ADDRESS TO THE NATION, JANUARY 7TH 2018

By

Dr. Keith Rowley, Prime Minister, Trinidad and Tobago

TOWARDS A BETTER FUTURE FOR ALL

Fellow citizens, as we settle into our various routines, wherever and whatever that might be, I trust that we all had a joyous Christmas Season, shared with family, friends and community spirit. As we reflect on the arrival of 2018 and all that it holds for us, let us spare a thought or a prayer for those individuals and families who have been victims of violent crime from one direction or another. Their pain is our pain and even as the New Year has opened with reports of the continued murderous scourge on our land I want to appeal to all citizens to keep hope alive in this war against the heartless family members and career violent criminals.

We must continue to support the Police in the national effort which last year saw 1064 firearms of all description and 18,000 rounds of ammunition confiscated, record numbers for the Caribbean, yet we face almost record killings. Additionally, over 12,000 persons were arrested last year. We must, and we will, win this war on crime.

New approaches are at work in the SSA and a new energy is beginning to infect the ranks of the Police Service and already we are seeing improvements in response and detections. Notwithstanding many huge negatives which still exist, we are heading in the right direction. We need to increase speed on all fronts so that we can get to that destination of safety and security which the population deserves.

With appropriate leadership and effective actions all around, from the home to the Parliament, from the school yard to the Police Station, we will overcome the violent few who are determined to make hell out of this paradise which we all have inherited as our homeland.

As we launch out in 2018, I take this opportunity to come into your homes, or wherever you are, to tell you a bit of what we have been doing , what we have done, and what we will be doing in the year ahead. Most importantly, I want to tell you why we have done or are doing some of the things which we have set about to do on your behalf.

As you are well aware by now, for quite some time, our economy has been facing a decline in the production of oil and gas, two commodities that make the main contribution to our gross national product, government revenues, our exports and foreign exchange earnings.

Energy sector revenues were hit by a dramatic collapse in international oil and gas prices and our own low production levels. The combination of these factors gave rise to a sharp decline of over 90% in tax revenues coming from our energy sector in a short two-year period. To illustrate the extent of our predicament, oil prices fell from $106 per barrel in June 2014 to $30 per barrel in February 2016, which coincidentally was just 5 months after this PNM returned to Government.

Given the significant contribution of the energy sector to government tax receipts, total government revenue fell by a similar amount.

The resulting fiscal deficit was financed by ad hoc arrangements, including billions of dollars in short-term loans from the domestic banking system, many of which came due in 2016, the first year of the new Government.

Part of the expenditure splurge in 2014/2015 reflected a 14 per cent wage increase to public servants, which created an obligation for backpay, which was initially promised to be paid before the end of fiscal 2015. A balance of over $5 billion was left for the incoming administration to deliver.

Ladies and gentlemen, this is the background against which the new PNM Administration assumed office in September 2015. At the time, many people sympathized that this was not the election to win, as our new administration could not continue with the largesse of the recent past.

After taking stock of the economic situation, our Government immediately embarked on a fiscal consolidation program whose main obstacle was the fiscal deficit, the driver of our public debt situation which had increased at an uncomfortable pace. The public debt, in fact, increased by 70% over the 2010 to 2015 period from $45 billion to $76 billion.

As the oil price shock became a long term structural industry change, rather than a short-term cyclical phenomenon, it was clear that we had to strengthen our domestic revenue base and reduce our heavy reliance on energy revenues. While the achievement of strong and diversified economic growth was also considered an urgent objective, we were convinced then, as indeed we are now, that the restoration of fiscal and external stability was urgent and an essential prerequisite to economic diversification.

Our most immediate task, therefore, was to stabilize the economy, and in particular Government spending, which was completely out of control when we came in.

The available accounts in the Central Bank had been used up, the overdraft had been used up, the $16 billion investment retention at NGC had been used up, the Green Fund had been mortgaged and in addition to this Government contracting and debt to contractors, large and small were at an all-time high.

Ladies and Gentlemen, I will be less than honest if I do not concede that the first two years of the fiscal consolidation strategy have been very difficult. I can also say with satisfaction that we have made important progress in that we have begun to successfully address some of our entrenched vulnerabilities and to make the hard decisions that are indispensable to our long term economic survival. Even so, as we struggled with existing high debt load, this new assignment could not have been done without resorting to new borrowing to prevent the economy from collapsing completely.

In these difficult times the Government gets voluminous and divergent advice from a variety of quarters, none of which is without some element of negative side effects.

One persistent view from some prominent quarters is that we have not cut expenditure sufficiently and should have made much deeper cuts at the beginning of our tenure. These kinds of advice, useful and informed as they are, usually are never accompanied by any list of the consequences of such actions, as advised.

It would have been a much more arid and barren land had we not managed the last two years with a steady hand making the adjustments along the way, with far less available revenue, then our future would have been far less hopeful than it is now.

Ladies and Gentlemen, we started our adjustment program immediately in late 2015, when we ordered a 7% cut in public expenditure (except personnel). We also took initial additional steps to reduce expenditure, including a phased reduction in fuel subsidies. It's worth recalling that prior to 2015 the Government had spent as much as $7 billion per year subsidizing the cost of gasoline and diesel, a subsidy that can no longer be afforded nor is it the highest priority when funds are desperately scarce.

We systematically lowered overall Expenditure from 63 billion in 2015 to a budgeted 52 billion in 2018. In order to have a development program this lowered figure of $52 billion includes a $10 billion gap to be filled by borrowings and asset sales. Without these initiatives and in the face of the much lower national budget, then overall economic collapse was the alternative, given the dominant role that Government expenditure plays in sustaining the national economy in both the public and the private sector.

On the revenue side we took steps to restore the original purpose and intent of the value added tax which had been severely undermined in 2012 when some 7,000 non-essential items were exempted from VAT, for purely political reasons. Along with restoring VAT to primarily non-essential items, we reduced the rate from 15 per cent to 12.5 per cent to soften the impact on consumers.

Our first year in office was particularly challenging as energy revenues fell by a further 50% in that year alone because of a further decline in oil and gas prices, compounded by the fact that petroleum companies made full use of the inordinately generous fiscal incentives negotiated in 2014, where oil and gas companies were given the ability to engage in accelerated write-off of capital expenses. In fact, because of the decline in petroleum prices and the impact of the concessions, some petroleum companies have paid no corporation taxes at all over the last two years.

The chronic, financial difficulties at Petrotrin have further exacerbated this problem, because although Petrotrin produces over 50% of the country's oil, it is not paying its oil royalties and taxes in any timely manner, or at all, which is an unacceptable state of affairs that will not be allowed to continue in 2018. Currently Petrotrin, as a company owes the Government $2.75 billion of which $588 million is SPT, a tax that only becomes due during times of high oil prices, yet it was not paid then.

What this means is that even as oil prices have rebounded somewhat the structures in place conspire to ensure that the Government obtains precious little consequential increase in revenues.

With the sharp drop in government revenues we were unable to immediately meet all the arrears of back-pay for Public Servants, left by the previous administration. However, we managed to negotiate a solution with the relevant unions and have paid the billions of dollars over a two-year period.(Incidentally, I have never heard this mentioned by a single labour leader, voices that are routinely condemnatory and accusatory where Government actions are concerned.)

In that first year, we met our budget financing commitments with the aid for some one-off revenues in the form of extraordinary dividends from state enterprises, and from asset sales. We also had the first ever drawdown from the Heritage and Stabilization Fund and relied upon the proceeds of a very successful US$1 billion international bond placement.

For the fiscal year 2017 the Government announced a broader range of revenue measures including increases in the rate of income tax on chargeable incomes for individuals and companies in excess of TT$1 million; the so-called “millionaire tax”, increases in taxes on alcohol and tobacco and a 7% levy on online purchases.

Two other revenue initiatives that were announced in the 2017 Budget could not be implemented as proposed. Property tax faced legal and legislative challenges and a proposal to revise gambling and gaming tax legislation was held up in a Joint Select Committee of Parliament. However, we expect to make significant progress on these two items in 2018.

Expenditure measures contained in the 2017 Budget included the second phase of the reduction in the fuel subsidy, the revision of GATE, based on means testing, and further cuts in capital expenditure allocations.

Ladies and gentlemen, I wish to make it clear that I am fully aware of the impact of expenditure cuts on the macro and micro economy and the effect of these cuts on people. We know that it's tough on everyone but there are few better or painless options. We just have to take our medicine and work hard towards the cure that we are confident can be had.

However, through the reduction in fuel subsidies, streamlining of expenditure on goods and services, cutting out waste and unnecessary spending and rationalization of infrastructure investment, between 2015 and 2017, Government expenditure has been cut by 20 per cent. This sizable expenditure cut has had a significant knock-on effect on economic growth in the non-energy sector and to some extent, delays in making payments to contractors and suppliers. However, through it all, we have managed to fulfil our responsibilities in terms of essential payments, such as public sector wages and salaries, healthcare delivery, education, national security, pensions and social welfare benefits. With our careful and measured approach, we have managed to keep our head above water and have the country running without social and economic chaos.

I want to assure you, however, that in making these expenditure cuts, your Government has sought as far as possible to focus on cutting out waste and inefficiency, maintaining a balance and protecting the most vulnerable and preserving jobs. We have also declared war on corruption in the public sector. To this end we have made significant progress in identifying white collar criminals and are tracking and holding to account individuals and entities that made “fast and loose” with the public trust and public monies. A few of them are already on their way to the courthouse to answer for their dastardly actions.

In April 2017, following upon our sudden change of fortunes, the international rating agencies, Moody’s and Standards and Poor’s each downgraded Trinidad and Tobago by one notch. Moody’s downgrade was to a sub investment grade of Ba1, while Standards and Poor’s rating kept us at an investment grade of BBB+. This unavoidable development had the additional negative of having us become liable to repay a $100 million USD debt, immediately. Difficult as that was, we were able to comply so as to stave off even graver consequences.

The level of public debt, at about 62 per cent of GDP is now considered to be at the high end of the range for a country rated as investment grade. While our level of foreign debt, at around 15 percent of GDP is considered moderate, our debt profile is complicated by $8.4 billion stock of short-term debt, engaged in by the previous Government.

Our public debt service payments, at over TT$ 7 billion per year are also considered high in a total national expenditure package of around $52 billion. This means that scarce resources that should be allocated for productive investment, capital development and social programs are now being consumed in debt service for loans, some of which were of dubious value.

This Government has taken stock of the poor approach to debt management that existed, and is now ensuring that new loans are in the longer-term maturity range. We have also accessed new sources of funding from multilateral agencies such as the Corporacion Andina de Formento (CAF) and the IDB and as difficult as the situation is, we have managed to stay within our public debt target of 65 per cent of GDP over the medium term.

We know that additional measures are needed over time to deal with this major external shock. But the Government also has the responsibility to take into account how much the society could bear at any given time. And that is why we have decided to use some of our fiscal buffers, such as the Heritage and Stabilization Fund, for the purpose they were intended, and to spread out the adjustment over a period of time.

The 2018 Budget saw a virtual end to fuel subsidies, the introduction of a 35 per cent corporation tax rate for banks, the introduction of 12.5 per cent royalty for Petroleum Companies and higher taxes for the gambling industry. All of this was in keeping with our policy that everyone must share in the burden of adjustment, each according to his ability to contribute.

The Government is also working assiduously to complete the legislative and other formalities that are needed to start the implementation of the property tax and the introduction of the much-needed Revenue Authority. We are thus confident that barring another external shock this comprehensive revenue generation package and continued expenditure restraint will lead to a significant reduction in the overall deficit as we go forward.

Fellow citizens, there are two fallacies about our Government's approach to economic policy-making, that are being propagated that I would like to debunk at this juncture. The first is that the adjustment is being borne disproportionately by the lower income groups. This is obviously incorrect and nothing more than political posturing on the part of some and deliberate misinformation on the part of others.

The facts are that the Government has taken great pains to ensure that the burden of adjustment is widely spread and that measures are always put in place to ease the impact on the poor. Let me quote just a few of these examples.

- In the 2016 budget, the personal income tax allowance was increased from $60,000 a year to $72,000 a year. This allows an estimated 59,000 lower income workers to escape the income tax net and provided additional income to those earning under $6,000 per month. In contrast, the income tax rate for individuals and corporations with taxable income in excess of $1 million was increased from 25 per cent to 30 per cent.
- Basic food commodities that comprise a large share of the budget of the lower income groups continue to be VAT exempt.

- The changes to the GATE Programme which are based on means testing continue to favour lower income groups. Thus, for example, students whose monthly family income is $10,000 and below continue to enjoy free tertiary education; those with monthly family incomes between $10,000 and $30,000 pay 50 per cent of tuition fees while those monthly family incomes that exceed $30,000 receive no GATE subsidy.
- Medical supplies for chronic ailments continue to be available as a great relief through CDAP.
- The Government continues to hugely subsidize electricity and water rates, air and sea transportation and mortgages for low income houses constructed under government programmes.

It is to be noted that some taxi fare increases are far larger than warranted by the increase in the diesel price.

I would hope that the consumers are not being exploited particularly when one takes account the fact that maxi-taxi owners continue to enjoy waivers from VAT, import duties and motor vehicle taxes on the purchase of their vehicles.

What is not acceptable is that some maxi-taxi operators, using low-priced CNG, have increased their fares in step with diesel powered maxis, even though the price of CNG has not been increased.

The second fallacy being peddled by some Opposition critics is that an adjustment programme is not really needed at all and that the money is available to continue the spending levels to which we have become accustomed.

Fellow citizens, the truth is that a hydrocarbon dependent economies like us are going through radical adjustment exercises. For example, notwithstanding their considerable wealth and sizeable buffers

For example, the Gulf Oil countries have more than US$ 1. 3 trillion in Sovereign Wealth Funds, yet the ongoing period of low oil prices is serving as a catalyst for a whole series of reforms in these oil-dependent countries of the Middle East.

The United Arab Emirates is involved in a strategic roadmap aimed to help chart a direction “in a world of US$ 30 oil”. Analysts interpret this step as a message from the country’s government to its population that economic reforms, including painful and unpopular ones, would be necessary to maintain sustainable economic growth over the medium to long term.

The UAE government has already started with a number of cost-saving measures, including the restructuring of the National Oil Company involving streamlining operations and job cuts and the announcement of value added tax for the first time on many consumer goods.

Other countries in the Middle East, such as Oman, Qatar, Bahrain and Saudi Arabia have also begun to increase the price of fuel and reduce basic subsidies across the board.

The naked truth is that for a small hydrocarbon-based economy like Trinidad and Tobago, fiscal adjustment and economic diversification are no longer just options; they are essential requirements for long term growth and stability and I daresay, survival.

Ladies and Gentlemen, this Government is very committed to work towards overall fiscal balance by 2021, through continued prudent expenditure management combined with additional non-energy revenue mobilization efforts and economic diversification. We must strive to achieve this balance as we cannot continue to operate with large fiscal deficits for much longer. Simply put, we cannot continue to spend more than we earn. We cannot borrow our way out of this situation. We have a limited amount of assets that can or should be sold to meet expenses.

It is said that necessity is the mother of invention and it often forces us to become innovative and this Government is thus very open to walking new pathways. Take, for example our new Housing initiative. The Government currently lacks the funding to construct houses at the rate that we did in the past. But we are committed to providing affordable housing to as many people as possible. So, what have we done? We have developed a policy where we are encouraging the private sector to get involved in the financing and construction of public housing.

Housing units built to the Government's specifications and at affordable prices will be the subject of a grant of up to $100,000 for each completed unit that is sold to applicants on the HDC's database. The HDC has already reported Private Sector expressions of interests in 2600 units at 14 locations, nationwide, from Malabar to Moruga, from Caura to Corinth.

In this way, the Government's scarce resources can be re-focused on the provision of more rental accommodation and low-cost housing while the private sector focuses on middle income housing, a win-win for everyone.

In the same vein, while our PSIP has been short on financing, many are surprised at how much we have been able to accomplish through careful planning and by reducing waste and corruption.

Ladies and Gentlemen, the Government is reasonably confident that the economy will begin a slow recovery in 2018. This would initially be based on a strong turnaround of the energy sector, as several new gas projects come on stream. The housing and infrastructure projects will provide many jobs and the much needed additional stimulation of the economy.

The Government is committed to aggressively pursue all available solutions to solve the gas supply challenge in the shortest possible timeframe.

We opened 2017,without a settled price for new gas in the industry and this had the effect of dampening investment initiatives in our major areas of gas production.

My visit to Houston in late march brought the negotiating parties to a point where an agreement was reached between NGC and BP our main producer, as well as EOG.

This agreement not only had a ripple effect throughout the industry but it immediately cleared the way for a $10 bullion USD investment programme over the next five years.

This activity commenced immediately in 2017 and is the main driver in what is now a very buoyant drilling and production programme.

The Country should be aware of the progress between Venezuela and the Government of Trinidad and Tobago.

By way of update, A Heads of Agreement was signed by President Maduro and myself in December 2016 and as a result the relevant State Enterprises of both countries signed cooperation agreements in March 2017 and we are very close to the final sign offs of a Gas Sales Agreement which will clear the way for operations of a pipeline from the Dragon fields to the existing Hibiscus platform, involving PDVSA, NGC and Shell.

On completion of this historic bilateral development the way will become clear for immediate access to 150m scf of much needed gas for the sustenance of our industrial plants in Pt Lisas.

Petrotrin has contributed significantly to the growth and development of Trinidad and Tobago but is now in need of fundamental restructuring, which cannot be put off any longer. A Cabinet-appointed Committee and a new Board conducted various reviews of Petrotrin's operations and identified many structural problems; such as an unwieldly operational structure and poor governance; declining crude oil production; declining productivity; escalating manpower costs; steadily increasing maintenance and capital costs; low refinery margins and poor asset quality.

These financial and operational reviews indicate that if we do nothing then the company stands to make losses of approximately 1.5 billion USD over the next five years going forward alongside huge risks from aged and dangerous infrastructure.

A combination of these components with a 50% per cent decrease in the company's revenues; a negative net working capital position, has forced the Company to resort to government-guaranteed revolving credit facilities to assist in the purchase of imported crude which is refined, at a continuous loss.

Petrotrin's debt burden now stands at close to TT$15 billion which includes two large USD loans (for US$ 850 million and US$750 million), which mature in 2019 and 2022 respectively.

Only last Wednesday the Cabinet received a series of specific presentations from the new Board to address Petrotrin's many challenges in order to ensure its long-term sustainability. It is our intention to fix Petrotrin's problems once and for all in 2018, so that the company can service its debt and taxes thereby contributing to Government's revenue and the country's development in the way that it should as well as providing job security for an adequate quota of high performing employees.

I come now to a thorny issue which has crossed over three administrations. I refer to the resolution of the CL Financial/Clico matter.

Fellow Citizens, I am pleased to report that we are beginning to see the light at the end of the tunnel of the Clico/CLF restructuring exercise.

You may recall, Ladies and Gentlemen that in June 2009, the Government, CLF Directors and a majority of CLF shareholders entered into a Shareholders' Agreement, which was extended 17 times, up to 2016. The intention of this Agreement was to repay the substantial sum of $23b of taxpayers' money as a bailout to Clico, a privately owned company. However, this repayment never materialized as anticipated. In 2017 $15 B of debt owed to the Govt was not appearing as a liability at CLF and under the guidance of former Government Ministers the private shareholders refused to continue extending the terms of the Agreement and moved for an AGM to take back control from the Government without fully acknowledging a debt to the taxpayers of $15 billion nor making any satisfactory provision to repay the outstanding monies.

To date the Government has been repaid just over $8 billion by Clico, which has left the balance outstanding to the Government at $15 billion.

The Government, in 2017, successfully applied to the Court to wind up the Company in order to liquidate the assets and repay the taxpayers. This bold but necessary action had the effect of securing the public interest and the asset transfer process is proceeding apace.

In order to ensure the widest possible public participation in ownership of these shares, it is our intention that the major assets of the Group, as they become available, from the Liquidators, will be placed in a newly created National Investment Fund (NIF), units of which will be available for purchase by all.

The creation of this Fund has already commenced with the transfer of Clico's shares in Angostura to the Corporation Sole, as part of the continuing effort to recover the debt owed by Clico to the people of Trinidad and Tobago. And as more assets become available, such as shares in Republic Bank and other listed companies, they will be placed in this National Investment fund.

The plan is to have the new Investment Fund established and units available to the public and institutions for purchase before the middle of 2018. It is noteworthy that we do not believe that it is in the public interest that the CLF and Clico companies be sold to selected private individuals, but rather that these assets should be preserved and maintained for the benefit of all citizens who would share in them by purchasing units in the NIF or through UTC or be a beneficiary through the NIB.

On another front our policy focus continues to be on expanding trade arrangements, and on efforts to improve the ease of doing business. Already investment projects valued at about TT$ 1 billion have been approved for possible implementation during 2018.

In addition, we are actively seeking to attract investments through the development of ICT hubs and industrial parks (Moruga, Agro Park ; Phoenix Park, 133 acres industrial estate). Given our geographical position we are also pursuing a possible major investment in the international maritime industry service. We are also currently supporting a full-fledged feasibility study for a downstream investment plant to make aluminium products for the export market.

We are strengthening our monitoring capability and we are making progress in filling our Business Analyst and

Research Officer positions. We have recruited six additional Auditors for the Central Audit

Unit as evidence of our commitment to strengthening the Internal Audit function of all state enterprises.

Notwithstanding the very tight financial situation the Government has made provision to carry on a development program which will contribute significantly towards economic activity. This is in addition to the already mentioned aggressive PPP housing program.

These are Some Examples of Development Projects completed and/or in Progress

Hospitals

We have the Arima and **Pt. Fortin** hospitals are under construction, both scheduled for completion in 2019.

A new **Sangre Grande Hospital** is in the advanced planning stage.

Search continues to identify a suitable operator for the **Couva Hospital**. If by April we are unsuccessful, immediate steps will be initiated to integrate the facility into the existing health care delivery system.

Expressions of Interest for the construction of a new 540 bed **Central Block at the Port of Spain Hospital** have been invited, this closes on Jan 30th, 2018.

<u>Police Stations</u>

Besson Street,Maracas/St Joseph and **St. Joseph Police Stations** were completed in 2017 and are now operational.

Construction of **St Clair Police Station** is scheduled to resume in January 2018. Construction is now underway at **Roxborough** and **Old Grange/Shirvan Police Station** in Tobago.

Industrial Project

Proposals are invited for the **Moruga Agro-Processing** and Light Manufacturing Industrial Park – construction scheduled to commence in 2018

Community Centres (17 now under construction)

We have 17 Community Centres currently under construction.

(Bagatelle, Las Lomas, Indian Trail, Bon Air Gardens, Chickland, Pleasantville, New Village, Techier Village, Tarodale, Diego Martin, Cantaro, Corinth Hills, Tarouba, La Pastora, San Fernando, Santa Flora and Maitagual)

Administrative Complexes

The Roxborough Administrative Complex is under construction. Regional Corporation Administrative Buildings at **Diego Martin and Penal** scheduled for commencement of construction in 2018

Historical Restoration Projects

Restoration of the Red House is in progress, scheduled for completion at the end of 2018

The Restoration of **Stollmeyer's Castle** completed in 2017 and Work is to begin on **Whitehall in 2018.**

Sporting Facilities

Brian Lara Stadium completed in 2017 and

The Diego Martin Sporting Complex under construction, scheduled for completion in mid-2018

Fishing Facilities

The Carenage Fishing Complex under construction, scheduled for completion in early 2018

Airport

Proposals to be invited shortly for the construction of a **New International Airport Terminal in Crown Point Tobago** in 2018, on a BOLT basis. Construction scheduled to commence on this project in 2018 for completion in 2020.

Ports

With respect to the Toco Ferry Port – preliminary designs completed, environmental permits being secured.

Moruga Fishing Port – designs in progress.

Roads

With respect to Valencia to Toco Road – route selection completed, detailed design to commence in 2018

With respect to Curepe/Valsayn Flyover – construction scheduled to commence in early 2018

Extension of Churchill Roosevelt Highway to Manzanilla - construction of first 5 kilometres of this new highway to commence in early 2018

With respect to Pt. Fortin Highway – construction resumed in June 2017, work in progress on **South Trunk Road from Dumfries Road to St. Mary's Junction** and on bridges at **Mosquito Creek and on the Godineau River**

More construction packages to commence in early 2018 such as - **Southern Main Rd to Dunlop Roundabout, Mon Desir to Eccles Trace, St Mary's Junction to Mon Desir** and bridge works at **Guapo, Mon Desir and Oropuche River**

With respect to our Tourism/Recreational Facilities

Maracas Beach Upgrade - Car Park and Roadway – completed in December 2017; Vending Booths/ Public Bathrooms and Water Treatment Plant scheduled for completion in early 2018.

There are a number of Coastal Protection Projects

A. Several construction projects commenced in 2017 as follows

- South Cocos Bay Cocos Bay Shoreline Stabilization
- San Souci Shoreline Stabilization Works –
- Quinam Shoreline Stabilization Works -
- Matelot/ Grande Riviere Stabilization Works
- Shoreline Management Plan for Manzanilla Beach-
  All to continue through 2018.

Ferry Service

Twenty seventeen (2017) was a more than challenging year for the Port Authority and the people of Tobago in particular. The cargo ferry service provider broke his contract and withdrew the vessel when wholly unacceptable terms could not be met. The passenger ferry service also presented challenges due to the absence of routine drydocking during the earlier years.

The tender process for a substitute passenger vessel became the 6th consecutive aborted tender on the Port. In the face of this a Cabinet Sub-Committee was immediately instituted to contact and engage international brokers to locate a suitable vessel for lease, using NIDCO as the contracting party. During the search a suitable new vessel which had not yet been put into service was found by one broker and this vessel was available for sale. We had all the necessary inspection, examination certification checks and sea trials were done on this vessel and after all satisfactory reports were obtained steps have now been taken to purchase this vessel, on on completion of this process, should arrive in the country within weeks from a port in Asia. The introduction of this vessel on the sea-bridge should see a dramatic improvement in the service capacity and reliability that would bring considerable relief to the long suffering people of Tobago from the early months of 2018.

Fellow citizens, it should be clear to all, that we are a nation with many challenges but what should also be clear is that we are not a nation without hope. Let us behave like a responsible people who are prepared to put our shoulders to the wheel and make our individual presence felt. There is much more adjustment to come before we clear these dangerous rapids towards calm waters. Let our collective New Year resolution be **“Together we are stronger, strong enough to get it done”.** Let’s do this and may God continue to richly bless Trinidad and Tobago.

Thank you for your patience and your attention