



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

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MEDIA RELEASE

**WILD AND MISLEADING ALLEGATIONS FROM THE OPPOSITION
ABOUT THE USE OF WITHDRAWALS
FROM THE HERITAGE AND STABILISATION FUND**

The Minister of Finance, Honourable Colm Imbert M.P. has noted a number of wild, misleading and inaccurate allegations made by Members of the Opposition UNC regarding the utilisation of withdrawals from the Heritage and Stabilization Fund (HSF) during the last year.

The Opposition has claimed that the money withdrawn from the Fund was used to pay contractors and suppliers of goods and services in 2020, rather than for Covid-19 relief and vaccines.

However, this claim is utter nonsense and needs to be corrected and debunked.

The Heritage and Stabilization Fund Act, 2007 states clearly at Section 3 that the one of the main purposes of the Fund is to save and invest surplus petroleum revenues derived from production business ***in order to cushion the impact on or sustain public expenditure capacity during periods of revenue downturn.***

In 2020, the Act was amended to allow withdrawals where a dangerous infectious disease was declared under the Public Health Ordinance, as is the case today with the Covid-19 pandemic, again in the context of a shortfall in revenue.

The Act also states in Section 15 that withdrawals from the Fund must be deposited into the Consolidated Fund.

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It is well known that once revenue is deposited into the Consolidated Fund it must be used to provide for the overall Service of Trinidad and Tobago in any given fiscal year.

Therefore, withdrawals from the HSF must be used for the items of expenditure specified in the Annual Estimates of Expenditure and in the Appropriation Act, as approved by Parliament in any given fiscal year, and in particular ***to sustain public expenditure during periods of revenue downturn.***

It is nonsensical, therefore, for the Opposition to claim that withdrawals from the HSF must be used only for Covid-19 related matters. That is not the law, nor was that ever the intention of the Legislature.

Withdrawals from the HSF are simply intended and utilised to partially finance the deficit between revenue and expenditure in a fiscal year, whenever there is a serious revenue shortfall, whether caused by a serious drop in oil and gas prices or oil and gas production, or a dangerous infectious disease, or a natural disaster.

In 2020, the withdrawals from the HSF were thus used to provide funding for Covid-19 relief, and for social welfare, such as senior citizens' pensions, and for salaries and wages, and for payments to contractors and suppliers of goods and services, and for PPE, health care, medical equipment, hospital construction, subsidies and transfers and ALL of the other items of expenditure approved by Parliament. The same applies in 2021, as the pandemic continues to have a severe adverse effect of Government revenues.

The claims of the Opposition about the HSF are thus without any merit whatsoever and misleading in the extreme.

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The Honourable Colm Imbert M.P.
Minister of Finance