The task now is to make the necessary, sometimes painful adjustments; find ways to stimulate growth in the process and, at the same time, protect the weak and vulnerable. It is not an entirely pleasant task, nor is it a hopeless one. It is far from being an easy exercise but we are up to the task of guiding the process to a sustainable landing.

The abiding faith which I repose in the well-meaning citizens of T&T give me every confidence that with dialogue, debate and discourse, balance and reason, consultation and collaboration, augmented by the determination to eliminate waste and eradicate graft and corruption, we have what it takes to bring our spending into balance and work our way back to peace, prosperity and a decent standard of living for all.

In this regard your Government has decidedly taken the lead. We are leading by example. We started out with a much smaller Cabinet, 23 members down from 30 odd. We took a five per cent pay-cut by donating that much to charity.

We limited public expense travel and partying in favour of other essentials. Even though Parliament has been up for review, there will be no salary increases until the situation improves,

except of course if part-time members become available full time to the House, in order to bring about greater accountability through the workings of the committee system.

The Government's approach to the restructuring of GATE has been largely acclaimed among the citizenry who, thankfully, are prepared to accept that things are not what they used to be and that we just can't go on this way.

The phased approach towards gradually reducing the fuel subsidy has been no less understood and widely sanctioned. There will be other managed, phased reductions of government expenditure in some areas of individual responsibility coupled with increased expenditure on infrastructure and investments to grow the economy since it is through a return to economic growth that we will all be able to enjoy opportunities for stability and prosperity for ourselves and our families.

No economic growth equals steady reduction of the middle class and perpetual poverty at the base of the economic pyramid.

Since assuming office a mere 12 months ago, the Government has been making steady progress. We have been doing so objectively, systematically and without the excesses of expensive fanfare.

Step by step we have been putting the modalities in place to steer the nation's ship of state towards recovery and restoration following that traumatic and painful period of five years of reckless, irresponsible and woefully corrupt governance.

It is testimony to our responsible, sane and sober approach to governance that there has been no widespread mass layoffs nor economic and social instability in these trying times.

Even as we confront our challenges we do so with quiet confidence that there is a bright future ahead for T&T.

The special entities which we have set up and the series of bold initiatives which we have taken in our quest for a much improved quality of life for all are quietly taking root.

Our newly appointed boards comprising eminently and legitimately qualified professionals have been settling down and now oversee the successful functioning of our public utilities, statutory boards and state corporations.

A thorough review and analysis to effect overall upgrade in the quality of our healthcare delivery services is well advanced. Today, the Winston Welch committee—tasked to review our healthcare delivery—will present its first report to the Cabinet.

Our National Economic Advisory Board (EAB) has begun to deliver as has been evidenced by a number of individual and sectoral reports which have already been received by the Office of the Prime Minister. Some of these reports will be available soon for public discussion.

And now we await the details of the 2017 Budget.

The Theodore Lewis committee on history and the school curriculum is hard at work and the Minister of Education has laid a firm hand on school violence and indiscipline.

The restored Standing Committee on Energy now guides us professionally and meticulously as we seek to navigate the turbulent international waters in monetising our natural indigenous energy resources, given the prevailing adverse global economic conditions.

We have been and continue to be in a very precarious position with respect to the natural gas supply which has seen persistent shortages at Pt Lisas, resulting in sustained losses to some of the businesses there and significant curtailment in revenues to the Government. We have focused on this very troubling development and are also now poised to enter the negotiations which are becoming due as the original long-term gas contracts begin to come to an end.

We have also been engaging the worrisome issue of Petrotrin's \$20 billion debt which becomes due shortly and which it will not be able to service unless the Government intervenes in ways as we are doing now to restructure the debt and reorganise the company. The Government intends to sit down with the OWTU to engage in deep and far-reaching discussions on the way forward for Petrotrin and Trinmar.

Oil production which has been sliding steadily over the last few years is now down to below 70,000 barrels per day, the lowest in 65 years, well below where it should be if we are to rely on it as heavily as we are do now.

Simultaneously with all this, and spurred on by the gas supply concerns, T&T has been engaged in discussions and negotiations with the Government of Venezuela with a view to partnering with them and the international private sector in monetising, through Pt Lisas, Venezuela's gas rich Dragon fields, which lie off our north western border with Venezuela.

Following upon the visit of President (Nicolas) Maduro, Minister (Stuart) Young, our Foreign Ministry, the Ministry of Energy, ministers, and technicians have ceaselessly engaged in numerous contacts here and in Caracas, working towards the completion of these far-reaching negotiations which we anticipate could see a signing of the commercial project before the end of the year.

A specialised sub-committee of the Standing Committee on Energy has completed its assessment and analysis of the Gas Master Plan and it is expected that in the coming weeks ahead it will present its work. Thereafter, the Cabinet will consider it before it is made available to the Energy Committee of the Parliament for further refining of our national effort.

Under the guidance of the energy sub committee we have successfully re-negotiated the terms of the Massy/Mitsubishi, Caribbean Gas Chemical Ltd Natural Gas to Petrochemical project with Massy/ Mitsubishi and the Government of Japan thereby permitting the billion-dollar investment project to proceed without exposing T&T in the manner that the original documentation had. La Brea's long darkness is about to see a new dawn.

As we talk diversity and look for ways to expand our earning potential we look outside for opportunities to leverage and apply our national skills and experience, particularly in the hydrocarbon industry. We travelled to Africa to re-engage the Ghanaians with a view to rekindle the lost flames of opportunity in their fledgling gas industry.

Following upon a memorandum of understanding signed earlier in the year in Accra, between our two countries, a high level delegation from Ghana—with the blessings of President (John Dramani) Mahama—recently visited T&T to begin serious negotiations and calculations with NGC

professionals in furtherance of our intention to invest and supply technical expertise if the numbers pan out.

Our interest in gas, power supply and generation in Ghana could also have a serious knock-on effect back here in T&T since the potential exists for their state-owned aluminium company VALCO to expand production so that a supply of aluminium ingots could be made available to the electricity industry in Trinidad for the growth of high-value downstream production here.

In anticipation of these developments, Cabinet has re-established the Board of ALUTECH and designated it as the counterpart to carry out the discussions and negotiations with VALCO.

We have to find new ways to diversify our industrial efforts and find alternative options to expand our earning potential if we are to sustain our standard of living going forward. These and similar opportunities will be subjected to the most robust analyses and once there is a reasonably risked potential for the people of T&T we will think big and move fast so as not to lose out as we did with the gas processing business which the Koreans now enjoy, instead of T&T, in Ghana where we were once poised to be the gas processor of choice.

Consultations on local government reform, to give these bodies greater autonomy and jurisdiction over the provision of services to their respective burgesses, have been concluded in all 14 local government entities. The relevant legislation to give effect to the reform measures is in an advanced state of preparation. This, too, will be subject to some further consultations before enactment into law which will herald a new system of governance in the country.

Umbrella legislation is soon to be laid in Parliament to bring to justice those who have accumulated sudden wealth and are unable to provide reasonable accounts of the sources from which they were derived.

We have inaugurated the National Tripartite Advisory Council, the main focus of which is that of providing sound and informed multi-sectorial advice to the Government not only on matters which fall under their specific terms of reference but on such other matters which may warrant their invaluable attention.

Our sustained determination in ridding the system of waste, corruption and mismanagement across all ministries and state corporations continues unabated but, I must tell you, it is frustrating. Nonetheless, we persevere, undaunted. You would be surprised to know the level of endemic corruption which has become a way of life and, I dare say, an entitlement in some aspects and spheres of our society. In many instances, it manifests itself in some of the killings which we see from day to day.

Every dollar saved is one that could be spent on pharmaceuticals, repairing and refurbishing schools, paving roads, controlling mosquitoes and building bridges.

The food card verification process has sent the undeserving running for cover as perpetrators and illegal recipients seek to erase their tracks. My Government is committed to restoring the necessary social programmes like, URP, CEPEP etc to their original intent and respectable moorings, to come to the aid of citizens and families who legitimately and truly are in need.

But times like these are never only about belt tightening and curtailments of spending. It is also about seizing opportunities and creating a more acceptable and sustained standard of living for all as we seek to recover, in the shortest possible time frame.

As good and responsible neighbours, we have successfully operationalised a US\$50 million trade mechanism set up by Venezuela which allow for our local manufacturers to supply essential goods to that country. From all reports the measure has been very successful and this new line of trade is flowing very smoothly with interesting potential for future growth.

These are just a few of the initiatives that we have taken to treat with our gas supply and to explore opportunities in the energy sector. You would hear much more about these during the upcoming budget debate.

As we focus on making our way in the world amidst much that we have little control over, we wake up each day to the numbing news of the depressing actions of a proportionately small number of our citizens; non-stop killings; from the revenge murders among the organised criminal gangs to the ever-too-frequent tragedies of domestic violence; to the inexplicable mindless acts of wantonness which defy logic, causing us to believe that amongst us there are warped minds which place no value on human life.

This Government is resolute in its commitment to confront those who choose crime as a way of life and undertake to work tirelessly to rebuild a sense of safety through meaningful reduction of crime and removal of the fear of crime in our communities. In order to accomplish this, the Government will sustain its resourcing of the police and other security agencies to allow them to better engage in crime prevention and detection.

To this end, recently the National Security Council had Cabinet authorise a US\$17.5 million major equipment purchase to upgrade the intelligence gathering efforts of the police. This is expected to significantly boost evidence gathering and greatly assist the law enforcement capabilities of the security agencies.

We have spent \$25 billion on national security over the last five years. Our officers have been trained and retrained, and facilities have been updated and technologically modernised. It is not unreasonable for us to expect to reap the rewards of this mammoth investment and, quite frankly, hold our police officers more responsible and accountable.

The Government believes that with proper management systems and a “can do” attitude, they have it within them to get the job done. Respect and support your policemen and women. It is they who stand between you and those who may wish to harm you.

In the not too distant future we look forward to you identifying with your local municipal community constabulary and their volunteers, all part of the local government reform deliverables which we have been working on for the last 12 months.

We eagerly await the appointment of a police commissioner and live in hope to bear fruit from the new spirit of collaboration and cooperation between the Government and the Opposition. Only time will tell.

Steps have been taken to initiate the still cumbersome process with the intention of having a substantive commissioner of police appointed. It is the intention of the Government to invite the Opposition to cooperate with us to abolish the current failed process and replace it with some new arrangement such as an accountable Police Service Commission cloaked with the responsibility and authority to supervise an effective modern Police Service.

The Government has been encouraging the police to decentralise its efforts by concentrating its manpower and leadership over an aggressive, regional substructure bringing greater accountability alongside more actionable information and boots on the pavement over more hours of the day. Programmes to build public trust, including rooting out corrupt and otherwise unsuitable individuals from the service, is a major part of the plan.

The abuse of the taxpayer and the treasury under the previous government has brought understandable public scepticism and gross mistrust of the public procurement process to abysmal lows. As your Prime Minister, I give you the assurance it will never be allowed to re-occur. To that end, I have issued instructions to take immediate steps to operationalise the Procurement Act in the shortest possible time, so that you, the disadvantaged taxpayer can enjoy the protection you truly deserve.

Also, we have actively pursued the promise of the construction of the Valencia /Toco first class road. To this end, we have procured a consulting firm which is on the job setting about to select the route and carry out the engineering designs. It is anticipated that contractors should be breaking ground sometime in mid-2017. Tenders have been invited for the Cumuto to Sangre Grande highway.

We have terminated the stalled OAS contract and are currently engaged in calling in the bonds and assessing what's there in preparation to continue the project of getting a highway to Point Fortin. New contracts will be issued for this purpose as soon as the review is done and the funding is settled. Work on this particular project will form a major part of the development programme for 2017.

Tobago development

In Tobago, we are in talks with Sandals to construct one of the largest hotels in the southern Caribbean, a development which will greatly assist in enhancing our tourism product and lead us toward the forefront of the sector in the Caribbean region. These projects will not only stimulate the economy, create jobs and put idle construction equipment back to work but it will also reinvigorate commercial activity and improve domestic travel between our twin island states.

A public presentation of this project will be made in Tobago within the next two weeks.

In furtherance of the improvement of the electricity supply in Tobago, T&TEC has already commenced the procurement process to obtain additional installed power at Cove Power station in Tobago. WASA should not be too far behind with their programme for improved water supply through a suitably sized desalination unit.

I invite you to pay keen attention to the up-coming budget presentation when you will be exposed to a more comprehensive account covering all sectors.

In closing, let me leave you with some thoughts to ponder upon.

When the price of oil is down it is the opportunity for our potential as a people to rise to higher heights. It is precisely in times like these that there is room for an abundance of creativity and the birth of new and imaginative ideas. It is in times like these that efficiency and productivity must abound, so when we return to prosperity, as we will, we will all be blessed with a wiser, more resilient, enriched and emboldened society.

T&T, thank you for your patience over the past year.

May Almighty God bless each and every one of you and may He continue to bless the nation of T&T.

Together we aspire. Together we achieve.