

Government of the Republic of Trinidad and Tobago

Ministry of Finance

Budget Statement 2024

Building Capacity for Diversification and Growth

Presented by the Honourable Colm Imbert, MP, Minister of Finance

Monday, October 2 2023

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Introduction

Madam Speaker, I wish to present to this Honourable House the Budget Statement for the financial year **2024**. However, it is only fitting that before starting I would like thank Dr. the Honourable Keith Rowley, our Prime Minister and Leader of this PNM Administration, for his support and understanding over these past eight (**8**) years.

Indeed, I have had the pleasure and privilege to manage the fiscal affairs of this country as Minister of Finance since this Administration assumed Office in **September 2015**.

Madam Speaker, it needs to be repeated that eight (8) years ago, in 2015, when we were elected to Government, our economy was confronted with exceptional and challenging difficulties because of a collapse of oil and gas prices that started in 2014, coupled with declining oil and gas production and an unhelpful petroleum tax regime. Our detractors do not wish to acknowledge these truths and would prefer that we pretend it was not so, but this is the stark reality we faced.

Between 2014 and 2016, the price of oil dropped by **75 percent** from **US\$100** per barrel to **US\$25** per barrel. That is what we had to deal with.

This price collapse and the petroleum tax regime changes, which favoured accelerated capital expenditure write-offs, drastically impacted our economic and financial situation and severely affected economic growth and our fiscal accounts. We lost **\$20 billion** in annual revenue in just one year, with annual Government revenue dropping from **\$57 billion** to **\$37 billion**.

To address this tough economic challenge, *we acted decisively with a well-focused and targeted fiscal consolidation and medium-term framework*, which brought expenditure within reasonable levels, revived the economy, reignited economic growth, improved market conditions, narrowed the fiscal deficit and strengthened the balance of payments.

Madam Speaker, by 2019, *the economic and financial conditions for anchoring economic growth had been created*, and positive results were emerging. The economy had emerged from contraction and had begun to grow. However, none of us could foresee the worldwide catastrophe which derailed our hard-won economic gains as COVID-19 engulfed the global economy in early **2020**. Then, as Trinidad and Tobago, along with the global economy, re-emerged from the Pandemic, we were confronted by a second global headwind: the Russian invasion of Ukraine in **February 2022**, which generated higher inflation and caused shipping costs and the prices of essential imported foods and other basic items to skyrocket.

As we go forward, the outcome of the Russia-Ukraine War remains uncertain, but notwithstanding, the global economy appears poised for a slow but gradual recovery from the lingering effects of the Pandemic and the war. However, while positive indicators are emerging, many factors mitigate against these and render the global recovery fragile and highly uncertain. Oil, gas and petrochemical prices remain extremely volatile, while climate change and the move towards the use of renewable energy and away from fossil fuels are gaining more and more importance.

Maintaining and increasing our oil and gas production also remains very challenging due to the 100-year maturity of our oil and gas basin.

Therefore, as a priority, we must continue to build and develop our non-energy sector while strengthening and preserving our ageing energy sector.

This is the global landscape against which I am delivering my ninth (9th) Budget Statement, seeking to consolidate previous gains and build on the current momentum to continue taking the economy forward. One thing for sure, Madam Speaker, which all our citizens always need to understand, is that Trinidad and Tobago cannot operate isolated, independent and unaffected by the conditions of the international marketplace. We are a trading nation and will constantly be buffeted by global storms.

Accordingly, my theme for this year's Budget Statement is “***Building Capacity for Diversification and Growth,***” *within a world of challenges.*

Global Economy

Madam Speaker, the confluence of factors currently clouding the global outlook– the legacy effects of the COVID-19 Pandemic, the lingering Ukraine-Russia War and its latest perilous phase, persistently high inflation, aggressive interest rate increases from the tightening of monetary policy and the ever-worsening impact of climate change, must be carefully considered going forward, even though signs of global recovery are emerging.

The emerging view is that while global uncertainty remains, risks have become better balanced. China is rebounding, supply chain disruptions are unwinding, and dislocations to energy and food markets caused by the Russia-Ukraine War are receding. Simultaneously, the tightening of monetary policy by most Central Banks is beginning to bear fruit, with inflation moving downwards to previously established targets.

Madam Speaker, the **July 2023** World Economic Outlook Update has forecast that global growth will be approximately **three (3)** percent in **2023** and **2024**. Although more slowly than initially anticipated, global inflation is expected to decrease from **8.7 percent** in **2022** to **6.8 percent** in **2023** and **5.2 percent** in **2024**. While these metrics give us space to take advantage of this window of opportunity to power our economy forward, we must appreciate that in driving our economic and reform agenda that global turbulence is building below the surface.

We will take steps to address and mitigate the impact of these threats on our domestic economy to ensure that our economy sustains its recovery at all costs. At the same time, we will encourage and foster diversification and achieve strong, sustainable and inclusive growth over the medium term.

Domestic Economy

Madam Speaker, our well-designed rolling medium-term economic and reform programme introduced at the beginning of our period in office has been instrumental in navigating the multiple crises and shocks that have impacted our economy negatively. We have navigated successfully:

- The **2014-2016** negative energy price shock with the associated pressures on the balance of payments and fiscal accounts, followed by a prolonged period of depressed oil and gas prices;
- the lockdown of production units and businesses and restrictive public health and social measures during the COVID-19 Pandemic: **March 2020 - April 2022**;
- The Russia-Ukraine War, which began in **February 2022**, putting upward pressure on global inflation; and

- Rising global interest rates since **mid-2022**, triggering re-pricing across asset classes, including equities, and generating sizeable losses in the value of equity and bond portfolios.

Madam Speaker, ***I am pleased to confirm that economic activity rebounded in Trinidad and Tobago in 2022 under the influence of favourable terms of trade.***

After contracting by **one (1) percent** in **2021**, which was **eight (8) percent** better than the situation in **2020** - the COVID-19 onset year, our domestic economy grew by **1.5 percent** in **2022**.

Further, growth continued in the first quarter of 2023 at a rate of three (3) percent.

Significantly and from a diversification perspective, economic growth was driven by a buoyant non-energy sector, which expanded by **5.8 percent** in **2022**.

However, because of supply chain difficulties, after the onset of COVID-19, inflation began to increase in 2021 and 2022, reaching over **8 percent** at the end of **December 2022**. These Inflationary conditions were driven mainly by considerable increases in the cost of imported food, essential items, raw materials, shipping and energy prices, which have passed through to domestic prices. The unusually intensive flooding in 2021 and 2022 also added to inflation. Yet, as **2023** unfolded, our monetary policy, particularly our decisions to maintain and not increase interest rates and to support our exchange rate, created the conditions for a consistent decline in inflation, which fell to **four (4) percent** in **August 2023**.

Madam Speaker, *our fiscal consolidation process has begun to reap dividends*; after a record deficit of **9.1 percent** of GDP in **FY2020**, during COVID-19, we generated a budgetary surplus of **0.6 percent** of GDP in **FY2022**, and *we are estimating an overall deficit of less than 1.8 percent of GDP in FY2023*, well within the international benchmark for a fiscal deficit of **three (3) percent** of GDP.

Our external fiscal buffers remain healthy and strong. In **2022**, they amounted to **US\$16.3 billion**, comprising gross official reserves of **US\$6.8 billion** or **8.6 months** of import cover, commercial banks' external reserves - of **US\$4.3 billion** and the Heritage and Stabilization Fund – with just under **US\$5.2 billion** under management at that time. The Heritage and Stabilization Fund is now back up to **US\$5.5 billion**. Our external fiscal buffers thus represented **52 percent** of our GDP in **2022** and remain at **53 percent** of GDP in **2023**, an adequate level to meet any emergency event which might arise.

Additionally, Madam Speaker, *domestic financial conditions remain accommodative despite increasing foreign interest rates*. The financial system is sound, with adequate and appropriate capital, liquidity and profitability levels. Moreover, our sovereign creditworthiness has improved, with sovereign interest rate spreads over US Treasuries much lower than most of our regional peers in Latin America and the Caribbean.

Our focus on medium-term macro-economic adjustment has contained our public debt, which declined from **79.5 percent** of GDP in **2021** to **66.6 percent** of GDP in **2022** and remained at about that level in the first half of **2023** – reaching **70.9 percent** at the end of **2023**. We are therefore confident that we can maintain debt at our soft target level, i.e. **less than 75 percent of GDP** in the medium term, *well below many of our peers in the Region*.

As in the past eight (8) years, *we will maintain fiscal discipline in 2024, rebuild fiscal buffers and advance structural reforms to diversify the economy in preparation for the expected global energy transition*.

Medium-Term Policy Framework

Madam Speaker, *we have kept our medium-term economic framework under consistent analysis and review*, and it will continue to anchor our planning efforts and reinforce fiscal and debt sustainability.

Our fiscal policies and measures are thus shielding the budget from energy revenue volatility and providing early warning signals relating to fiscal and debt sustainability.

However, we are cognisant that we are significantly below the highest production level of **4.2** billion cubic feet per day in natural gas utilized by our petrochemical plants and LNG facility at capacity levels in the past.

At current production levels, averaging **2.7** billion cubic feet per day, our processing plants have spare capacity of **1.5** additional billion cubic feet per day.

We have therefore taken decisive action in support of our energy production capacity to increase our oil and gas production. **Rystad Energy**, an independent research and business intelligence company, forecasts that if key offshore projects advance, gas production could rebound to **4** billion cubic feet per day by **2030**.

In the interim, gas production will stabilize at approximately **2.6** billion cubic feet in **2024** and **2.5** billion cubic feet in **2025**.

Madam Speaker, our energy sector will remain our primary growth engine in the near to medium term. With the economic recovery taking root in 2022, our growth rate ***in 2023 is now estimated at 2.7 percent, with broadly similar growth rates in 2024 and 2025.***

Significant economic growth is now being driven in a much more balanced manner by the energy and non-energy sectors. While the energy sector contracted by **0.3 percent** in **2022** and may contract by a further **0.6 percent** in **2023**, with a rebound in **2024** and **2025** with estimated growth rates of **2.4** and **2.7 percent**, the non-energy sector expanded by a significant **5.8 percent** in **2022**, and a further **3 percent** in **2023**.

The non-energy sector is also projected to grow by **2.6 percent** in **2024** and **2.0 percent** in **2025**.

Additionally, *inflation is now again on the decline*. After several years of historically low levels, reaching as low as **one (1) percent** in 2019, the worldwide effects of COVID-19 caused inflation in Trinidad and Tobago to peak at **8.7 percent** in **December 2022**. However, this was still below the **16.9 percent** average inflation experienced in other Caribbean countries. Our inflation in 2022 was, in fact, half the rate in the rest of the Caribbean. Significantly, our annualised rate of inflation, which was **5.8 percent** in **2022**, is now projected to be **5.1 percent** in **2023** and **3.4 percent** in **2024** and **2025**.

Madam Speaker, *our firm commitment to fiscal prudence and consolidation is now paying rich dividends* despite the multiple shocks and challenges in the global economy and their associated negative impacts on us. Fiscal sustainability is being reinforced as our fiscal situation has been improving.

For the first time in more than **ten (10)** years, we recorded a fiscal surplus in **2022**, **0.6 percent** of GDP. We also expect that our fiscal outturn will remain within a range of **three (3) percent** of GDP (the international benchmark) over the period **2023-2025** as we closely manage our energy revenues while staying keenly focused on improving public spending efficiency, preserving support for the most vulnerable and protecting essential capital spending.

We firmly believe that capital expenditure must be maintained and expanded, as this creates jobs and stimulates economic activity, thus fostering economic growth. ***Capital spending will, therefore, be a priority for the Government going forward, and we have once again allocated \$6.2 billion for our Public Sector Investment Programme (PSIP) in 2024.***

Details of our 2024 Public Sector Investment Programme are contained in the 2024 PSIP Document, which I will lay on the table today and I have actually already laid. This **\$6.2 billion** Programme will be distributed among **1,232** programmes and projects. **\$3.2 billion** will go to the Consolidated Fund and **\$3.0 billion** to the Infrastructure Development Fund (IDF).

Madam Speaker, in summary, we are heartened by the projected growth in real GDP per capita income, which in **2022** recorded **US\$16,500** and is projected to grow to **US\$18,400** in **2025**; our nominal GDP per capita has also been increasing, recording **US\$20,000** for the last **two (2)** years – an increase of almost **twenty (20) percent** since **2019**. Our nominal GDP per capita is one of the highest by far in the Caribbean; indeed, as much as **three (3)** times over the other countries in the region.

Madam Speaker, we have also just received good news on the employment front. According to the latest available quarterly labour force and employment data from the

CSO, the unemployment rate declined to **3.7 percent** over the period April – June 2023 from 4.9 percent in January – March 2023.

This rate is one of the lowest unemployment rates ever achieved in Trinidad and Tobago and augers very well for the future. Labour force participation expanded to **609,800** persons in **June 2023**, with an additional **14,600** persons employed, moving upwards from **595,200** persons in **March 2023**. Labour force participation increased accordingly to **56.2 percent** from **55.2 percent**.

Madam Speaker, our external position will remain strong over the medium term: **2023 – 2025**. A positive current account balance, which reached **17.9 percent** of GDP in **2022** in the context of the energy windfall, is expected to remain at about **6.6 percent** of GDP over the medium term, far better than most countries in the LatAm Region. Our import cover also remains adequate at eight **(8)** months, well above the international benchmark of **three (3)** months.

Madam Speaker, some of the critical sectors that will receive significant funding for capital expenditure are as follows:

- **Agriculture**
- **Crime and Security**
- **Education and the Youth**
- **Transportation**
- **Roads and Bridges**
- **Drainage**
- **Digital Transformation of our Economy**
- **Sports and Community Development**
- **Health Care**

- **Housing and Shelter**
- **Trade and Investment, among others.**

Madam Speaker, despite the constant barrage of negativity from the critics, we *consider our economic management since 2015 extremely commendable, **as does the international financial community.***

This fact was demonstrated as recently as a few weeks ago when we successfully refinanced a US\$550 million bond on the international capital market, at an interest rate spread of just **1.46 percent** above current US Treasury 7-year Note rates, or **5.95 percent** over 7 years, with an oversubscription of three times the required amount.

This was a far superior outcome to previous international financing transactions within the last 10 years, where our interest rate spread was between **two (2) and three (3) percent** above US Treasury Note rates.

Madam Speaker, for this successful transaction, I wish to offer my sincere congratulations to the officials of the Ministry of Finance, our lead managers, JP Morgan and Scotiabank, as well as our expert international financial advisors, **Lazard**, for their excellent work which resulted in the successful execution of this bond.

In contrast, other countries in the Latin American and Caribbean Region that have gone to the market recently have been forced to raise financing at rates above **eleven (11) percent** (we raised it below **six (6) percent**). Notably, we achieved an interest

rate of **5.95 percent** on our international bond when the current interest rate yield on 4-month US Treasury Notes (still the best investment in the world) is **5.61 percent**, and 7-year Treasury Notes currently trade at **4.61 percent**.

So, while our detractors at home have sought to deny how the rest of the world views Trinidad and Tobago under this Government, there is no avoiding the reality that through prudent management, we have been able to withstand successfully the consistent and multiple adverse external shocks over the last decade. In 2023, as was the case in 2016 and 2020 when we also launched successful bond issues on the international capital market, ***we are viewed by the global financial community as a safe investment haven.***

We have overcome substantial downside risks over the last **eight (8)** years, and I am indeed optimistic about our medium-term prospects, including upcoming new energy projects. The recent decision of S&P Global to revise our investment credit rating outlook from *negative to stable* has bolstered our access to international markets. Our sovereign spreads over US Treasury rates are now well below most countries in Latin America and the Caribbean.

Madam Speaker, our internal analytical and economic assessment aligns with those proffered by **S&P Global** and **Moody's Investors Services**, **two (2)** major credit rating agencies, in their latest rating outlook for the country. Indeed, **S&P Global** has revised our investment credit rating outlook from *negative to stable*, while **Moody's Investors Services** has moved our outlook upwards *from stable to positive*.

CariCRIS, a regional rating agency, has also maintained our “high creditworthiness” rating.

These improved ratings are welcome developments. They acknowledge the positive outcome of the country's efforts throughout the several different shocks that have taken place over recent years, such as the oil and gas price shocks and the severe adverse effects of the COVID-19 Pandemic and the Russia-Ukraine War.

Specifically, Madam Speaker, in **July 2023, Moody’s Investors Services** was clear and precise in affirming our sovereign rating while moving our outlook upwards from *stable to positive*. Moody’s pointed out that *the positive outlook* reflects improved prospects that our fiscal consolidation momentum triggered by energy price windfall gains will be more sustained than projected in its baseline scenario.

After several years of contraction, a return to economic expansion would also enhance economic resiliency and continue diversification in the non-energy sector. In the view of Moody’s, “***the Government’s adopted structural, fiscal and economic reforms are reflected in an improving institutional and governance strength.***”

Madam Speaker, following this positive credit rating by Moody’s Investors Services, also in **July 2023, S&P Global** affirmed our investment-grade credit rating *with a stable outlook*. I wish to emphasize that **S&P Global’s** affirmation of our credit rating *is a positive development*.

Our country is one of the few investment-grade destinations within the Latin American and Caribbean Region at this time. Madam Speaker, we are *the **only investment-grade country in the Caribbean** with an improving economic outlook.*

These affirmative actions are explicit acknowledgements by well-respected private international agencies of ***our policy effectiveness*** as we persist in implementing difficult but necessary long-term reforms.

I am assured that adherence to the established goals in our medium-term economic framework would further strengthen our credit profile and improve our credit standing. *We now have a clear direction ahead, and we have defined goals.*

Institutional Quality

Madam Speaker, pursuing *high-quality development is, first and foremost, a requirement to build a modern economy.* It is the only way to attain better results for ourselves. We will create a new growth impetus *through institutional enhancements and policy innovations.*

- Heritage and Stabilization Fund (HSF)

Madam Speaker, in **2022**, the sovereign wealth fund industry experienced severe declines in valuations arising out of the turbulence in the global money and capital

markets. In the face of the Ukraine-Russia War and the increases in the already-rising inflation and interest rates, the values of bonds and equities were impacted simultaneously, with the majority of declines in values generating paper losses, given the role of the sovereign wealth funds as long-term investors. Our sovereign wealth fund – the Heritage and Stabilization Fund – had a similar experience. Still, due to timely action and well-conceptualized investment policy approaches, the Heritage and Stabilization Fund was able to contain and reverse the decline in the value of its portfolio.

Our Heritage and Stabilization Fund was established in 2007 to preserve wealth for the benefit of multiple generations and to provide for fiscal stabilization. The mandate was subsequently expanded in the face of COVID-19 to include fiscal contingency purposes, for example, expenditure related to preserving lives and livelihoods emanating from a global health emergency.

By any standards, the performance of the Heritage and Stabilization Fund has been commendable. This assessment is being made in the context of the **2022** capital market turbulences, which saw considerable declines in the value of sovereign wealth funds worldwide stemming from surges in inflation and interest rates.

In **December 2016**, the Heritage and Stabilization Fund recorded a net asset value of **US\$5.55 billion**. **Seven (7)** years later, in **September 2023**, the value of the Fund was **US\$5.50 billion**, after reaching **US\$5.60 billion** at the end of **July 2023** because of the strength of the equity market in that month.

Our Fund has achieved this resilience, while other sovereign wealth funds lost up to **20 percent** of their value.

Madam Speaker, it needs to be emphasised that in the **seven (7)** years since **2016**, the net asset value of the Heritage and Stabilization Fund has remained in the vicinity of **US\$5.5 billion**, virtually the same level as in 2016. However, withdrawals over the last 7 years for fiscal contingency have amounted to **US\$1.9 billion** – for financial support of the population during the COVID-19 Pandemic and fiscal stabilization during periods of extreme petroleum revenues decline.

On the other hand, **US\$346 million** has been deposited, for the benefit of future generations, by this Government into the Fund, arising from the **2022** oil revenue windfalls (Madam Speaker, over \$2 billion TT dollars).

Despite loose and unfounded old talk from the other side, under this Government, our Heritage and Stabilization Fund maintained its value despite withdrawals to deal with unforeseen economic shocks.

I am therefore confident that the Heritage and Stabilization Fund would continue its good performance under astute and careful management and continue to meet the purposes for which it was established.

- Trinidad and Tobago Revenue Authority (TTRA)

Madam Speaker, the Trinidad and Tobago Revenue Authority was conceptualized at the turn of the 21st century **two (2)** decades ago, as a strategic institution in our thrust at modernizing our economy. It was envisaged that this new institution, as it had done

in other jurisdictions, would maximize tax revenue collection. It was intended to combine **two (2)** Divisions of the Ministry of Finance, the Inland Revenue and the Customs and Excise Divisions, to create the Trinidad and Tobago Revenue Authority and to insert strong managerial and technical structures into this new institution to achieve its mandate.

It is unfortunate that because of ill-advised and short-sighted opposition from those opposite, *including persistent attacks in the law Courts*, all of which have been faced and defended successfully thus far. It is only recently **on December 21, 2021**, the Trinidad and Tobago Revenue Authority Act 2021 became partially operational enabling the Authority to function according to its mandate; but leaving enforcement subject to rules and procedures of the Public Service Commission.

In **March 2022**, the legislation was partially proclaimed, allowing for appointing the Board of Management and staff recruitment. Subsequently, in **June 2022**, we selected the first Board of Management comprising distinguished professionals. In **December 2022**, in accordance with the requirements of the legislation, the Board submitted its first **3-year** strategic plan for **2023-2025**, including a **three (3)** year roadmap and a detailed operational plan for year one (1).

A timely resolution of the present legal challenges, which we look forward to by the end of this year, will set in motion the final stage for the operationalisation of the Authority.

Madam Speaker, we anticipate a smooth merger for the Inland Revenue and Customs and Excise Divisions. We are heartened that the Board is at an advanced stage of finalizing the Executive and senior management staff recruitment.

With a much more policy-oriented body, the focus will now be on maximizing revenue mobilization. In anticipation of the commencement of the Revenue Authority, we are updating, with the assistance of the IMF, a Tax Administration Diagnostic Assessment of the state of revenue collection.

We envisage that the TTRA will significantly reduce the current estimated tax gap of up to \$10 billion – the tax gap being the difference between the estimated tax liability in any given period and the amount of tax paid on time.

On that note, it is astonishing that the other side, the purported “alternative” government, in its irrational and relentless opposition to the TTRA, would want the current situation of billion-dollar revenue leakage and tax evasion to continue, when it is only fair and just that everyone pays their fair share of taxes, so that our country’s comprehensive suite of free or subsidised social services, including free healthcare, free education, subsidised utility rates, subsidised public transportation and numerous social grants, among many other benefits, can be maintained.

- Procurement

Madam Speaker, successive PNM Administrations had always imposed strict governance procedures on the processes for acquiring public goods and services to

accomplish specified public purposes. Indeed, from **1961**, all procurement by Government Ministries and Departments fell under the administrative and regulatory framework of the Central Tenders Board Ordinance, with *specified procurement limits* being assigned to the accounting officers in various ministries and departments for procuring goods and services.

Until the enactment of the *Public Procurement and Disposal of Public Property Act 2015 (as amended)*, the acquisition of property and services fell under the tendering procedures as established in the Central Tenders Board Ordinance, as well as the other tender rules prescribed in state agencies using public funds, including state-owned enterprises and statutory authorities. By 2015, Accounting Officers within Ministries and Departments had their limits increased with the flexibility to award contracts of up to **\$1 million**, offering more flexibility than the exacting procedures of the Central Tenders Board (CTB).

The new framework, as delineated in the Public Procurement and Disposal of Public Property Act (as amended) continues the modernization process for procuring property and services using public money. Essentially, the multi-faceted, varied and different procurement procedures used in the state sector have been brought to an end, and the oversight and monitoring of the procurement of property and services using public money has become the responsibility of *the Office of Procurement Regulation* under the management and administration of a Procurement Regulator. This legislative structure with an associated regulatory framework applying objective standards evenly across all stages and actors in the process serves to improve

governance and, in the process, achieve value for money, transparency and accountability. *This new and modern framework came into operation on **April 26, 2023.***

However, the intricacies of the legislation required detailed examination and monitoring in implementation. The procedural framework for initiating pre-qualification and pre-selection of all suppliers and contractors wishing to do business with public bodies has been put in place. However, it is still a work in progress, as procedures are being fine-tuned and anomalies resolved. At the same time, the Office of Procurement Regulation (OPR) continues to facilitate the population of the Procurement Depository – a data base of pre-qualified contractors and suppliers who can submit information concerning their qualifications and experience.

With this new system, public bodies now have the legal capacity to enter into a procurement contract with pre-qualified suppliers and contractors who have been deemed properly registered in light of their qualifications and experience without reference to the Central Tenders Board.

Madam Speaker, the compilation of the Procurement Depository has been challenging despite the efforts of the Office of Procurement Regulation and various other bodies. I wish to point out that the Central Government is the country's largest spender on goods and services, with the majority of those goods and services being provided by small and micro enterprises. Effectiveness and efficiency in implementation require

that the Procurement Depository cover the bulk of contractors and suppliers of services to ensure equity in competitive processes.

However, Madam Speaker, I am concerned that small- and micro-enterprises are failing to pre-qualify as contractors and suppliers in light of the requirement to follow the demanding procedures in the legislation. Implementing this complex legislation has created several unforeseen circumstances that could not be addressed under the previous regulatory regime.

The practical reality is that putting the Public Procurement and Disposal of Public Property Act into operation for the first time has highlighted several gaps, loopholes, and teething issues. A considerable amount of learning and knowledge sharing is taking place in a short space of time to address the unforeseen deficiencies quickly.

These considerations led us to amend, on **July 26, 2023**, the public procurement and disposal of public property Legislation. Given the various improvements through the various amendments, one shudders to think about the difficult situation that would have occurred had we not made painstaking efforts to improve it to where it is now. Through amending the legislation, we strengthened the procedural framework for procuring goods and services to be used by public bodies.

First of all, out of an abundance of caution, we had to validate retroactively **2** exemption orders made by way of Legal Notices which modified the methods by which orders and regulations were made under the legislation:

- For the procurement of goods and services concerning the operations of the Judiciary for three **(3) months** from **May 29, 2023**; and
- For the provision of services for events associated with visits from Foreign Heads of State, Foreign Heads of Government or Foreign Dignitaries to the Government of Trinidad and Tobago for **three (3) months** from **June 29, 2023**.

Madam Speaker, the Minister of Finance no longer has the authority to determine the scope and extent of exemptions or amendments to the procurement regulations. That authority now resides with the Office of the Procurement Regulator. Indeed, the Procurement Regulator now has control of the process for exemptions and amendments, which are now to be on the recommendation of the Office of the Procurement Regulator or upon the initiative of the Minister with the agreement of the Office of the Procurement Regulator.

With the introduction of the Regulator into the process as a safeguard, exemption orders will now be subject to negative resolution by Parliament, thus saving precious parliamentary time and making the amendment process far more efficient.

In this context, I am pleased to announce that I have completed the drafting of Regulations for awards of contracts for goods and services up to a value of \$1 million and have sent them to the Procurement Regulator for her review and comment, with a view to implementation at the earliest opportunity.

Madam Speaker, our public bodies are now taking steps to ensure that critical public procurement and disposal stakeholders clearly understand the key elements for compliance with the legislation.

They are ensuring that appropriate systems are implemented to support the efficient management and execution of procurement, retention and disposal activities, bearing in mind the recognition that the procurement and disposal function will entail a learning process.

Notwithstanding this, I expect, *over time, in the ordinary course of events, issues of interpretation will arise*, which we will treat with proactively since we see the new procurement regime as a dynamic and evolving process rather than a static one.

Further, Madam Speaker, to avoid duplication of effort, we are procuring an appropriate e-procurement solution for the whole of Government. This platform will provide for the seamless integration of the e-procurement solution within all bodies, including training, business process realignment and establishment of operational governance structure. The solution represents an essential adjunct in our public service modernization programme. We are creating a more agile, client-focused, proactive and result-oriented public service.

However, I wish to make it clear that whenever necessary, we will introduce in Parliament for debate appropriate improvement amendments to the procurement legislation as unforeseen difficulties arise to ensure that the country's development programme is not unduly impeded.

- Property Tax

Madam Speaker, we have always ensured that our non-energy tax structure meet international best practice. To that end, we have consistently reformed our income, corporate tax structures, and value-added taxes. Our efforts are aimed at strengthening our domestic tax base and improving domestic resource mobilization to meet our current and developmental needs. Our new addition, the Property Tax which has replaced land and building taxes suspended in 2010 and now fully repealed, will continue the tax modernization process. We will now have a core mix of domestic taxes appropriate to the demands of our country.

In this context, I wish to advise that the collection of property taxes will be effective in the financial year 2024.

Upon proclamation and operationalisation of the relevant sections of the local government legislation, residential taxes will be collected by the **two (2)** Cities, **five (5)** Boroughs and **seven (7)** Corporations to benefit our citizens within the **fourteen (14)** Municipalities.

Madam Speaker, we are at an advanced stage of operationalizing the property tax regime and bringing Trinidad and Tobago into the modern era.

Our Valuation Division, with enhanced resources, has already crossed the **fifty (50)** percent threshold of residential properties required to give effect to the population of the valuation roll.

Therefore, I am confirming today that in accordance with the law, I have received the residential property valuation roll for Trinidad and Tobago.

This valuation roll will now be sent to the Inland Revenue Division, which will set in motion the procedural framework for collecting residential property taxes in the first instance.

This will provide Local Government Bodies with a new and sustainable revenue stream to be used for procuring goods and services and/or their development programmes, and not for personnel expenditure. Legislative amendments will be made in due course to ensure that this money is not used for the wrong purpose.

In this regard, since this is a new paradigm, and the collection of property tax will take some time to ramp up, I have created a new sub-item for the proceeds of property tax in the goods and services line item in the allocations for Municipal Corporations and allocated additional appropriate sums of money for each of the fourteen (14) Municipal Corporations, in the first instance, depending on their population size, **ranging from \$8 million to \$12 million**. These sums will be suitably increased during the mid-year review if the collection rate of property taxes exceeds expectations.

Madam Speaker, it must be emphasised that property taxes are easily calculated but *subject to extensive narratives of knowingly false claims, misinformation and*

disinformation. In making false representations about the property tax levels that most citizens will be required to pay, our opponents consistently and deliberately confuse capital values with rental values to make property taxes appear onerous.

Let me make it demonstrably clear. The base for calculating property taxes is the *annual rental values of relevant properties*; for example, in the first step, the Valuation Division has established and continues to establish *annual rental values* for our national property portfolio, which comprises **600,000** properties of which:

- 400,000 are residential;
- 49,000 are commercial;
- 3,000 are industrial; and
- 148,000 are agricultural.

Madam Speaker, in *the second step*, the Board of Inland Revenue will calculate the property taxes based on annual rental values discounted by ten **(10) percent** with an application of three **(3) percent** of the discounted annual rental values; for example, with an annual rental value of **twenty –four thousand dollars (\$24,000)**, the property tax will be fifty-four dollars **(\$54)** per month being **\$24,000** minus **\$2,400** which will equal **\$21,600** multiplied by three **(3) percent**. This simple calculation will generate a tax of **\$648** per annum or **\$54** per month.

Based on the progress in the compilation of the valuation roll, I expect that at least **fifty (50) percent** of all residential properties, and quite likely more than fifty (50) percent, will pay property taxes somewhere between **\$540** and **\$1,080** annually.

Moreover, for the lowest possible value which would be placed on a residence - **\$18,000** or less – the property tax will be approximately **\$41** per month.

On the other hand, if someone owns a property which could rent for **\$3,000** a month or **\$36,000** per year, the property tax on that type of property will be **\$81** per month or **\$972** per annum.

For more significant and larger properties that rent for **\$10,000** per month, the property tax would be **\$3,000** per annum or **\$250** per month, which is quite affordable for owners of properties in that higher range.

Further, Madam Speaker, despite these relatively low property taxes, we are still ensuring that the most vulnerable in our society are shielded from the immediate impact of property taxes. If a citizen cannot pay the tax due to hardship or if they are on old age pension, public assistance or disability grants, or they have minimal income, ***they can apply to the Board of Inland Revenue for deferral of property tax.***

The architecture of the property tax on residential properties is thus now taking shape.

It is hoped that this will now bring to an end the *misinformation and fake narratives* on property tax rates which are currently being promoted in the public domain since property owners and occupiers will soon begin to receive notices stating the amounts of property tax they are required to pay, which when they see the actual rates for themselves, will bring the charade perpetrated by those opposite to an end.

- Local Government

Madam Speaker, Local Government Reform has occupied the attention of successive PNM Administrations for more than **3** decades. Central to this process has been our unwavering commitment to devolving authority from the Central Government to the regional bodies. We always envisaged a certain level of autonomy and responsibility for local matters for those bodies. We saw appropriate disbursements for the services provided to the citizens under their remit as strengthening civic participation in community action, thereby enhancing the image and capability of the Local Government. On that score, the Prime Minister, Dr. the Honourable Keith Rowley, who has led the charge in ensuring that this significant advancement is operationalized and attained now, must be commended, and I do so now.

The Miscellaneous Provisions (Local Government Reform) Act 2022 was assented to on **July 1, 2022**. The legislation provides the legal and administrative infrastructure to accommodate our defined vision, the centrepiece of which involves a managerial and technical infrastructure working for and on behalf of *the people* in our fourteen **(14)** local government bodies.

The new legislation has created a more efficient, effective and purpose-driven system, the benefits of which far outweigh the concerns expressed in the public domain. Further, it is clear that given the long gestation period and the many hands that contributed to the current milestone being reached, concerns such as “*insufficient consultations and lack of preparedness*” are red herrings now being created to oppose the Local Government reform process.

With property taxes and transfers from the Central Government, municipal corporations, with their new executive authority and responsibility, would now be able to utilize this enhanced source of revenue for a broad range of public services. I am in no doubt that our citizens will benefit from improved services, including the efficient management of many areas of local concern, including:

- maintenance of vacant lots;
- public health, insect control, rodent control and garbage collection;
- processing of building and development plans;
- paving, patching and repairing of local roads and footpaths;
- clearing and maintenance of local watercourses and drains;
- maintenance of parks and recreation grounds and public amenities; and
- local environmental and waste disposal issues.

For a very long time, our citizens have been articulating the view that local government is a problem because it does not provide the required services. It is more recognized for complaints than for the efficient discharge of responsibilities. We believe that the more you build management structures, the more efficient such structures will become. With the new system, *our citizens will see an improvement in the quality of their lives*. We have witnessed the performance of such a local governance environment in Tobago since the establishment of the Tobago House of Assembly in **1980**.

- Trinidad and Tobago International Financial Centre (TTIFC)

Madam Speaker, we have consistently modernized our financial sector, given its essential role in economic development. We have always ensured that our financial system is anchored on a solid foundation, including a stable macroeconomic environment. We are encouraged by the continuing strength of our banking sector as evidenced by adequate capital, appropriate liquidity buffers, low non-performing loans and healthy profitable outcomes.

Madam Speaker, we are now strengthening the Financial Institutions Act through a comprehensive review. We are drafting the *Independent Co-operative Authority Act* to establish a regulatory framework for co-operatives and credit unions, and we are now completing the legislation for the Collective Investment Schemes By-Laws to provide a sound regulatory framework for the mutual fund industry.

Madam Speaker, these pieces of legislation will complement the regulatory framework underpinning the financial institutions, including the foreign exchange market. They will address the economic and exchange concerns arising from high economic uncertainty and volatility in the market.

However, I am concerned about the increasing demand for foreign exchange.

I am stabilising and strengthening the foreign exchange market. I am doing so in a collaborative process among the Ministry of Finance, the Central Bank, the commercial banks and the business community, among other stakeholders. We will

set an agenda to determine the causes and effects of the increased demand for foreign exchange, design strategies to deal with the current challenges and establish the most appropriate policy for the allocation, management and distribution of foreign currency.

We intend to move aggressively to develop strategies to increase the repatriation of foreign exchange earned overseas by local and foreign businesses operating in Trinidad and Tobago, as this is key to an increased local supply of foreign exchange.

In particular, in 2024, we will create new arrangements for preferential access to foreign exchange for qualified small and medium enterprises, and in this regard, I have already received very useful recommendations from the Chamber of Commerce, the Commercial Banks and the EximBank.

I expect to be able to implement this new SME forex facility within the next 6 months, which should reduce the demand for sales of foreign exchange using credit cards.

Madam Speaker, we are now well-poised to improve the functioning of our financial sector by increasing its digitalization. The Central Bank has been facilitating the use of electronic money by approving **three (3)** entities to operate as E-money issuers under the E-Money Issuer Order of 2020, which came into effect on **August 4, 2020**. Registered provisionally as E-money issuers: Pay Wise Limited, Telecommunication Services of Trinidad and Tobago and Pesh Money Limited have now been officially

registered with effect from **September 1, 2023**, with more than forty (**40**) applicants in the pipeline for review by the Joint Regulatory Committee.

Madam Speaker, I consider this development a positive indicator for our economy. As observed in other emerging markets, mobile money has the greatest potential to increase our financial inclusion levels while providing economic opportunities to promote Trinidad and Tobago as a FinTech hub.

In consultation with the Central Bank and based on its experience with supervising e-money issuers as well as representation from industry participants, I have amended the E-Money Issuer Order 2020 to facilitate further the conduct of e-money activity without incurring concomitant risk by:

- removing limits on the size of transactions for individuals;
- increasing the wallet size and monthly transaction limits for individuals in the micro category;
- raising the monthly transaction limits for businesses; and
- removing limits on monthly transactions and wallet sizes for large enterprises and the Government.

Madam Speaker, the Trinidad and Tobago International Financial Centre is driving other digitalization initiatives in the financial services sector. It is also acting as a *Resourceful Ally* for all stakeholders as the country pursues its goal of *reducing the use of cash in our society* and becoming a Fintech-enabled financial services hub.

On **July 5, 2023**, the Trinidad and Tobago International Financial Centre launched the **One Fintech Avenue** platform. This initiative will now be the focal point for fintech activity in the region, offering a collaborative environment for all stakeholders to work, connect and collaborate on fintech-enabled projects through its solutions, policy, research and accelerator programmes.

Madam Speaker, One Fintech Avenue will also connect with other fintech nodes worldwide, encouraging domestic and international collaborations, working groups and initiatives. Ultimately, *a clear fintech platform will be established locally*. This platform will provide several programmes: *solutions* to help encourage investors, donors and partners interested in financing opportunities for emerging FinTech; *capacity building* to prepare applicants seeking to apply for licensing or seeking regulatory certainty for the use of technologies; and *research* to collect data to benefit the centre to advance digital finance and financial inclusion.

This national financial technology platform will preserve our position as one of the Caribbean's largest and most diversified platforms. One Fintech Avenue's interconnection with the rest of the Caribbean will spawn a robust digital financial services ecosystem, thereby facilitating the increasing use of digital payment technologies. Indeed, we have been expanding the digitization of government payments to reduce the use of cash.

I am also encouraged by the progress of the collaborative arrangement among Telecommunication Services of Trinidad and Tobago (TSTT), the Trinidad and Tobago International Financial Centre (TTIFC) and the Treasury Division of the Ministry of

Finance in facilitating and effecting *Electronic Funds Transfers* relating to government payments. This collaboration has led to the development of an Electronic Cashbook or E-Cashbook, enabling an automated process for *bringing revenue to account in real-time*. This E-Cashbook is crucial in reporting receipts and payments via various electronic funds transfer modalities.

I am pleased that the Ministry of Trade and Industry is using the E-Cashbook with the *Single Electronic Window*, and it will be used across all subsequent electronic funds transfer implementations within the Government.

Furthermore, Madam Speaker, several government Ministries and Agencies are already using online payments through solutions developed in collaboration with the Trinidad and Tobago International Financial Centre and TSTT:

- In **January 2023**, the Housing Development Corporation, utilizing its e-pay service, offered a solution to its clients to issue rent, lease-to-own and mortgage payments. I am pleased that HDC clients can now complete transactions online *in the safety and convenience of their homes* using their debit and credit cards, and I wish to point out that HDC clients also have the option to issue payments through a *payment service provider*. Pay Wise at any of its **112** agent locations; and
- In **March 2022**, the Judiciary of Trinidad and Tobago developed electronic funds transfer instructions, which used the platforms of payment service providers to provide alternative payment methods to the under-banked and

unbanked. Indeed, in **2021**, **58,334** unpaid fines and fixed penalty case ticket records had resulted in uncollected funds of almost **\$100 million** (now being resolved).

In **July 2023**, the Ministry of Trade and Industry went live with its collector of revenue model using the *Single Electronic Window* to support online payment transactions for the Ministry of Health, the Ministry of Works and Transport, the Ministry of National Security and the Ministry of Agriculture, Land and Fisheries. I am confident that this initiative will increase the use of online payment options, and it is envisaged that over **400,000** annual transactions will be processed.

Madam Speaker, in **2023**, the Ministry of Works and Transport has been working with the International Financial Centre to launch a payment service allowing debit and credit card payments for fines and penalties. As of **April 2021**, unpaid fines stood at **\$35 million**.

The Trinidad and Tobago International Financial Centre are assisting the Ministry of National Security to implement services at the Immigration Division to allow for the payment of student permits and e-visas with credit and debit cards. I am pleased with the early **2024** launch date for this initiative. At the same time, the Immigration Division has been facilitating the application for and renewal of passports through an easy online application system with an iGovTT e-appointment system with passports delivered through TTPost within a three (3) week turnaround time and there is an option for expedited processing within five (5) days at an additional cost.

We are also moving forward with digitalising government payments with two **(2)** additional agencies: the **Environmental Management Authority (EMA)** and the **National Entrepreneurship Development Company Limited (NEDCO)**. The EMA, with its online payments, will be supporting entities involved in farming, poultry, timber cultivation and oil and gas offshoring, and NEDCO, with online payment functionality, will be serving as a model for the broader application of grant disbursements for essential services such as food cards and educational grants.

We are developing an online payment ecosystem for collecting taxes as a key component in our drive to create a digital economy. We have engaged the Development Bank of Latin America (CAF) to provide technical consultancy services to undertake the project. We anticipate that the project with comprehensive recommendations will be completed and implemented by **March 2024**.

Madam Speaker, we are reasonably assured that with online payment facilities for cashless payments, our social agencies will be able to distribute services efficiently, safely and transparently. This ecosystem of electronic payments would anchor the progress we have made towards building a digital economy.

The **August 2023** Financial Stability Report of the Central Bank reported that in **2022**, electronic payments' total volume and value increased as the economy continued to emerge from the effects of the COVID-19 Pandemic. This was evident in a rise in the volume and value of the Real Time Gross Settlement System, Automated Clearing House and cash transactions. The *volume and value of cash withdrawals in 2022 increased by 30 percent for businesses and 26 percent for consumers over 2021*.

Data from **2018** to **2022** show that the value of cash withdrawals in **2022**, both over the counter and through automated teller machines, surpassed all other years. Illustratively, the value of cash paid *over the counter* increased from **\$24 billion** in **2021** to **\$27.4 billion** in **2022**, and automated teller machines' withdrawals increased from **\$27.7 billion** in **2021** to **\$37.7 billion** in **2022** (**\$10 billion more**).

Madam Speaker, I dare say that cash remains an important means of making payments, but I look forward to our relevant institutions taking the necessary steps to expand their digital solutions and reduce the use of cash in our society. *We need to move into a modernized financial landscape as soon as is practicable.*

Our digital agenda is seeking to expand the financial inclusion landscape. The statistics are illustrative: **72 percent** of businesses do not have a business bank account, **88 percent** of businesses do not accept digital payments, and **55 percent** of individuals do not now have the knowledge to use mobile or web online banking.

This is an unacceptable situation in the modern era, and we must fix this. To keep pace with the rest of the world, we must make as many citizens and businesses as possible knowledgeable and comfortable with digital banking and digital payment solutions.

Cash is still the dominant payment method for bills, purchases, school fees, taxes, and other fees and charges. To correct this, we are developing a **National Financial**

Inclusion Roadmap to alleviate the challenges and barriers currently faced by the financially excluded (this data has come from a recent survey done by the Financial Centre)

- Gambling Commission

Madam Speaker, our numerous attempts to regulate the *casino industry* in the past culminated on **July 12, 2021**, with the passage of the **2021** gambling legislation: *the Gambling (Gaming and Betting) Control Act, 2021*. This legislation is significant. It introduces a licensing regime for gaming and betting establishments. It creates a Commission: the *Gambling (Gaming and Betting) Control Commission* and a new tax regime. It also establishes the Rehabilitation and Development Fund.

Since its operationalization on **July 12, 2021**, the date of the assent to the Act, the Board of Commissioners has been appointed and working assiduously to achieve its operational infrastructure.

We are moving rapidly to the full proclamation of the Act in **2024** and the operationalization of the Gambling Control Commission. We envisage that domestic and foreign investment will be attracted into the industry and create decent work and good-paying jobs in the process.

- Statistical Institute

Madam Speaker, a rolling medium-term economic framework represents a centrepiece of our economic planning and budget formulation processes, but to be effective, up-to-date macro-economic and real sector data are necessary to allow us to make much more timely and accurate forecasts for faster decision-making. In this context, we have fully implemented the IMF's Enhanced General Data Dissemination System Framework, allowing easy and timely access to published data.

In **February 2023**, we rolled out a Joint Household Budget Survey and Survey of Living Conditions designed to obtain data on income and expenditure along with other socioeconomic variables. The data will determine the weights of items to be priced for the index of retail prices and used to measure the annual inflation rate. The survey will also provide the necessary data for assessing poverty and inequality and for reviewing the standard means test used to standardize the eligibility criteria for access to our social safety net.

I look forward to the completion of these surveys in **September 2024**.

Madam Speaker, the National Statistical Institute of Trinidad and Tobago Legislation now in Parliament would modernize the framework for collecting data for official statistics. It will provide appropriate safeguards to ensure public trust and confidence in collecting and using data for official statistics.

We have completed the final legislative review process for establishing this Institute and intend to reintroduce the revised draft legislation into Parliament very soon.

- Trinidad and Tobago Mortgage Bank

Madam Speaker, the Trinidad and Tobago Mortgage Bank is now being structured as a merger between Trinidad and Tobago Mortgage Finance Company Limited and the Home Mortgage Bank, bearing in mind that the National Insurance Board of Trinidad and Tobago holds substantial shareholding interests in both institutions. We expect the required resolutions and amendments to the Articles of Incorporation to effect the merger will soon be in place.

I look forward to operationalising the Trinidad and Tobago Mortgage Bank by **December 31, 2023**. This would improve the mortgage market and effect efficiencies in resource mobilization and allocations to benefit our low- and middle-income citizens who wish to become homeowners.

- National Insurance Fund

Madam Speaker, just over **50** years ago, a PNM Administration established the National Insurance Board with a Fund which now provides **23** benefits, including monthly pensions to eligible citizens.

It is indeed a truism that every single innovative public service benefit, system or facility in Trinidad and Tobago has been created by the PNM, from the National Insurance System and free tertiary education in the 1970s to the Chronic Disease Assistance Programme (CDAP) and the Government Assistance for Tuition Expenses (GATE) in the 21st century (all created by the People's National Movement).

Over time, the National Insurance Fund has become a significant financial institution in the economic landscape, holding more than **\$30 billion** in assets and becoming our third-largest financial institution. We have always ensured that the Fund remained sustainable with an appropriate actuarial balance between benefits spending and contributions revenue, and despite current challenges, we will continue to do so.

Madam Speaker, since **2013**, based on the Actuarial reviews, the Fund has begun to face sustainability challenges and risks of reserve exhaustion, whether from the expenditure of the National Insurance System exceeding its income or from its assets becoming depleted, occasioned by our life expectancy which like many other countries has increased steadily over the last **50** years while birth rates have decreased. These demographics mean that the National Insurance System is expected to pay more for an extended period.

The gap between benefits spending and contribution revenue has widened with an ageing population and generous benefits. We have been reviewing mechanisms to close the gap based on many technical assessments. We are not convinced at this time that we should increase the rate of contributions by employers and employees. Still, in the context of evolving worldwide standards, we consider a higher retirement age broadly appropriate.

Through actuarial assessment, we have determined that an increase in the retirement age by **5 years from 60 to 65 years** will support pension adequacy and the system's sustainability. We are now in the process of completing consultations with major stakeholders on the increase in the retirement age.

I am encouraged by the progress being made in the consultative sessions relating to the increase in the retirement age from **60 to 65 years**. This process, including with labour unions, is at an advanced stage of conclusion with majority support for increasing the retirement age. In the interim, I am heartened with the work of the National Insurance Board on bringing up to date the employer database. This process, with additional contributions, will strengthen the integrity of the Fund.

- Transfer Pricing

Madam Speaker, we have always been an attractive destination for foreign direct investment principally driven by multinational corporations. The relationship between the tax-paying entity and the tax authorities has not always been beneficial to the country, given the requirement by multinational corporations to allocate global income to relevant divisions, associates or subsidiaries, creating, in the process, tax leakages. This relationship could be, at times, contentious, and to that end and to avoid the leakage of revenue, we intend to establish a mutually acceptable transfer pricing regime under which rules and procedures would establish appropriate arm's length pricing arrangements within the various entities of the multinational corporations.

Madam Speaker, applying a comprehensive transfer pricing regime is essential to protecting our tax base and our ability to mobilize domestic resources to increase investment. Accordingly, a well-designed comprehensive transfer pricing regime will aid in eliminating double taxation treaties, thus facilitating and fostering cross-border trade and ultimately creating a favourable investment climate for increasing tax revenues.

Madam Speaker, we have engaged the CAF Development Bank and the Inter-American Centre of Tax Administration (CIAT) to advance a policy framework for appropriate legislative action. CIAT is a non-profit international public organization which provides specialized technical assistance for the modernization and strengthening of tax administrations.

The project will strengthen the efficiency of our tax administration system by promoting tax transparency and avoiding taxable profits shifting out of the country to other jurisdictions. The project is estimated to be completed within **24 months**.

Infrastructure

Madam Speaker, as our economy consolidates the recovery following the COVID-19 Pandemic, we can shift our spending from mitigating the immediate crisis of the Pandemic to investment in stimulating economic recovery and facilitating medium and long-term growth and sustainability. We are aware that infrastructure investment has a significant impact on economic growth. We will, therefore, direct our available resources to areas where they will have the most significant impact on the welfare of our citizens.

- Medical Institutions

Madam Speaker, we have been concentrating on delivering healthcare solutions through a network of state-of-the-art medical institutions and services, given the link between good healthcare and productivity – a pre-condition for sound economic growth. We have already delivered:

- In **July 2020**, the *150-bed Arima Hospital* at a cost of **\$1.6 billion**. This hospital provides a range of services, including general medicine, general surgery, accident and emergency, intensive care, outpatient, radiology, physiotherapy, psychiatry, orthopaedics, burns, optical, ENT, gynaecology and surgery;
- Also in **July 2020**, the *100-bed Point Fortin Hospital* was delivered at a cost of **\$1.3 billion**. This hospital provides a full range of services similar to the Arima Hospital;

- During the Pandemic, these two hospitals, built between 2016 and 2020, as well as the Couva Hospital, which was completed in 2016, were pressed into service and formed the backbone of our unique parallel healthcare service for the successful management and control of the spread of the deadly COVID-19 virus;
- In **August 2022, the Roxborough Hospital was outfitted at a cost of \$133 million.** This hospital will replicate the services now being provided at the Scarborough Hospital for the people of North and Northeast Tobago. Those services include surgical, accident and emergency, dialysis, etc. including a hyperbaric chamber for diving emergencies;
- The *106-bed Sangre Grande Hospital*, at a cost of **\$1.1 billion, is now near completion.** This hospital will provide a full range of services, again similar to the Arima Hospital; and
- Madam Speaker, **we are on track to complete the construction and commissioning of the new 540-bed Central Block at the Port of Spain General Hospital in March 2025.** This flagship facility will also provide a full range of medical services.
- Highways and Drainage

Madam Speaker, as a foundation for quality of life, we have invested in our road network. Our efforts aim to achieve a modern highway system, major roads, and select

secondary roads. Moreover, we are establishing a much more resilient and robust drainage system to mitigate the effects of climate change and a coastal defence system to protect vulnerable communities:

- *The Solomon Hochoy Highway Extension to Point Fortin is now operational*, but for a few minor diversions. Commuters will save up to one hour in transit time between the city and the borough. We are also commencing work on bringing to acceptable standards the Southern Main Road;
- *The Valencia to Toco Roadway Upgrade* will provide a faster alternative route to access the eastern quadrant of our country; motorists already have use of the Valencia Road segment, and construction from Matura River to the beginning of Salybia has begun;
- *The Churchill Roosevelt Highway to Sangre Grande* will provide access to communities between Cumuto and Sangre Grande;
- *The Manzanilla to Mayaro Road* is at an advanced stage of design;
- *The Diego Martin Vehicular Overpass* is in the process of being completed and commissioned at a cost of **\$185 million**; when completed, it will allow for easy vehicular access from the densely populated areas in north Diego Martin to the Western Peninsula, instead of the current convoluted access through Cocorite and St James;

- The *National Desilting and Major River Clearing Programmes* mitigate flooding and prevent erosion and degradation of channels near watercourses. Irrigation and drainage structures are being improved throughout the country, facilitating increased water capacity and allowing for faster water run-off at critical sites; and
- *The Coastal Protection Programme* is implementing the required defence system to protect our most threatened coastal areas.

Madam Speaker, the Ministry of Works and Transport has undertaken over **500** projects in road rehabilitation, slope stabilization, traffic management measures, bridge construction, milling and paving, roadway strengthening, cylinder crossings, bridge repairs, sidewalk and manhole cover repairs.

In **2023**, we continued an aggressive road rehabilitation programme to complete patching works of roadways across all districts in Trinidad.

In **2024**, we will continue the rollout and acceleration of our road rehabilitation programme, with the target being **ALL the roads in Trinidad**. Over the next **2-3** years, we will continue to roll out projects across the country, including traffic alleviation, road reconstruction, slope stabilization and bridge reconstruction. Let me just provide you with a snapshot of **twelve (12)** upcoming road infrastructure projects:

- The Churchill Roosevelt Highway widening from Andrew Lane to the O'Meara project;
- O'Meara Road Upgrade Project;

- Tumpuna Road Network Upgrade;
- Sangre Grande Traffic Circulation Improvements;
- Endeavour Interchange Upgrade;
- Munroe Road Interchange Upgrade;
- Sir Solomon Hochoy Highway, Chaguanas to Chase Village Project;
- Maraval Access Project;
- San Fernando Bypass Toruba Link Road;
- Indian Trail Overpass;
- Clarke Road Slope Stabilization; and
- Reconstruction of the Caroni Savannah Road.

(Just **twelve (12)** out of hundreds). The Minister will give more details in his contribution.

Madam Speaker, our mission under this plan is *to elevate our existing roads to a first-class standard, creating a comprehensive grid that seamlessly connects major arteries and highways, thus enhancing connectivity across the country.*

- Tobago Airport Terminal

Madam Speaker, the ANR Robinson International Airport expansion, which commenced in **2022**, is slated for completion in **2025**. The construction has been taking place in 2 Phases. The first Phase, which enhanced the existing airport building,

was completed and commissioned in **March 2022**. The second Phase is underway. It is focusing on developing a modern state of the art terminal building, taxiway and car park – all designed to accommodate local and international travel demands.

- Sporting and Community Centres

Madam Speaker, we have been modernizing our sporting infrastructure and rolling out a network of community centres. We envision that this will rekindle civic responsibility and establish a virtuous link between the local communities and regional corporations:

- *The Hasely Crawford Stadium* was substantially refurbished at a cost of **\$90 million** to accommodate the recently held **2023** VII Commonwealth Youth Games in **August 2023**;
- *The legendary Mahaica Sports Complex in Point Fortin*, with a seating capacity of **1,795** persons, has now been completed at a cost of **\$80 million**;
- Reconstruction and rehabilitation of *the famed Skinner Park* has been completed with a seating capacity of **3,000 persons** in a covered stand and another **3,000** in uncovered stands;
- Construction is underway to restore and put back into service a modernized, redesigned version of the historic JP Schmaltz Velodrome in Palo Seco; and
- *The Maloney Community Swimming Pool*, completed at a cost of **\$12 million**, and *the D'Abadie-Malabar Community Swimming Pool*, to be commissioned

in **November 2023** at a cost of **\$11 million**, will provide new recreational activities to the surrounding communities. These will join the Pools at Sogren Trace Laventille, Coconut Drive Morvant, San Fernando, Diego Martin and soon-to-be-constructed La Horquetta and Biche facilities in providing an explosion of activities in water safety and water sports competition across the nation.

A network of community centres is also being operationalised with facilities and services essential for the community's success and growth and for building civic responsibility.

- City Redevelopment

Madam Speaker, we are progressing with the modernization of San Fernando and the revitalization of Port of Spain.

- The San Fernando Waterfront Development is advancing in phases:
 - The widening of the Lady Hailes Avenue is now complete;
 - the state-of-the-art fishing facility, at a cost of **\$41.3 million**, is due to be completed in **April 2025**;
 - the San Fernando General Hospital Carpark extension has now been commissioned at a cost of **\$150 million** and will provide safe, secure and convenient parking for **1,000** commuters as well as for staff and visitors of the Hospital;

- the relocation of the Customs and Excise Building to King's Wharf North has been commissioned at a cost of **\$11 million**; and
- the Bayshore Housing Development has produced **60** developed lots at a cost of **\$35 million**.

Madam Speaker, we are continuing with the redevelopment of Port of Spain:

- *Development of the Ariapita Avenue* community assets is about to be commissioned; and
- The *Piccadilly Street* Urban Regeneration is developing **61** apartment units for low to middle-income households at Piccadilly Street, Port of Spain. At the same time, work advances on the construction of the **6**-storey mixed-use building. The overall estimated cost of this phase is **\$53 million**.

The recent commissioning of the Headquarters of the Ministry of Health in Queens Park East and the upgrading of physical and social infrastructure will further enhance the aesthetic and commercial value of East Port of Spain.

The Port of Spain Shopping Complex Limited is upgrading **Eastside Plaza** and **New City Mall**. At **No. 43 Independence Square**, known as the Drag Brothers Mall, we are establishing a **4**-storey incubator facility for micro-enterprise development.

Madam Speaker, at this stage, it is necessary to point out again that in every year that I have presented a Budget Statement, several groups and individuals have complained that I have left out an area or sector of particular interest to them.

As I have said before, it is impossible in a Budget Statement to cover every single area of government activity, otherwise, I would have to speak for over **10 hours**.

Accordingly, I will leave it to the Minister of Works and Transport to report on the progress in improving our inter-island sea transport system, building new ports, and developing and improving our existing seaports and airports.

Other Ministers will also report in detail on their portfolios.

Energy

Madam Speaker, as a small commodity exporter, our country is extremely sensitive to global growth trends and the volatility of oil and gas prices. In this context, our energy sector has been a significant driver of economic growth and transformation and our attainment of relatively high living standards.

Volatility in crude production and prices generally creates considerable dilemmas for policy-making in the context of revenue losses and the need to make appropriate expenditure adjustments. Indeed, in the past eight (**8**) years, our energy sector has faced substantial shocks – not only in volatile prices but also in production declines.

The prevailing conditions have made it necessary that we take action to stabilize our energy sector.

I wish to take this opportunity to commend our Prime Minister, Dr. the Honourable Keith Rowley and Honourable Stuart Young, Minister of Energy and Energy Industries, for taking the helm in reversing these oil and gas production trends. With mutually

beneficial relationships fostered with our upstream and downstream stakeholders, they have succeeded in creating the environment to establish the framework for restoring the viability and sustainability of our energy sector. We envisage that over the long term, our oil and gas production will increase from the current **2.7 bcf** per day and alleviate the current gas concerns of our downstream industry and LNG producers.

Madam Speaker, we expect gas production to stabilise in **2023** based on projects on stream in mid-to-late **2022**, such as Shell's Colibri project and bpTT's Cassia Compression project. Gas production is expected to be boosted further in **2023** by bpTT's Infill Programme in the Mango, Savonette and Angelin fields, EOG Resources' Osprey West and East Developments and Touchstone's Cascadura Development onshore. In **2024-2026**, additional projects will serve to maintain natural gas production, such as developing the South East Queens Beach field by bpTT, the Mento field by EOG and the Aphrodite field by Shell. An expanded development of the Cascadura field onshore is also expected in this period.

For the long term, the coming on stream of Shell's Manatee project is expected to assist in significantly reducing the natural gas deficit. Furthermore, significant progress on negotiations regarding Woodside's Calypso deepwater development has been made, and we are eagerly looking forward to bringing this project to fruition.

Madam Speaker, we have been seeking through extensive negotiations involving the United States and Venezuela to develop a significant across-the-border field with

Venezuela – the Dragon Gas Field. In **2017**, we negotiated a commercial term sheet with Venezuela to develop the Dragon Gas Field with **4 trillion** cubic feet of estimated gas reserves and to bring that gas to Trinidad through a **17-kilometre** pipeline to one of our offshore facilities. We had planned to start with **350 mmscf** per day, and if all went well, this could have flowed from as early as **2020 to 2021**. This additional gas would have significantly boosted production in our LNG and petrochemical plants.

However, the sanctions imposed by the United States on Venezuela impeded this arrangement. Yet, through negotiations in **2023**, the development license for the Dragon Gas Field was obtained from the US Office of Foreign Assets Control (OFAC) through a waiver from sanctions. We then continued the negotiations with Venezuela to establish a mutually acceptable agreement for the joint development of the Dragon Gas Field.

As is public knowledge, our diplomatic initiatives with the United States and Venezuela have been very successful, clearing the way for the **September 20, 2023**, signing of an agreement with Venezuela to develop the Dragon Gas Field. The Minister of Energy and Energy Industries deserves special commendation for this remarkable achievement.

This represents the first step in bringing gas from the Dragon Gas Field to our facilities for processing and exporting. The National Gas Company will represent Trinidad and Tobago in this development, with Shell as the operator. We are moving at full speed to secure gas to the market and to return our LNG and petrochemical plants to higher

production levels. The Dragon Field is estimated to have **4.2 trillion** cubic feet of gas, equivalent to one-third of the total gas reserves of Trinidad and Tobago.

Madam Speaker, we also share a cross-border gas field with Venezuela: the Loran-Manatee field, which has approximately **10 trillion** cubic feet of gas with **7.3 trillion** cubic feet in Loran, Venezuela and **2.7 trillion** cubic feet in Manatee on our side.

In **2019**, we successfully negotiated a Unitization Development Agreement with Venezuela to allow us to commence the development and production of the Manatee resources, giving us access to the **2.7 trillion** cubic feet of gas. Subsequently, we negotiated for Shell to produce the gas in Manatee with an investment of **US\$1 billion**. In **September 2023**, the National Gas Company and Shell signed an amended gas sales contract to incorporate a share of the natural gas volumes from the Shell-operated Manatee field. We expect the first gas to market in the first quarter of **2028**.

When our expectations for the Dragon Field project are realised, together with production from the Manatee Field, we will make a major step towards maximising built capacity in our petrochemical industry.

Madam Speaker, crude oil has always been an important revenue earner for our country. Production, which had declined during the COVID-19 Pandemic, is rising and has been averaging approximately **56,000** barrels per day in **2023**. I am confident with the near-term outlook for oil production, which is expected to increase from the aggressive drilling programme of Heritage, our largest producer; new production by

EOG and Trinity, recent discoveries by Touchstone; and the general fiscal incentives made available to onshore producers and shallow water marine areas in recent times.

Madam Speaker, we intend to maintain the momentum of upstream exploration through the availability of acreage both on land and offshore. We have recently evaluated the bids resulting from the **2021 Deep Water Competitive Bid Round** and awarded **3** deep-water blocks to a consortium of bpTT and Shell. The material production sharing contracts have recently been executed and established not only a new frontier for our oil and gas development but a foundation for the sustainable flow of natural gas.

Madam Speaker, in **2022** the *Onshore and Nearshore Competitive Bid Round* was successful with the receipt of **16** bids for **8** of the blocks. This bid round will be followed by a *Shallow Water Bid Round* offering **26** blocks. We are encouraging upstream investments both offshore and onshore and ensuring that we realize the optimum value from exploiting our remaining hydrocarbon resources.

To assist this process, in the Finance Bill 2023, I will make further appropriate adjustments to the supplementary petroleum tax regime for small oil producers in the shallow water areas, similar to what we have done for small onshore producers. We will also re-examine the capital expenditure write-off regime to determine what changes can be made without sacrificing too much revenue.

Madam Speaker, like every responsible hydrocarbon country, we have been seeking to reduce greenhouse gas emissions and pursuing new energy projects. Recently, we commenced constructing a solar project that will produce 112.2 MW of power, **10 percent** of our power needs. This project is being progressed jointly with bpTT and Shell. We are seeking to pursue additional solar projects to reduce our emissions further.

I thus welcome the recent initiative pioneered by the **Global Climate Change Alliance Plus Programme** to provide solar system panels to a broad cross-section of non-governmental organizations to assist them in improving their electricity consumption. These panels amplify the potential for renewable energy and ensure the relevant facility remains open during power outages. *Importantly, this initiative will permit us to use the gas saved to generate revenue for our current and developmental needs.* An initial **25** non-governmental organizations comprising micro-enterprises and co-operatives were identified in a **July 2020** call for expressions of interest for this initiative. I am encouraged that solar was installed on **12** of these sites.

We are also exploring the use of wind turbines for utility-scale power generation. Utility-scale Solar and Wind projects will also feed into the construction of our first green hydrogen project.

Enabling Sectors

- Digital Economy

Madam Speaker, we are taking advantage of the rise of emerging technologies, typically represented by the internet, cloud computing, big data and 5G, and we are generating development opportunities by promoting the digital economy. E-business and E-commerce are gaining prominence in our economic and business infrastructure.

There is no gainsaying that broadband availability is central to the success of a digital economy. We are thus ensuring that TT Wi-Fi with free broadband access is available in highly-populated and frequented areas such as transport hubs, hospital waiting rooms, libraries and schools. We are also establishing information and communication technology access centres with computers with broadband access. We have begun a marketing campaign to articulate this programme's various locations and advantages.

*Training **10,000** citizens, including senior citizens, with digital skills is a centrepiece of our technology-driven agenda.*

*We are ensuring that our citizens, particularly our young people, are adequately equipped to take advantage of the opportunities the digital economy provides. In **June 2022**, we introduced the Government Campus Plaza **Developer's Hub (D'Hub) project**. D'Hub is a virtual platform which encourages, enables and hosts the collaborative development of open-source programmes and applications of specific interests to the Government.*

Madam Speaker, *we are expanding the local software industry through this virtual ecosystem. We envisage the platform providing and promoting opportunities for individual developers and small teams of **6** developers. They will also be allowed to partner with the Government to create software solutions to meet the service delivery*

needs of citizens and businesses. These developers can also use the site to develop software suited to their personal interests or business needs.

We continue to make laptops available to school children, *except this time in a sane, sober and sensible way*. Currently, we are making **2,400** fit-for-purpose laptops available to students and associated staff through the network of **94** secondary schools. This digital ecosystem will offer online platforms and services for teachers and students to respond effectively to the changing needs of an increasingly digital society, particularly for business-oriented opportunities.

The National Digital ID and Interoperability Ecosystem, with an associated unique digital ID, underpins this digital economy. We envisage that this infrastructure will improve the management of social services and access to and the provision of health services. Indeed, we are creating an alternative to traditional in-person visits to government offices. In the process, we are improving our citizens' experience by delivering government services digitally.

Madam Speaker, we are building technological capacity among our citizens. TSTT has been investing in expanding its fibre network to ensure the widest reach and most reliable connectivity for all citizens. It has also upgraded its cell sites to ensure we remain connected during outages. The company has made the requisite investments in its network to enhance the mobile experience, with country coverage approaching **100 percent**.

Further, the recent decision by the Telecommunications Authority of Trinidad and Tobago to issue a Type-2 concession to *Starlink Internet Services Trinidad and Tobago Limited* will address any broadband deficit in unserved and underserved areas. Using satellite technology, this broadband internet service company will provide high-speed broadband internet service to locations where access has been unreliable, expensive or completely unavailable.

The introduction of this internet service provider and other service companies using satellite technology will play a pivotal role in shaping our digital future and facilitate our quest to participate fully in the global economy. The recent issuance of a license to Neptune Communications, a telecommunications provider based in Barbados and with operations in Jamaica, will continue using satellite technology to provide high-speed internet access *to only businesses and government users*. This business model with reliable connectivity and redundancy will service forward-looking businesses and the Government is keen to reinforce the continuity of an increasingly digital business.

We are in no doubt that our capacity-building programmes in the use of digital technologies will benefit all our citizens. The recently concluded Memorandum of Understanding with the Government of India will advance the digital transformation process. Under this MOU, the two countries will cooperate on various initiatives, including capacity development, training programmes, best practices exchange and pilot solutions development. This collaboration will create a robust ecosystem of start-

ups, developers and system integrators, driving next-generation innovation and enhancing inclusive finance.

Madam Speaker, at this time, I wish to thank the Government of India for advancing this bilateral cooperation in digital transformation and information technology. I am reasonably assured on the basis of experience that we will make full use of the benefits of the technology, and this will redound to the benefit of the country.

- Agriculture

Madam Speaker, the agriculture sector has been on the decline recording a low level of less than **2 percent** of Gross Domestic Product over the last **5** years.

In particular, *reduced investment and farmer participation* have plagued advancement in the sector. Regrettably, food imports per annum have been escalating, reaching over \$5 billion in **2019-2021** with **\$7.3 billion** in **2022**. Food security is high on our agenda, and we are redoubling our efforts to change the dynamics of the sector.

Making the agricultural sector tax-free is an essential component of our policy framework. This objective is targeted for completion in 2024 through legislative change, with all remaining ambiguities, omissions and loopholes in the law leading to differing interpretations of what aspect of Agriculture is tax-free and what is not clarified and resolved. We also intend to review, update and improve,

where necessary, all concessions, incentives and rebates in the sector, such as the fuel rebate for fishermen, to make them more realistic and relevant.

*We recognize the need for innovative and creative solutions to revitalize the sector. In response to the ageing farmer population, we seek to attract young people. Within the past **3 years**, we have made various programmes available to young people interested in the agricultural sector.*

I am encouraged by the enthusiastic response to these programmes: the *Youth Agricultural Homestead Programme*; the *Youth Agricultural Shade House Project*; and the *Youth Aquaculture Project*.

We are underpinning food production with an efficient and effective land tenure administration system. We are delivering in a timely manner the granting and renewal of leases for state land to farmers, allowing them to access financial assistance, fiscal incentives, mechanized agricultural activities, and entry into secondary production through value-added and cottage industries. Central to this process is the already-installed ICT infrastructure, which is generating significant benefits to our farming population through enhanced data collection and improved customer service delivery.

Madam Speaker, we are actively seeking to expand agricultural production:

- we are developing and providing facilities at the St. Augustine Nurseries, at Marper Farm and at La Reunion aimed at heightening public awareness of crop

conservation and biodiversity and at providing opportunities for education and outreach programmes;

- we are rehabilitating **240** km of access roads;
- we are upgrading fish landing sites and wholesale fish markets to expand entrepreneurial opportunities and facilitate training in processing initiatives, in particular, for vessel owners and operators, fisherfolk, vendors, downstream industries and the wider community;
- we are rehabilitating and replanting **900** acres of coconut to boost the coconut industry;
- we are revitalizing the cocoa industry, which is already employing almost **2000** persons from production to value-added activities;
- we are strengthening the *Farm-To-Table Project*, which is building institutional and educational capacities to promote sustainable agriculture, as well as the *Farm-To-Agro-processing* initiative under which produce through value-added capabilities, increases in value;
- we are rehabilitating the physical infrastructure at Plum Mitan, which will initially benefit **150** rice farmers;
- we are establishing a processing facility for alternatives to wheat flour and pepper mash;
- we are refurbishing the storage facility at the Piarco Packing House;
- we are establishing community-based Aquaculture Programmes aimed at increasing production in the sector;
- we are providing forestry access roads to facilitate access for contractors in carrying out harvesting operations and boosting production; and

- we are strengthening the praedial larceny squad to reduce praedial larceny in all farming districts.

Madam Speaker, in our drive to revitalize the coffee industry, we are rejoining the **International Coffee Organization**, from which we could benefit significantly. We will provide the necessary support and incentives to cocoa farmers and entrepreneurs to ensure the industry becomes sustainable, viable, and internationally renowned. The recent start-up of the University of the West Indies Chocolate Factory is a significant milestone in the commitment of the UWI to the commercialization of the cocoa and chocolate industry.

The tasks ahead are clear and our attention to food security will not be diverted. We need to fundamentally change our perception and practice of agriculture. In this context, in addition to the regular budgetary allocation of the Ministry of Agriculture, I have allocated a further **\$400 million** in 2024, comprised of **\$250 million** in incentives to farmers and **\$150 million** for the development of infrastructure through the Palo Seco Agricultural Enterprises Company.

Madam Speaker, the Cashew Gardens Community Council was established in **2001** and has been awarded the Green Leaf Merit Award by the Environmental Management Authority (EMA) and recognized by the United Nations and the International Civil Society Action Network. The Cashew Gardens Community Greenhouse, with full-time employees, mainly women, is one of the major achievements of the Cashew Gardens Community Council, including the Cashew

Gardens Homework Centre and the Cashew Gardens—Community Recycling Programme. A green market is in the process of being established.

We intend to use the model pioneered by the Cashew Gardens Community Council to establish micro-enterprise Gardens. Greenhouses and Green markets within other communities under the Housing and Village Improvement Programme, including Demerara, Arima; Bon Air North; Pine Settlement, Bagatelle, River Estate; John Boodoo/ Brazil Lome Trace; Maloney Gardens and Trincity/ Dinsley.

Madam Speaker, I propose to allocate \$7.5 million in 2024 to establish the Community Gardens and Green Markets Project for this purpose.

Madam Speaker, to effect this fundamental change in the practice of agriculture, I intend to forge a collaborative engagement among all Ministries and Institutions involved in Agriculture in Trinidad and Tobago.

- Manufacturing

I turn now to the manufacturing sector, which has been a stellar performer in our diversification effort. This sector grew to **17.2 percent** of GDP in **2022** – a sharp increase from the **14.7 percent** of GDP in **2015**. Moreover, in **2022** our total exports were estimated at **US\$16.7 billion**, up from **US\$11.1 billion** in **2021**. Non-energy exports were valued at **US\$2.4 billion** in **2022** compared with **US\$2.1 billion** in **2021**.

We are encouraged with our market structure, which is increasingly diversified, with the main ones being the United States, European Union and CARICOM. We have

demonstrated a strong export performance in the non-energy manufacturing sector, with *significant increases* in **2022** over **2021** for machinery and transport equipment, beverages and Tobacco.

The recent decisions of CARICOM to provide for the free movement of all categories of workers within the CARICOM Single Market and Economy and for CARICOM nationals to be able to establish businesses in other member states, including self-employed, managerial and technical personnel, present additional opportunities for entrepreneurs to look to the CARICOM region as an export market for expansion.

Madam Speaker, I look forward to our entrepreneurs taking advantage of the opportunities in the CSME: artisans, artistes, musicians, media personnel, agricultural workers, domestic workers, university graduates, teachers, nurses and private security officers.

- Ease of Doing Business
 - TTBiz Link

Madam Speaker, we are facilitating our non-energy exporters' drive to secure and expand export markets with TTBiz Link. *Improving the ease of doing business has been a key facilitator.* We have been continuously upgrading the Single Electronic Window: TTBiz Link. The ongoing digitalization of processes is reducing the cost of businesses by allowing them to make online payments and directly download their approved documents.

In fiscal year **2024**, we will launch **14** new e-services on the platform. We have commenced development of a new Port Community System to strengthen the interoperability of the major IT systems at our Ports, Customs and other border agencies. This system will facilitate the intelligent and secure exchange of information along the supply chain. It will allow for automation, management and optimization of port logistic processes at the ports of entry and exit and reduce costs for the clearance, movement and storage of goods.

- Market Access

Madam Speaker, we are expanding market access and deepening trade with targeted countries and markets of interest. We are in on-going negotiations with Chile and Curacao for *Partial Scope Trade Agreements*. We are negotiating to expand the *CARICOM-Colombia Trade Economic and Technical Co-operation Agreement*. We have fielded several trade missions to major markets to boost exports and promote inward investment.

- Specialized Initiatives

Given the invaluable contributions of these businesses to the economy, we are supporting our private sector with a suite of incentives for expanding the non-energy sector, particularly the small and medium-sized enterprises. They generate revenue, create employment and boost foreign exchange earnings. Among the initiatives are:

- ***The Export Booster Initiative*** helps exporters gain market access by achieving international food and beverage certification and product compliance.
- ***The Grant Fund Facility*** assists small and medium enterprises' growth in non-energy exports. Since its launch in **2017**, **33** SMEs have benefited from this facility.
- ***The Yachting Grant Fund Facility*** supports reskilling the labour force servicing the yachting sector. Since its launch in **2022**, it has benefitted **93** medium-sized enterprises with a cost of **\$2.9 million**.
- ***The Research and Development Facility***, which ExportTT administers, provides for funding the technical upgrade manufacturing processes. So far, Caribbean Sea and Air Marketing, which currently produces Moruga Hill Rice, and SafetyNet Limited, which is developing a working prototype for an enhanced Process Safety Management System, have been assisted.
- ***The Manufacturing Apprentice and the Wood and Wood Products Apprenticeship Programmes*** are already operational. I am adding to these programmes the Yachting Marine Apprenticeship Programme. Maritime services for leisure marine and yachting activities have been growing in light of our strategic location below the hurricane belt. This makes us an ideal place for storing yachts and other pleasure craft. The *Yachting Marine Apprenticeship Programme* will scale up the technical and skilled resources required for this sector. In the current financial year, we will enrol **150** trainees.

For this purpose, I have allocated \$6.75 million in 2024 to the Yachting Marine Apprenticeship Programme.

- We are establishing a *Green Manufacturing Initiative* to assist local manufacturing to adopt and improve green manufacturing practices. This initiative will fund, through an *energy efficiency audit*, those businesses in the non-energy manufacturing sector interested in adopting greener practices. The initiative will include tax incentives and waivers for promoting renewable energy and energy efficiency.

For this purpose, I have allocated \$5 million in 2024 to the Green Manufacturing Initiative.

- The Unit Trust Corporation has been partnering with UWI Ventures in creating the Urpreneur Plus Programme, which has been providing supportive and enabling environments for the growth of young and emerging entrepreneurs. We will support this programme, which fosters small- and micro-businesses to meet the requirements to be listed on the junior stock exchange.

The initiative will impact 100 small and micro enterprises, and for this purpose, I have allocated \$15.75 million in 2024 for the programme.

- ***3 SME Loan Guarantee Programmes*** in partnership with commercial banks and administered by First Citizens Trustee Services are in place to provide a stable and favourable debt market for small and medium enterprises:

- The SME Loan Guarantee Programme Phase 1, has disbursed **262** loans to a value of **\$24 million**;
 - The SME Loan Guarantee Programme Phase 2, has disbursed **733** loans to a value of **\$153 million**; and
 - The Government Agent Administered Loan-by-Loan Guarantee Scheme under which we have disbursed **47** loans to a value of **\$50 million**.
-
- ***The Trade and Investment Promotion Agency*** provides for greater policy cohesion and coordination of activities.

 - ***Special Economic Zones*** are now being finalized, including a comprehensive investment incentive framework and a Special Economic Zone Authority to regulate the regime.

 - ***The Steel-pan Manufacturing Grant Fund Facility*** provides steel pan manufacturers access to up to a maximum of **\$250,000** per tranche. **Nine (9)** businesses have already benefitted from funding under this grant.

Madam Speaker, I wish to acknowledge and welcome the Musical Instruments of Trinidad and Tobago Limited's steel pan business located at the Diamond Vale Business Park. I am heartened that the factory would not only produce steel pans for domestic use and exports but also allow young people to learn about their national instrument.

I look forward to the steel pan gaining global resonance over the coming years, being the only instrument created in the 20th century.

I wish to take this opportunity Madam Speaker, to commend all those involved in spearheading the diplomatic work which led to the United Nations declaring **August 11 as World Steel Pan Day**. This follows the **2019** City of Port of Spain declaration as a UNESCO Creative City of Music.

- Industrial Parks

Madam Speaker, we are rolling out industrial parks to attract investment, create employment and boost exports. In so doing, we will address the constraints which hinder industrialization, such as access to infrastructure, technology and finance as well as high production and transaction costs. The **Phoenix Park Industrial Estate** is in the process of being commissioned. We have already closed **14** investments at the park, **12** local and **2** foreign. We expect that once fully operational, the Park will directly employ over **4,500** persons. We are continuing our quest to attract high-value and light manufacturing firms. The **14** initial investments will create as many as **361** new jobs.

We plan to replicate the Phoenix Park Industrial Estate at appropriate sites to catalyse investment in Central Trinidad, the South-West Peninsula, and the East-West corridor.

The recent start-up of production of travel luggage at Phoenix Park, which is being delivered to well-known brand-name corporate clients in North America and Europe,

is very encouraging, as is the global investor interest in the estate, and I expect the Phoenix Park to become a manufacturing and exporting hub in the Caribbean quickly.

The Moruga Agro-processing and Light Industrial Park now houses **5** companies and **2** land lots to process peppers, fish, fruits and cocoa. We are currently negotiating with 13 pipeline investors who wish to establish businesses to process peppers, ginger, plantains and vegetables and the production and bottling of cream liqueurs. Fully operational, the park in Moruga, will create approximately **128** jobs.

- Green Technology

Madam Speaker, we have become increasingly aware that adaptation to climate change and measures to mitigate greenhouse gas emissions offer significant opportunities to create innovative and environmentally friendly production processes and outputs. We are aware that in several other jurisdictions, climate change action has generated substantial employment across all economic sectors. These jobs are becoming increasingly sustainable and in high demand. *We are seeking to derive similar benefits.*

We are in the design process for manufacturing green hydrogen for downstream ammonia production based on growing international demand and for recycling plants to address waste management issues.

With the European Union taking steps to reduce the competitiveness of exports such as ammonia and fertilizers through public policy, our green product export potential, such as methanol and ammonia, would, therefore, become more competitive.

Madam Speaker, *strengthening our petrochemical exports will ensure that the Point Lisas Industrial Complex remains our flagship for industrial development.* We already have more than **100** tenants on the estate, including a mix of world-class methanol, ammonia and urea plants, a steel plant, a power plant and smaller light-manufacturing and service companies.

- EXIMBANK of Trinidad and Tobago

Madam Speaker, we have been building our export potential in the non-energy sector companies, including small and medium companies. The EXIMBANK is managing a facility which provides foreign exchange to eligible export manufacturers under an agreement that those clients would repatriate all funds obtained from the exporting activity utilized by the facility. I am extremely pleased to learn that by **June 30 2023**, the Bank had supported **158** export-focused manufacturers with **US\$613 million** in various non-energy sub-sectors.

Importantly, these non-energy export manufacturers have generated revenue of \$1.8 billion, 41 percent higher when compared with 2022.

The EXIMBANK has also been managing the imports of essential items through the Special Import Forex Window. Up to **June 2023**, the EXIMBANK had successfully supported **96** importers with **US\$746 million**.

The facilities at the EXIMBANK have successfully expanded our non-energy export sector with associated foreign exchange earnings and ensured essential imports of pharmaceuticals, sanitary products, food and other related essential items.

I propose to extend the 2 facilities at the EXIMBANK and to increase the ceiling of the US Dollar foreign exchange facility.

- E-commerce Strategy

Madam Speaker, we have had a resourceful ally in the private sector for a long time, and this partnership has expanded our non-energy sector. Underpinning this expansion has been an enabling environment, including fiscal incentives facilitating e-commerce for local businesses to serve domestic and international consumer markets.

We have been reassured that the new e-commerce strategy will focus mainly on supporting the use of e-commerce by local businesses to serve domestic, regional and international markets and, in the process, continue our diversification agenda. We are engaging UNCTAD to develop the National E-commerce Strategy under a Technical Assistance Agreement at a cost of **US\$240,000**.

- Marine Fuel Hub

Madam Speaker, we are collaborating with *Proman* and *Methanex Corporation*, 2 of our largest methanol producers, to establish a methanol-based marine-fuel bunkering facility. Both companies and their shipping partners have been constructing innovative, clean-burning fuel-efficient vessels with dual fuel engines that can run on either methanol, fuel oil, marine diesel oil or oil and gas. I am encouraged by the decisions of the Proman and Methanex companies to invest in a sustainable technology which not only provides environmental benefits but also an economically viable alternative marine fuel.

We look forward to these newly constructed vessels being bunkered at Point Lisas and the bunkering facility becoming a hub to meet the shipping industry's increasingly stringent emissions regulations.

- Tourism and Cultural Industries

We consider the tourism and cultural sectors critically important for re-energizing and re-invigorating our domestic economy. These sectors are key drivers of our diversification and transformation agenda and for advancing non-energy sector growth.

We closed our borders in **March 2020** at the onset of the COVID-19 Pandemic. While it was necessary to protect our citizens, the local cultural and tourism sectors were profoundly affected. In **2019**, **388,576** international visitors were registered. In the following year – by **2020**, visitor arrivals had fallen to **95,284** and, by **2021**, to **40,266**.

In **July 2021**, we reopened our international borders, and since that time, international visitors have been increasing, with arrivals recording **226,483** in **2022**, thereby revitalizing the tourism sector. This buoyant trend continued into **2023**, with visitor arrivals for **January - July 2023** recording **182,508**. The hotel industry has been benefiting, having a **62 percent** occupancy rate in **July 2023**, the highest rate since **February 2020** – the last year in which Carnival was held before the onset of COVID-19.

We are ensuring that our tourism product becomes increasingly attractive so that *Destination Trinidad and Tobago* remain broadly competitive. With new marketing initiatives, we now welcome visitors safely and confidently. We are managing and maintaining our cultural and historical assets as attractions for domestic and international tourism.

We are investing in marketing and promotion activities by participating in trade shows and conferences in the diaspora market in North America and the European, Latin American and Caribbean markets.

, we do not doubt that culture draws visitors to destinations like Trinidad and Tobago. We are thus up-scaling our work towards the resurgence and growth of the creative sector. *Performance spaces are being upgraded*: the Southern Academy for the Performing Arts, the National Academy for the Performing Arts and Queens Hall. Others are being made ready; for example, the *Desperadoes and Shell Invaders Pan Theatres* and the *Ariapita Avenue enhancement project*.

In addition to these developments in both the tourism and cultural sectors, we have been supporting tourism accommodation through our core fiscal incentives programme; under *the Trinidad and Tobago Tourism Accommodation Upgrade Project*, we are now processing **6** applications for reimbursements relating to hotel upgrades. We must remain competitive to ensure our visitors enjoy an ideal accommodation experience with enhanced potential for return visits.

We are also delivering assistance through the **Government Loan Guarantee Programme** to **3** ongoing projects: Financial Complex Suites Limited, with the trade name *Radisson Blu*, the *Radisson Trinidad* and the *Bella Forma Resorts Limited*, trade named *Coco Reef Resort and Spa*.

We have also implemented a **4**-year property improvement plan for the Hilton Trinidad and Conference Centre, positioning it to compete better, retain customers for group business and long-stay projects and contract airline crews. Upon completion, the hotel will enhance the overall attractiveness of Port of Spain as a location for business tourism with a workforce of **420 persons**.

Madam Speaker, following the exit of LIAT, the Caribbean region has been exhibiting strong air transport demand. Additionally, international visitors are on the rise. As markets progressively recover, Caribbean Airlines aims to utilize its assets effectively and establish a foundation for network growth. The airline thus intends to expand its fleet to meet this growing demand through the lease of **four (4)** additional ATRs

aircrafts and **three (3)** additional B 737-8s, bringing the fleet size to a pre-Pandemic level. CAL also plans to lease **five (5)** Embraer E-175 regional jets to service the intra-regional demand and to establish bases and hubs across the region to promote efficiency and cost-reducing measures.

Madam Speaker, CAL is also pursuing cargo operations as an essential revenue source and is leasing two (2) ATRs and 2 B 737-800s jet aircraft to grow and expand its cargo services across the region.

Social Development

Madam Speaker, modern social arrangements, particularly in health, housing and education, have long been considered among the pre-conditions for economic development and growth. Their impact on productivity and, ultimately, human capital development has been note-worthy.

- Health

Ever since the assumption of the first PNM Administration in **1956**, we have been expanding our public health system to provide free access to a range of health solutions and services for our citizens at levels unavailable in many other advanced, emerging and developing countries. *The impact on our nation's health has been significant.*

Madam Speaker, for the past 4 years, we have met global and regional sustainable development targets for maternal deaths. We have achieved WHO and PAHO benchmarks for this way ahead of schedule.

We have also achieved regional and global 2030 targets regarding neonatal mortality rates way ahead of schedule.

We have adopted a multi-disciplinary approach for sustainable solutions towards preventing, managing and controlling the burden of mobility, mortality and disability due to non-communicable diseases.

We seek to ensure that the population can reach the highest attainable standards of physical and mental health, quality of life and productivity at every age. We are committed to ensuring that those diseases will no longer be a barrier to well-being and socioeconomic development in the country.

The COVID-19 Pandemic has tested the strength and resilience of our health system, and we have passed those stringent rules and procedures and we will continue to do so. We are building capacity, developing resilience and maintaining responsiveness in the public health sector.

Following three (3) years of worldwide stress, both social and economic, on **May 4 2023**, the Director General of the World Health Organization declared an end to the public health emergency brought about by the COVID-19 virus.

Although COVID-19 continues to circulate, it is at a very low and manageable level. Following this WHO advisory, therefore, we decided on **July 17 2023** to end all restrictions and protocols relating to the Pandemic, leaving the mask mandate for private medical institutions in place.

On **July 31 2023**, we removed the mask mandate.

With policy formulation and decision-making now centralized at Queen's Park East, public healthcare management will become more efficient and effective with the recent commissioning of the new **Ministry of Health Administrative Building** obliquely opposite Memorial Park in Port of Spain.

Constructed through a public-private partnership utilizing a *build-own-lease transfer* arrangement, the building was designed and brought to commissioning at a cost of **\$280 million**.

This new modern building covers almost **160,000 sq. ft.** and adjoining it is a 2-storey car park structure providing **282** car park spots. The building can accommodate 800 employees from 6 other locations and will save us millions of dollars in rental costs.

- Housing

Madam Speaker, we have always considered investment in house construction with the associated delivery of affordable homes critical for creating a better quality of life

and future for our low-to-middle-income citizens. Our house-building entities have been pursuing this social objective, creating a network of communities throughout Trinidad and Tobago, and we also understand clearly that an expanded housing sector will play a key role in fostering economic development. It must also be borne in mind that the construction sector is a large employer of workers, with backward linkages to suppliers and ties to the financial sector through residential mortgages.

This dual objective, social and economic, has anchored our housing policy and required, additional to the Housing Development Corporation, the introduction of new and specialized housing institutions for developing the sector- the Land Settlement Agency and the Trinidad and Tobago Mortgage Finance Company Limited which will soon be merged with the Home Mortgage Bank to become the Trinidad and Tobago Mortgage Bank.

Madam Speaker, our housing stock is being expanded and strengthened through the housing programmes of the State and its agencies.

- We are continuing to fund home improvement and construction subsidies to improve the liveability of low-income households. **1319** low-income households benefitted from these subsidies over the years **June 2020 - June 2023**; **2121** applications are now being processed;
- We have allocated through the Housing Development Corporation **2580** units during the period **2019-2023**; so far in **2023**, we have delivered **469** units;

- We have under construction **1204 housing** units in multiple sites under the *Financed Project Programme* of the Housing Development Corporation. We intend to begin construction at **4** additional sites at a cost of **\$357 million**, yielding **430** units at Almond Drive, Citrus Grove, Caura Royal Road and Exchange, Couva;
- We are now constructing **600** housing units under the *Design-Build-Finance-Programme* utilizing public-private partnerships. We have completed **128** units on Malabar, Riverside East and Riverside South, San Fernando. In the upcoming year, we are building **88** units; and
- We are utilizing small and medium contractors under our *Small and Medium Contractors Initiative* to construct **110** housing units;

We are disbursing a **\$1.5 billion** government-guaranteed loan raised in 2023 in tranches to reduce the outstanding debt to housing contractors and to assist with new and stalled construction projects. We have in stock **1,692** unfinished units, and we envisage that we will spend approximately **\$350 million** on ongoing and stalled legacy projects.

Madam Speaker, apart from the HDC, the Land Settlement Agency is fulfilling its defined mandate to reduce the demand for new houses:

- The *Housing and Village Improvement Programme* has completed **468** units and will soon commence construction of an additional **275** units;

- ***Therefore, I propose to allocate \$100 million in 2024 for ongoing and new projects under the Housing and Village Improvement Programme. We are targeting 26 areas throughout the country. This allocation will allow the completion of the construction of over 600 HVIP units in 2024, improving the accommodation of thousands of persons at the lowest end of the income scale;***
- The *Aided Self-Help Housing Programme* has allocated approximately **604** fully-developed residential lots at subsidized prices to eligible citizens;
- the *Petrotrin Policy Framework* is currently processing beneficiaries for residential lots or agricultural plots for former Petrotrin workers; and
- The Regularization of Squatter Community Programme continues to ensure security to the squatting communities.

Madam Speaker, ***I also propose to assist the HDC in 2024 to access a further \$700 million in loan financing to accelerate its housing construction programme, which will allow it to construct an additional 500 to 600 housing units, dependent on the required infrastructure and the topography. This loan will be raised without a government guarantee and will thus not increase our debt-to-GDP ratio. The security for this innovative loan financing will be the proceeds of the sales of completed housing units.***

- Education

We have consistently recognized the importance of an educated society for growth and development. Our educational institutions have been creating a pool of individuals capable of charting the future in a growing economy. Some with entrepreneurial spirit have been able to set up companies and create jobs as employers. In this process, the quality of life of our citizens has been consistently improved.

We are now living in a knowledge-based economy and are pursuing an education system that is modern, relevant, technology-driven and accessible to all. With a digital transformation agenda, Wi-Fi access in schools is being expanded. The e-book platform is transforming teaching with more interactive, learner-centred approaches and increasing the number of candidates utilizing the e-testing system.

We have made significant progress in student achievement with marked improvement in grades among pupils who wrote the **2023** Secondary Education Certificate (SEC) and Caribbean Advanced Proficiency Examination (CAPE) as well as the **2023** Secondary Entrance Assessment Examination (SEA). Indeed, in **2023, 67.8 percent** of written entries in CAPE had passing marks compared with **62.7 percent** in 2022. SEA candidates also posted improved grades in 2023, with **58.6 percent** scoring more than **50 percent** and **13.5 percent** ranked below **30 percent**.

However, Madam Speaker, data from the SEA Examination from **2010** to the present and even before, reveals a consistent and troubling percentage of students who do

not achieve **50** percent or more in the exam. This is not to say *that the levels of student achievement in the country have undergone a sudden decline since*, as evident from data worldwide, the COVID-19 Pandemic had a debilitating impact on the education system. We were no exception.

The data arising from the institution of public health restrictions and remote learning revealed a clear need for a well-focused programme to transition students from primary to secondary schools.

The experience of students who spent **2** years away from the physical classroom during the COVID-19 Pandemic with an associated learning loss pointed to the urgency of the need for transitional programmes. We immediately introduced the *Vacation Remedial Programme* in **26** secondary schools to address this learning loss.

We are heartened with the improved performance resulting from the **Remedial Education Programme**, the **Vacation Remedial Programme** and the physical return of children to the classroom, but we recognize that these initiatives must remain continuous to mitigate the effects of learning loss effectively. We are continuing with these **two (2)** programmes, Remedial Education and Vacation Remedial. Delivered in **106** schools, the programmes are presently benefitting over **25,000** students.

Thus, we ensure that all students, especially our less fortunate, can attend and fully participate in the learning and curricular activities of primary and secondary schools.

In addition, we are acutely aware of the difficulties that needy families face in acquiring school supplies for their children, including uniforms, shoes, bookbags, stationery and books. We are also aware of the ever-changing booklists, which are unwarranted in areas requiring little change, such as science subjects like chemistry. These continuous additions and alterations to school booklists make it virtually impossible for generational use of textbooks and create additional yearly expenses for families.

*In 2024, therefore, we intend to consult with all stakeholders in the education sector, standardise textbooks as far as is practicable, **and eliminate the practice of unnecessary new textbooks arriving on the curriculum every year.** This practice is putting too much strain on needy families, who cannot easily pass on books from one generation of children to another.*

*However, Madam Speaker, in 2024, in recognition of the cost of school uniforms, supplies and textbooks, **I propose to provide in 2024 for needy students in primary and secondary schools, using a suitable means test, a school supplies and book grant of \$1,000 to assist in meeting the costs of attendance at primary and secondary schools.***

Madam Speaker, we estimate that this school supplies and book grant will cost \$65 million in 2024 and will assist the parents of 65,000 needy students.

Madam Speaker, we have been ensuring that the demands of our economy are fully met. Technical and vocational education represents an important route for skills

development and improving transition to the labour market, thereby boosting opportunities for decent jobs and better lives for our young people. We are establishing alternative sustainable development pathways, and we are doing so through ***technical and vocational programmes***.

We are addressing the teacher capacity levels in the technical and vocational institutions where the quantum of teachers has been dwindling and constraining our young people's continuous upskilling and reskilling. In collaboration with post-secondary institutions, we are establishing a dedicated training programme to provide a cohort of Technical and Vocational Education and Training teachers to fill the vacancies in the technical and vocational institutions. We are ensuring our young people have continued access to quality technical and vocational education for employment, decent work and quality entrepreneurship.

Madam Speaker, professional development opportunities are being provided to teachers continuously. In **2022-2023** training was provided for 80 primary and 26 secondary school teachers. **318** teachers in primary schools were trained in new classroom strategies, and similar training was conducted with **200** new teachers.

Madam Speaker, we continue to manage our students' health and well-being with several initiatives in **2022-2023**, including school nutrition, under which we provided **7,295,800** breakfast meals, **9,064,113** lunches and **178,741** refreshments.

- Water Resources

We are establishing the Water and Sewerage Authority as a modern utility delivering efficient water and wastewater services to the population. In this new business model, WASA will reduce its dependence on government subventions which in the **2019-2023** period amounted to **\$8.118 billion**.

In the process, ***we expect the net deficit of WASA to be substantially narrowed following the completion of the WASA price review by the Regulated Industries Commission.***

It must be emphasised that at great cost to taxpayers, water and electricity prices to consumers in Trinidad and Tobago are heavily subsidised.

Over the next **two (2)** years, we will continue to work on providing sustainable water and wastewater services for the population by implementing three **(3)** integrated pillars: the continued transformation of WASA, the optimization of network performance, and the expansion of water supply. The planned capital investment programme for WASA to achieve this over the next 2 years is **\$1.05 billion**.

The *optimization of network performance* and the *expansion of water supply* resources require substantial investment in a range of projects, including, first of all, the *installation of bulk metres* at various production facilities to collect valuable production data leading to the accurate calculation of unaccounted water as well as a *modern Supervisory Control and Data Acquisition (SCADA) system* where all major sites

connect to a central operations control centre. WASA would now be able to monitor and control the operation of its assets across the network, making the decision-making *data-driven*.

In optimizing network performance and reducing water loss, we are replacing transmission and distribution mains in areas where they are needed across the country.

Additionally, WASA is *refurbishing and upgrading major water treatment facilities* to optimize network performance in places such as Freeport, Chatham, Guanapo, North Oropouche and Navet. These works will improve the reliability of supply to over **300,000** persons in the Northeast of Trinidad and **400,000** persons in South Trinidad.

WASA is also expanding water supply sources by developing new wells and treatment plants to increase the water supply from localized groundwater sources. We anticipate that over **3,000** households comprising domestic, commercial and agricultural customers will benefit from this expansion.

Construction of a water treatment plant on the Goldsborough River in Tobago, impacting communities including Scarborough, Shaw Park, Lowlands, Lambeau, Signal Hill, Patience Hill and Spring Garden and the installation of a package plant at Green Meadows, Santa Cruz, will benefit **17,000** persons.

Madam Speaker, we are optimizing network performance with the construction and outfitting of **14** booster stations in both Trinidad and Tobago, improving, in the process, the level of service to over **30,000** persons. *These citizens will now enjoy a water supply on a 5-day per week schedule for the first time.*

We are reducing water loss by replacing high-leaking distribution in a wide range of communities, including St. James, Barataria, San Juan, Santa Cruz, Longdenville, Valencia and Arima, to improve the current level of service from **1** day per week to **7** days per week. We are expanding the network with new distribution mains and rehabilitating existing wells to maximize well-yield in several communities.

With WASA continuing to install new water mains and treatment plants, drill wells, and build new booster stations, potable water supply will eventually be adequate for the population's needs. With supply contracts with the desalination plants coming to an end in **2028**, the purchase of desalinated water could come to an end. We have been in cordial discussions with the **2** desalination plants.

Madam Speaker, I have alluded briefly in general terms to some of the projects which are now being undertaken by WASA and during the debate, my colleague, the Minister of Public Utilities, will provide additional details on the effective and efficient management of our water resources being advanced by WASA, as well as other relevant matters in the public utilities sector.

- Our Safety Net

Madam Speaker, successive PNM Administrations have firmly committed to improving the lives of everyone in this country, particularly the marginalized, the underprivileged and the most vulnerable. *Underlying this social agenda has been our obligation to leave no one behind and to reach first those who are furthest behind.* Our social safety net has been playing an intrinsic and instrumental role in the discharge of this commitment.

Indeed, as a commodity producer and with oil and gas prices subject to high volatility and fluctuating revenues, we have always faced economic and social challenges to meet our agenda. Given the changing economic and social dynamics, we have ensured that our social protection umbrella was consistently re-designed and focused on tools that *always advanced the well-being of those under the umbrella.*

As of July 31 2023, we had provided financial benefits in the sum of \$4.2 billion toward improving the socio-economic standard of living for a broad cross section of vulnerable and less fortunate citizens. Through our various initiatives, they have gained access to a number of grants, including:

- The *Public Assistance Grant*;
- The *Food Support Programme*;

- The *Urgent Temporary Assistance Grants*;
- The *National Social Development Programme* which seeks to improve the standard of living conditions through the provision of basic infrastructure for essential utility services, in particular for sanitary plumbing and house wiring;
- The *Senior Citizens' Pension* which protects our vulnerable elderly citizens, providing financial assistance to persons aged 65 years and over who meet the qualifying criteria. There are now under this PNM Administration, **110,890** citizens in receipt of the Senior Citizens' Pension at an annual cost of **\$3.350 billion**;
- the *Disability Assistance Grant*; and
- the *Disability Assistance Grant for Minors*.

In addition, we are partnering with several Non-Governmental Organizations to support vulnerable groups to deliver services for socially displaced persons, women and victims of all forms of violence, services for persons with disabilities and youth organizations.

We are supporting the social safety net for the poor and vulnerable groups with a number of administrative and technical institutions: *the National Therapeutic and Resource Centre* is ensuring that the well-being of persons with disabilities is achieved; the *National Suicide Prevention Hotline* is addressing the needs of individuals and families affected by violence; the *Transformation and Change Management Project Office* is the driving force behind our social transformation

projects, including the digitalization of the social service delivery system; and the *Social Services* and the *Empowerment Unit* is providing a timely and convenient one-stop service for clients seeking social relief.

Madam Speaker, **July 31 2023**, marked the end of the COVID-19 era. As we look back at that period of uncertainty when we had no option but to choose between lives and livelihoods, I take pride in our quick and decisive response. We established *an additional social safety net* for the most vulnerable households and businesses in our society at a cost of **\$5 billion, including \$4 billion** on business survival and **\$1 billion** on social protection policies.

As we advance, we are focused on maintaining a robust medium-term programme to drive economic growth and development and raise our citizens' living standards. *We are also mindful to underpin our economic programme with an updated social safety net to address the needs of those left behind.* We will continue to expend an average of **\$5 billion** per annum on the social safety net.

We have in place a network of subsidies at a cost of over **\$5 billion** per annum for our vulnerable and underprivileged households, and we also have in place a pervasive suite of subsidies impacting on all our households - low, middle and high incomes as well as the less fortunate and vulnerable for example:

- We provide the fuel subsidy to mitigate the cost of the **1 billion** gallons of fuel per annum. In **2022**, the fuel subsidy amounted to **\$2.4 billion** and in **2023** a further estimated **\$812 million** will be incurred; moreover, bearing in mind that

the subsidy generally benefits the better-off we provided in **2023** a one-off transport grant of **\$1000** for **175,000** persons in receipt of some form of social assistance. The cost of this benefit was **\$175 million**.

- Because of the extreme volatility of oil prices, it is difficult to estimate the required fuel subsidy in 2024 accurately, and it may well reach **\$1 billion** again.
- We consume on a per capita basis average daily water at **82** gallons per day, almost double the regional average of **46** gallons per day. However, our water rate of US\$0.31 per cubic metre is the lowest in the Caribbean, which is why we have had to support WASA in the amount of **\$8.1 billion** over the period in **2019-2023**. We are also providing approximately **12,170** low-income households with a rebate on their water bills.
- Our electricity consumption in **2019** averaged **5911** kilowatts per hour per capita compared with the world average of **3081** kilowatts per hour per capita. Our electricity tariff of US\$0.052 per kilowatt hour is the second lowest in the Caribbean region. Cuba is the only other country with a lower tariff at US \$0.03 per kilowatt hour. In Barbados, the tariff is US\$0.271 per kilowatt hour, or 5 times the price in Trinidad and Tobago. With electricity generation dependent on natural gas, we are paying dearly to subsidise the consumption of approximately **8 percent** of the total natural gas produced in the country to generate electricity, which gas could be sold at a profit on international markets

by the National Gas Company. Worse yet, TTEC cannot pay for natural gas at current rates, thus costing the National Gas Company almost over **\$500 million** a year. In addition to that subsidy, we provide **121,000** low-income households with a rebate of **35 percent** on their electricity bills. The cost of this rebate for the fiscal years **2019 to 2023** is **\$268 million**.

- We have organized the sea and air bridges as essential services for moving people and goods between Trinidad and Tobago. Over the period **2019 - 2023**, the sea bridge transported **2,741,184** passengers and **975,157** vehicles at a cost of **\$1.2 billion**, with **\$267.6 million** in **2019**, **\$250 million** in **2020**, **\$262.2 million** in **2021**, **\$227.0 million** in **2022** and as at **July 2023 \$191.4 million**.

For the financial years **2020 to 2023**, the cost of the subsidy on the air bridge has been **\$654.0 million**, with **1,867,844** passengers being transported. However, during the period **2020 to 2023**, unutilized seats amounted to **472,801**.

- We have transported **14 million** citizens, including senior citizens, on our bus network at a cost of **\$1.0 billion** from **2019-2022**. In **2023**, so far, we have transported **3,357,536** citizens at a cost of **\$288.6 million**.
- We have transported at a cost of **\$15 million**, **9500** students from **60** secondary schools and **865** students from **23** primary schools.
- We are ensuring that our young people are prepared for the life of work through tertiary education, with funding for the GATE Programme of **\$1.7 billion** over the period **2019-2022** and a further **\$322 million** up to **July 2023** benefitting on average without a repayment obligation, **25,000** students per annum.

- We have been providing free healthcare to our citizens, including medications under the Chronic Disease Assistance Programme to **162,910** registered beneficiaries at the cost of **\$115.8 million** over the period **2019 – 2023**.
- We have been funding the home improvement and house construction subsidies for low-income households;
- Madam Speaker, We are creating a culture of sustainable living for the vulnerable and less fortunate in our society, particularly for citizens whose literacy falls below established standards. We will continue supporting programmes and initiatives that strengthen adult learning and education.

Over the last two **(2)** years, the Adult Literacy Tutors Association (ALTA) has partnered with the Ministry of Digital Transformation to provide an online version of ALTA's literacy programme to persons in underserved communities. ALTA Online can expand immediately to new groups and is only limited by access to a device such as a smartphone, tablet or PC and the internet. Community centres and NALIS libraries are prospective venues to access ALTA Online. We are partnering with ALTA in 2024 to widen the reach of the Adult Literacy Programme to include CEPEP and URP workers, among others. This would add **4,000 persons** per annum to the programme and will be voluntary.

For this purpose, I have allocated \$7.69 million in 2024 for this expansion in adult literacy training.

- A citizen's participation in society can only be effective and meaningful through knowledge and skills in managing financial resources to achieve a lifetime of economic well-being. Since **2007**, the Central Bank has led the rollout of financial literacy interventions nationwide, educating the public on financial concepts. The Central Bank has been delivering these programmes by hosting free public education sessions, expositions and fairs, publications, money-management seminars, social media platforms and other events. I am engaging the Central Bank to forge a National Financial Literacy Strategy as a collaborative initiative among the Central Bank and other financial institutions, such as the Unit Trust Corporation and the Credit Union League.

The programme will promote the thrust of the Central Bank to produce better-informed, educated and more financially literate citizens with the skills and knowledge to make sensible decisions about their money.

The Focus will be on “at-risk” communities. For this purpose, the Ministry of Finance will now partner with the Central Bank to promote financial literacy, among lower-income groups. For this purpose, I have allocated \$5 million in 2024 for this financial literacy programme.

- We are now establishing a comprehensive framework to address socially-displaced persons. *The first and central pillar* in the framework is the construction of a five **(5)**-story facility at South Quay, Port-of-Spain, which will be delivered in **September 2025**. The facility will house street dwellers who pose risks and inconvenience to our citizens who use the public spaces.

The second pillar will be anchored on appropriate legislation to support the functioning of the new facility: *The Assessment Centre and Temporary Shelter*.

This facility will be more than a shelter for street dwellers to house people on the street who might be mentally unwell, deportees, substance abusers, former prisoners or elderly. We envisage that these new premises will equip its residents to participate fully in society and be reintegrated into a community.

For this purpose, I have allocated \$23.2 million in 2024 for the construction of the Assessment Centre and Temporary Shelter.

- We are also establishing transitional living facilities for socially displaced persons at several locations to restore their dignity by equipping them with supportive tools and opportunities for self-esteem development, relationship-management and practical skill building to assist them in attaining self-sufficiency and improved living standards.

For this purpose, I have allocated \$8 million in 2024 to establish new Displacement Centres in Trinidad.

- We are also developing National Service Complexes. At Beach Camp, Palo Seco and Mausica, we provide skills training and promote healthy lifestyles and positive youth development. Additionally, we are establishing at Beach Camp, Palo Seco, a transition home to provide accommodation and other social services to former wards of the state who, at the age of **18**, were required to vacate community residences established to house minors.

For this purpose, I have allocated \$15 million in 2024 for the National Service Complexes.

- Madam Speaker, we are reintroducing the market box programme for the poor and vulnerable citizens. Market boxes were distributed across Trinidad and Tobago during the COVID-19 Pandemic.

For this purpose, I have allocated \$60 million in 2024 in the first instance for the resumption of the market box programme under which beneficiaries will be identified from the food card database, among other areas.

The programme will deliver market boxes to the poor and the vulnerable. NAMDEVCO, the Ministry of Agriculture, Land and Fisheries and the Ministry of Social Development and Family Services will support it.

The School-Feeding programme will also be carefully examined in 2024 to ensure the maximum use of fresh produce and local meats as a mandatory requirement.

Specifically, in 2024, the Ministry of Social Development and Family Services will be mandated to restructure the Food Card Programme to include a mandatory market box component. This will provide a guaranteed market for farmers, ensure that the money spent on food support actually goes to the provision of food, and will boost agricultural production.

Madam Speaker, in terms of human development, our economic and social policy framework has narrowed our inequality gap and kept our United Nations Development

Programme **Human Development Index** at **0.81** – significantly above the world average of **0.72** based among **185** countries.

With a ranking of 57, only the Bahamas in the Caribbean with a 55 ranking and Chile and Argentina are ahead of us in the LatAm Region on the UN human development index.

These facts must be stated loudly and repeatedly, lest the constant deluge of negativity from the critics overwhelms the truth of these positive indicators.

We have been designated along with **66** other countries as having a *very high Human Development Index*. This measurement covers a range of indicators, including life expectancy, literacy rate, access to electricity by the rural population, GDP per capita, internet availability and income equality.

Safety and Security

Madam Speaker, we remain particularly disturbed at the untenable level of murders within our society. Crime and violence remain pressing and troubling problems that severely undermine our citizens' welfare. Since we assumed Office in **September 2015**, we have sought to contain and combat serious crimes in our country.

At the top of our crime-fighting agenda is equipping law enforcement with state-of-the-art tools. In addition, accelerated levels of police training improve police performance. We envisage that crime and public order would be effectively addressed within this

framework, and public confidence in law enforcement would be appropriately enhanced.

Further, the total number of active police officers is constantly affected by mandatory retirement and/or resignation of officers from the Service and by the number of officers on vacation or other forms of leave.

Accordingly, to bring the Police Service back up to full strength, we have mandated the Commissioner of Police to triple the intake of police recruits in 2024, from the usual annual intake of 300 recruits a year to 1,000 recruits in 2024.

To facilitate this substantial increase, a hybrid approach to the training of recruits will be employed using facilities outside of the Police Academy. The Ministry of Youth and National Service will make available the use of the Chaguaramas Convention Centre, now under renovation by that Ministry, on an interim basis for this purpose while the capacity of the Police Academy Building is being expanded.

A number of schools will also be used after regular hours to train the additional police recruits. Appropriate funding for the required additional trainers has been provided within recurrent expenditure.

Madam Speaker, *the latest technology is embedded in all police accommodation* - those existing or in the process of being constructed, including **Trinidad House**, which

is now being refurbished. We are doing the same at new police stations, the Coastal and Riverine Patrol Unit, and the Forensic and Pathology Services Facility at Mt. Hope.

There is no avoiding the fact that *public confidence in the Police and police legitimacy is essential*. We recognize that, in many instances, the lack of trust between the police and the community constrains effective crime intervention.

The TTPS is now establishing *trusted and vetted police units* within the police service staffed by higher-paid officers of proven integrity. We are aiming at improving police accountability, re-establishing trust and credibility between the police and the communities and ultimately, serving to establish and maintain order as well as to guarantee stability, safety and security for our citizens. *These units have collaborated with the United States Authorities to develop and implement an anticrime agenda.*

Madam Speaker, *our crime-fighting policies are data-dependent and data-driven.* *Current crime statistics* provide a roadmap for our law enforcement. In pursuit of this agenda, we are integrating Government, civil society and our international partners to develop focused and innovative solutions. More specifically, we are strengthening the environment, which would ensure public safety and security through enforcing the rule of law, maintaining order and committing all available resources to protect life and property.

In particular, the wholly unacceptable incidence of murder is an area of primary concern requiring urgent action.

This is clear in the data issued by the Crime and Problem Analysis (CAPA) Branch of the Trinidad and Tobago Police Service and the Central Statistical Office (CSO). In 2015, the number of murders recorded was **420**, rising to **605** in **2022**, accounting for **4.7 percent** of serious crimes. The incidence of murder is running at about the same level in **2023**. In **2022**, drug-related crimes accounted for **313** or **2 percent** of serious crimes. Robbery accounted for **2516** or **20 percent**. Possession of firearms and ammunition accounted for **1166** or **9.1 percent**. However, break-ins and burglaries were **1133** or **13.5 percent**.

Madam Speaker, the Police Service has reported that its *action has contained the increase in serious crimes, which rose from 10,715 in 2015 to 12,928 in 2018 and declined marginally after that to 12,802 in 2022.*

The illegal possession of firearms and ammunition has been fairly constant, recording **1,162** in **2017** when statistics began to be collected and **1,166** in **2022**. On the other hand, burglary and break-ins have fallen from **2,111** in **2015** to **1,733** in **2022**, and in the **eight (8) month** period **January – August 2023**, this category was running at a lower rate of **110** per month.

From the data, *the roadmap for addressing our security and safety is as straightforward as it is distinctive.* In light of the number of guns and illegal drugs entering the country, we are enhancing resource capacity and capability through the strengthening of border-control capacity:

- Our cape-class-patrol boats with a range of **3000** nautical miles and **28** days of stay are maintaining a consistent presence in our territorial and international waters, providing a maritime security net;
- We are ensuring the operational effectiveness of the **12** Damen patrol vessels through the provision of logistics support and maintenance services;
- The Electrical Power Shore Supply Systems at Coast Guard Jetties in Tobago are being upgraded to allow for vessel generators to be de-energized while utilizing shore supplies thereby reducing fuel consumption and lengthening the life span of the generators; and
- Integrated support services for the naval assets are improving the reliability of machinery and equipment, increasing operational readiness and availability.

Madam Speaker, to detect the importation of illegal arms, new modern scanners are being procured for the Ports, bonded warehouses and transit sheds. We have awarded a contract at an estimated cost of **\$90 million** for the supply, delivery, installation and commissioning of **4** large-scale, non-intrusive inspection scanners for shipping containers which we will deploy at the ports of Port of Spain and Point Lisas. We expect that these scanners will be in place in **2024**.

Furthermore, we have provided an additional **\$4.5 million** for acquiring **sixteen (16)** handheld scanners by the Customs and Excise Division further to enhance the Division's detection and threat mitigation capabilities.

In addition, the Customs and Excise Division of Ministry of Finance has partnered with the owners to review operations and strengthen security measures at the various transit sheds.

Madam Speaker, I wish at this time to thank the Government of the United States through its Ambassador, Ms. Candace Bond, for donating 4 naval assets to the Trinidad and Tobago Coast Guard and upgrading its Maritime Operations Command Centre. The naval assets will secure our riverine inlets, which are being used by smugglers to import narcotics and illegal guns, and, with the modernized Maritime Operations Command Centre will be able to monitor vessel traffic and identify and track threats within our maritime borders.

The TTPS violent crime reduction plan has as its objectives the reduction of murder, wounding and shootings and the detection and removal of firearms off the streets, the numbers of which are increasing as the criminal element is using modern technology to generate the manufacture of weapons in this country.

However, the TTPS crime data is indicative of some emerging success. The **4** major crimes impacting persons: burglaries and break-ins, robberies, larceny at dwelling houses and larceny of motor vehicles - are on a downward trajectory. In **2022 4,766** reports were received under this collective category of crime; by **August 2023** reports under this category fell to **3040** reports or **380** on a monthly basis; somewhat lower than the monthly number of **2022**, which was **397**.

Madam Speaker, in 2024, the TTPS will seek to employ increasing use of social media to enhance communication between law enforcement and our citizens to improve interdiction of crimes such as home invasions. Greater collaboration between our communities and law enforcement will undoubtedly remove the desire and disposition of persons to commit crimes and violence and to keep its incidence on a downward trend.

I wish to welcome the increasing success of the police in its fight against the criminal element, and I wish to put on record our recognition of law-enforcement work that has been constraining crime and violence within our communities from which guns are being removed and gang activities repressed.

In this context, in this Budget, two additional support mechanisms will be provided for the Police Service. An additional allocation totalling **\$80 million** has been included in 2024 for new **vehicles and equipment** for the Police, over and above the allocations in 2023. This additional sum will allow the Police to expand and establish more community patrols to give the Police greater presence and visibility within communities and citizens a greater sense of comfort.

Secondly, a further sum of \$15 million has been allocated to establish a Riverine Police Unit at the Carenage Police Station. This sum is for the design and construction of a jetty at Carenage and for the acquisition of up to ten (10) fast and nimble inshore vessels to patrol our major rivers and inshore areas, which are areas of criminal activity. In this exercise, the Police will collaborate with the Coast Guard.

- Sport and Youth

Madam Speaker, *our youth is the backbone of our nation and represents our future.*

We are intent on nurturing and empowering this segment of our population, preparing them for future leadership and management roles in our society. Our multifaceted education and training programmes are strengthening their skillset. Their employability and entrepreneurship are being increasingly enhanced.

We are investing considerable resources in youth development through a number of training programmes: the National Leadership Training Programme; the Refrigeration and Air Conditioning Course; the Technical Vocational Endeavours in Auto Mechanics Programme; the Social Media Management Awareness Programme; the Youth Career Education Roving Caravan; the Alternative Learning and Life Skills Enhancement Training; the Skills for a Technical and Diversified Economy; and the Youtec Youth Training Programme.

These youth development programmes are being delivered nationwide at existing and new youth development and apprentice centres.

Youth Development and Apprentice Centres are also being refurbished at Chatham, Praesto Praesto and El Dorado to equip the at-risk youth with technical, vocational and other skills to spur innovation and productivity. The cost of these projects, which will be completed in **Fiscal 2024** is **\$15 million**. The construction of the Chaguaramas

Youth Development Apprenticeship Centre will continue, and new construction at Wallerfield will begin in **2024** at a total cost of **\$20 million**.

We are producing civic-minded, self-reliant, and productive citizens who contribute meaningfully to national development. We are doing so through the Geriatric Adolescent Programme; the Retiree Adolescent Partnership Programme; the Civilian Conservation Corps Programme; the Military-Led Academic Training Programme; the Military-Led Youth Programme of Apprenticeship and Restoration Training and the Student Enhancement Empowerment Programme (STEEP).

We are prioritizing youth economic participation and empowerment through a number of entrepreneurship programmes:

- *The Youth Agricultural Homestead Programme is increasing our accessibility to local produce;*
- *The Youth Agricultural Shade House Project is a 1-year programme administered by the UWI and the Co-operative Republic of Guyana. The project will equip youths with skills for producing *high-value short-term crops* as well as establishing co-operatives to facilitate agricultural production;*
- *The Junior Achievement Programme is being reintroduced in primary and secondary schools. In the past, Junior Achievement of Trinidad and Tobago had helped our youth develop the employment and entrepreneurial skills they need to find meaningful work and start sustainable companies. Following that model, we plan to reintroduce the Junior Achievement Programme in primary*

and secondary schools to deliver hands-on learning to equip students with practical skills and a mindset to build striving communities. The programme will be implemented in 40 primary and 40 secondary schools throughout the country, and it will be managed by the Ministry of Youth Development and National Service. I have allocated **\$7.72 million** for the implementation of the new Junior Achievement programme; and

- The *MIC-Institute of Technology* through its programmes has been developing youth through exposure to professional training, mentorship and mentorship workshops. We have found the Student Enhancement Empowerment Programme to be especially effective in equipping the youth with adequate TVET/ technical skills and empowering them for the world of work. I propose to expand the enrolment under this programme from **26** to **500 youths** and to allocate **\$3.75 million** to fund this expansion. As the other programmes evolve, I propose to allocate additional resources if required before the end of the financial year to meet their cost.

We are strengthening community-based programmes to improve the quality of community life in our country. The *MPowerTT* programme addresses issues related to male development in our communities, particularly in support of promoting positive male role models.

Throughout our network of communities, sporting disciplines, including cricket, football, netball, athletics and where available, aquatics generally take place at varying

levels of involvement. We propose to boost these activities further and inculcate them into our communities' fabric.

I have therefore allocated a total of \$39 million in 2024 to allow for the fostering and promotion of community sports.

This allocation will be used to assist local sporting clubs and organisations in the hosting and management of community sporting events and competitions, specialised training at the community level and the procurement of sporting equipment for use in communities.

There can be no denying, Madam Speaker, the level of talent which resides among our citizens. We can boast of many talented individuals in Trinidad who create unique and innovative products. We wish to support and promote creativity at the local level.

I have allocated \$19.5 million in 2024 to administer this community arts and crafts initiative in community centres throughout Trinidad.

Madam Speaker, the *Community Centre Facilities Programme* will continue to construct community centres. The *Incubator Model for Craft Artisans* provides spaces at the Centres for production and business support services, thereby transitioning trainees into entrepreneurs.

We are promoting sports in communities with an emphasis on the participation of women and girls in sporting activities. We are developing athletes through the *Elite Athlete Assistance Programme*, which focuses on developing partnerships and

providing funding support for national governing bodies. We are increasing sports participation in schools throughout the country. We are funding the Special Olympics of Trinidad and Tobago to assist with preparing and participating in the upcoming Special Olympics World Games in Germany.

Madam Speaker, this year, the Commonwealth is celebrating the year of the youth and hosting the 2023 VII Commonwealth Youth Games in this country has been a signatory event for the Commonwealth. We have showcased our youth, and our people's warmth and overall energy in delivering **7** different sporting disciplines, including athletics and para-athletics, cycling, swimming, rugby sevens, beach volleyball and fast-five netball. **One thousand** athletes from **70** countries took part in these sporting activities at **8** different state-of-the-art venues, in particular at our recently refurbished flagship, *the Hasely Crawford Stadium, the National Aquatic Centre, the National Cycling Velodrome, the Shaw Park Cultural Complex, the Black Rock Facility and the Buccoo Beach Facility.*

It is noteworthy that these Games were the first to be held in Trinidad and Tobago; the first to be held in the Caribbean, and the first to integrate para-athletics into the Commonwealth Youth Games. I congratulate all those who made these 2023 Games a tremendous success, and I also wish to congratulate our youth team for winning 16 medals, including 4 gold – the most we had ever won at any Commonwealth Games.

Madam Speaker, I also wish to applaud the feat of Nikoli Blackman for winning the gold medal in the men's **50**-metre freestyle at the prestigious World-Aquatic Junior

Swimming Championships held in Netanya, Israel, in early **September 2023**. He has lifted the image of our country, and I look forward to his future as an Olympic swimmer.

We will continue to develop our athletes to improve their performance. We are taking steps to strengthen the capacity of our coaches. We are providing specialized training in partnership with the *GC Foster College of Physical Education and Sport*, Jamaica. We are on the way to replicating **brand Jamaica** in our sporting disciplines, particularly in swimming, cycling, athletics and football, both for men and women.

We are streamlining the development of sport. We are creating a special Sporting Commission to oversee a platform for the necessary funding of events and athletes and also to hold responsibility for helping the various national bodies, schools and communities develop long-term plans and structures for the growth of sports. In this new framework, the Sports Company of Trinidad and Tobago will limit its work to the maintenance of national facilities.

- Industrial Relations

Madam Speaker, we are heartened by the number of trade unions who accepted the CPO's 4 percent wage increase offer on behalf of their members for the period **2014 – 2019**.

In this regard, I wish to commend the accepting unions:

- Trinidad and Tobago Fire Service Association (First Division);

- The Fire Services Association of Trinidad and Tobago (Second Division);
- Trinidad and Tobago Prison Service First Division Officers Association;
- Prison Officers' Association of Trinidad and Tobago Second Division;
- Trinidad and Tobago Police Service Social and Welfare Association;
- Amalgamated Workers' Union;
- Trinidad and Tobago Defence Force Pay Review Committee in respect of their full-time monthly paid members; and
- Trinidad and Tobago Unified Teachers Association.

We are also pleased with the decisions of these unions to accept a one-time lump sum payment of **\$4,000** to persons who retired compulsorily, voluntarily with permission or on the grounds of ill health from **2014** to **2016**. This special payment of \$4,000 will benefit approximately **1,600** monthly-paid officers and 100 hourly, daily and weekly-rated workers who retired between January 1, 2014 and September 30, **2016**.

As a gesture of goodwill, I have decided to make tax exempt this one-time \$4000 lump sum payment to retirees. This will cost up to \$19.7 million in revenue foregone.

I recognize the fact that these individuals have performed their respective roles and responsibilities, have contributed to the overall development of the public service and by extension Trinidad and Tobago, and they have been excluded from any benefits which would be derived from any period reached for revised terms and conditions during the negotiation process.

Madam Speaker, the settlement in the public service for the labour unions mentioned, the revision of wages, salaries and allowances over the period **2014 -2019** has impacted **37,000 persons**, with **\$1.0 billion** being the cost of arrears to **December 2023** and **\$360 million** per annum being the recurrent additional cost, a total of **\$1.36 billion** in fiscal 2024.

I now look forward to the early determination of the Chief Personnel Officer's settlement offer by the **four (4)** remaining unions:

- Public Services Association of Trinidad and Tobago;
- National Union of Government and Federated Workers; and
- All Trinidad General Workers Trade Union.

Tobago

Madam Speaker, I now turn to Tobago.

Madam Speaker, a little under two years ago the people of Tobago elected a new Administration to oversee the business of the Tobago House of Assembly (THA). Mindful of the wide array of issues impacting Tobago, we immediately convened

several meetings with the Chief Secretary and his team to establish viable collaborative arrangements aimed at widening and deepening the development of Tobago.

Madam Speaker, I have reviewed the Fiscal 2024 Budget Statement presented by the THA in **June 2023**. I take this opportunity to endorse in principle the policy prescriptions outlined in that Budget Statement. I believe that **once properly implemented**, this policy agenda, with its strategic interventions and capital works will advance the socioeconomic development of Tobago.

The THA has advised me that the policy behind its 2024 Budget Proposals are based on the following:

1. Strengthening the governance and constitutional framework between the THA and the central government by improving the autonomy of the THA.
2. Digitalization of the THA through institutional strengthening thereby enhancing the THA's business processes. This is programmed to take place within the "Tobago Online" project, **of which MY THA is the first phase.**
3. Enhancing the THA's fiscal and financial management systems by modernizing the accounting systems through adopting the new Public Financial Management (PFM) system and the related institutional strengthening.
4. Economic Stimulation through enhanced assistance to businesses adversely impacted by the COVID-19 Pandemic, creating an enabling environment for businesses to prosper and grow.

5. Attracting Foreign Direct Investment in key sectors of the Tobago Economy.
6. Enhancing agricultural production and food sovereignty by building safe, sustainable and resilient food supply systems and deploying at elevated uptake of science, research, smart agriculture technologies, and institutional strengthening. Key projects include the establishment of two (2) Mega Farms and the Tobago Agriculture Research Institute (TARI).
7. Revitalization of the Tourism sector and the development of cultural industries through:
 - (a) The improvement of the tourism product,
 - (b) enhanced marketing arrangement of destination Tobago,
 - (c) new airlift arrangements to Tobago and
 - (d) The development of key festivals and cultural events.
8. Development of an educational system and architecture that links knowledge products, teaching methodologies, and outcomes with real-world problems.
9. Design and construction of a new Scarborough Secondary School.
10. Development of a health care and social protection system that will be responsive and be able to provide holistic, high-quality, client-centred health and social protection.
11. Developing community prosperity and empowerment initiatives that build resilient communities through sustainable practices, responsible governance, and meaningful community engagement.

12. Creating and nourishing the socio-economic and institutional enabling environment for youth development through development projects and programmes, support for the sporting sector, and development of our sports infrastructure on the island.
13. Enhancing Tobago's infrastructural systems to meet the needs of our changing climatic and environmental reality. This includes comprehensive assessments and improvements to its road networks, coastal and territorial retaining structures, and drainage systems.
14. Sustainable development of Tobago's natural resources for the socio-economic development and promotion of Tobago as the “**greatest little island on the planet.**” Key initiatives include:
- (a) Establishment of an Energy Transition Policy with a robust NET ZERO strategy; and
 - (b) Establishment of a Biodiversity Protection Policy utilizing a NO NET LOSS biodiversity protection strategy.
15. The expansion of housing opportunities through an aggressive and economically viable affordable housing programme and other financial assistance programmes aimed at improving the quality of the existing housing stock. A key initiative is the Home Ownership Made Equal (HOME). This programme targets residents who are differently abled and whose prospects for prosperity are affected by natural or man-made disasters, domestic violence, illness or a death in the family.

Madam Speaker, I expect that the broad economic and macroeconomic performance achieved in Trinidad will now assist an improving economy in Tobago – that is, our robust gross domestic product, elevated levels of employment and a stable and low level of inflation - can support the delivery of the Tobago Public Policy Agenda. I am thus reasonably assured that the present standards of living prevailing in Tobago will continue unabated.

I am advised that the Tobago economy is recovering after the sharp slowdown during the COVID-19 Pandemic, and the tourism industry is now benefitting from renewed interest from both local and international visitors. Direct international flights to and from Tobago and hotel occupancy are increasing. In the context of the expanding tourism sector, the THA must play a vital role in the recovery through support for agriculture, culture and community development.

I will now outline the allocation for Tobago for the fiscal year 2024. The THA allocation totals **\$2.585 billion** of which:

- \$2.298 billion is for Recurrent Expenditure;
- \$260 million is for the Development Program expenditure; and
- \$18 million is for the URP and \$9.2 million for CEPEP.

The total allocation to the THA in 2024 represents an increase of \$64.2 million over the allocation of \$2.521 billion in Fiscal Year 2023.

I am also pleased to report that the THA will receive its full allocation for Fiscal Year 2023.

Madam Speaker, as per usual, **beyond the budgetary allocation to the THA**, an additional **\$678.5 million** is allocated to various Ministries and State Agencies to undertake and execute major projects **in Tobago** in keeping with their responsibility under the Sixth Schedule of the THA Act 40 of 1996.

Some of this expenditure **by Central Government in 2024**, funded outside of the **THA's budgetary allocation**, but essential to the development of Tobago, will include expenditure on the:

- Tobago Airport Terminal project at a cost of **\$400 million**;
- Roxborough Fire Station Headquarters at a cost of **\$1.9 million**;
- Desilting of the Hillsborough Dam at a cost of **\$7.5 million**;
- Upgrade of the National Energy Skills Centre in Goldsborough at a cost of **\$1 million**;
- Tobago Technology Centre at a cost of **\$1 million**;
- UTT Tobago Campus at a cost of **\$600,000**;
- Upgrade of Dwight Yorke Stadium at a cost of **\$4 million**;
- Little Rockley Bay stabilization works for Magdalena Hotel at a cost of **\$3 million**; and
- Meteorological Services equipment at a cost of **\$3 million**.

Estimates of Revenue and Expenditure 2023/2024

Madam Speaker, we have long recognised that the changing dynamics of global energy markets with associated shifts in demand and supply balances for oil and gas generally create public policy dilemmas in the context of oil and gas revenue volatility. We have been addressing this issue since the early 1970's. Economic transformation and diversified growth have been features of our national economic planning as we seek to expand the non-energy sector.

We consistently review oil and gas prices in global energy markets to ensure that under normal conditions our energy revenue estimates remain reliable to allow us to provide some of the capital and knowhow for supporting diversified growth and maintaining the sustainability of our social network.

Reliable assumptions for oil and gas prices are central to our budget formulation process, and international organizations provide us with in-depth analyses and forecasts:

- WTI and Brent crude oil price fluctuations since September 2022 illustrate the rising price trends reflecting global economic and demand uncertainties. During fiscal 2023, these prices have fluctuated wildly between **US\$70** per barrel and **US\$93** per barrel for WTI and **US\$74** per barrel and **US\$97** per barrel for Brent;

- *The current forecast produced by the International Energy Association is that the Brent Crude Oil price will increase to an average of **US\$90** per barrel by the end of **2024**. The IEA estimates that West Texas Intermediate crude oil price will follow a similar path and maintain a discount to Brent of **US\$5** per barrel so that in **2024** WTI crude oil would average **\$85** per barrel; and*
- *On the other hand, the US Energy Information Administration's (USEIA) current short-term outlook estimates the price of Brent Crude Oil in 2024 at **US\$88** per barrel.*

Madam Speaker, the **July 2023** World Economic Outlook Update emphasizes the need for reducing inflation while ensuring financial stability. I do not doubt that advanced, emerging and developing countries will focus on restoring energy price stability to avoid the emergence of market pressure. I envisage a degree of stability in global oil markets over the short term, and to that end, I will continue to utilize conservative assumptions for our oil and gas prices for our Budget 2024.

For that reason, our oil price assumption for **2024** will be **US\$85** per barrel – compared with **US\$92.50** per barrel in **2023**, and our natural gas price assumption will be **US \$5.00** per MMBtu, compared with **US\$6.00** per MMBtu in **2023**.

As a result of these assumptions, we expect:

- Total Revenue **\$ 54.012 billion**
- Total Expenditure **\$ 59.209 billion**
- Fiscal Deficit **\$ 5.197 billion**

Madam Speaker, the total estimated revenue of \$54.012 billion comprises:

- Oil revenue **\$ 16.709 billion**
- Non-oil revenue **\$ 35.547 billion**
- Capital revenue **\$ 1.756 billion**

Madam Speaker, you should note that the fiscal deficit for 2024, estimated at **\$5.197 billion**, is **2.7 percent of GDP**, again within the international benchmark of **3 percent**.

The major Fiscal 2024 allocations will be:

- Education and Training **\$ 8.022 billion**
- Health **\$ 7.409 billion**
- National Security **\$ 6.912 billion**
- Works and Transport **\$ 3.394 billion**
- Public Utilities **\$ 3.018 billion**
- Rural Development and Local Government **\$ 1.825 billion**
- Agriculture **\$ 1.442 billion**
- Housing **\$1.165 billion**
- Social development **\$5.5 billion**

Madam Speaker, I am confident that the estimates under this budget framework would materialize and ensure that the economic recovery is anchored on sound and stable macroeconomic conditions. Indeed, as the recovery consolidates, we expect the non-energy sector to expand and advance the diversification agenda.

Fiscal and Other Measures

Madam Speaker, the Fiscal Measures for 2024, which will focus on improving the well-being of every individual in our society so that they can reach their full potential. We are investing in our people.

1. Minimum Wage

Madam Speaker, I propose to initiate action to minimize the country's socio-economic imbalance and stimulate consumer spending aimed at economic expansion. To achieve this objective, I propose to increase the minimum wage by **17 percent, or \$3.00 per hour**, from **\$17.50 to \$20.50 per hour**. This measure will benefit approximately **190,000** persons in the workforce and will require an amendment to the Minimum Wages Act, Chapter 88:04 via a minimum wage order.

This measure will take effect from **January 1, 2024**.

2. Tourism Accommodation Upgrade Project: Small Hotels

Madam Speaker, we are extending by **3 years** the Tourism Accommodation Upgrade Project (TAUP) incentive, which was due to expire on **September 30 2023**. This facility provides a reimbursable grant to eligible tourism accommodation facilities.

Madam Speaker, this measure will be reinstated from **November 1 2023** for another **3 years**.

3. Export Sales of Manufacturing Companies: Business Levy Charge

Madam Speaker, export sales facilitate international trade and stimulate domestic economic activity by creating employment, production, and revenues. In this highly globalised and competitive environment within which businesses operate, I propose to exempt from business levy manufacturing companies whose gross receipts fall within the 30% tax bracket from business levy charges regarding only **export sales**. This measure aims to create a competitive advantage for local manufacturing businesses to engage in exports.

Madam Speaker, this initiative will take effect from **January 1, 2024**, at an estimated tax loss of **\$20 million**. This measure will require an amendment to the Corporation Tax Act, Chap. 75:02.

4. Energy Sector: Supplemental Petroleum Tax

I propose to increase the Sustainability Incentive from **20 percent to 25 percent** with respect to the rate of supplemental petroleum tax for any mature marine or small marine oil fields. This will encourage smaller oil producers and lease operators in small and mature marine oil fields to incentivise further their production. In the Finance Act 2023, I also propose to introduce adjustments to the SPT regime for the shallow water areas, similar to what we have implemented for small onshore producers, introducing a new threshold of **\$75 per barrel for SPT** for small shallow water producers. Where feasible, we will also make suitable adjustments to the capital expenditure allowances for small shallow water producers.

These measures will take effect on **January 1, 2024** and will require amendments to the Petroleum Taxes Act, Chap. 75:04.

5. Investment Tax Allowance: Cybersecurity

With the rapid advancement of technology and the growth of the digital economy, the increasing threat of cyber-attacks means that more secured and concerted effort are required to protect sensitive information from being penetrated. To aid in reducing this risk, I propose to introduce a Cybersecurity Investment Tax Allowance of up to **\$500,000** for companies which incur expenditure in respect of investments in cybersecurity software and network security monitoring equipment. To qualify for this allowance, the expenditure must be certified by iGovTT.

Madam Speaker, this measure is envisioned to incentivize companies to invest in cybersecurity for **2 years from January 1 2024 to December 31 2025**. This measure will require amendments to the Corporation Tax Act, Chap. 75:02 and will result in an estimated tax loss of **\$8 million**.

6. Exempt Income: Expenditure Earned

Madam Speaker, over the years, there has been legislative ambiguity with respect to the treatment of expenditures claimed against exempt income. From a tax administration perspective, since the income is already exempt from taxation, any expenditure incurred towards earning such income should not be allowed as a deduction since it reduces the tax on the non-exempt income.

I propose to amend the tax legislation to address this issue by **disallowing expenditures incurred in earning exempt income**, subject to specific provisions of the tax law stating otherwise. This initiative will protect the tax base in Trinidad and Tobago, harmonize the law, and bring us into alignment with standard practice in jurisdictions worldwide.

Madam Speaker, this measure is anticipated to yield approximately **\$75 million** in tax savings and will take effect on **January 1, 2024**.

7. Public and Private Schools: Corporate Sponsorship

Education plays a vital role in enhancing the progress and growth of society and is a powerful tool to make the world a better place. In this context, I propose to introduce a **150 percent** tax allowance of up to **\$500,000** on corporate sponsorship to public and private schools registered with the Ministry of Education. It is envisioned that this measure will encourage the enhancement of these schools to ensure that access to and delivery of education are promoted. This measure will take effect on **January 1, 2024**, and will require amendments to the tax legislation.

Conclusion

Madam Speaker, I have built this Budget on the foundation we laid at the commencement of our term in Office in September 2015.

We have strengthened the framework in subsequent Budgets. We continue to envisage a modernizing economy with expanding opportunities for our citizens, particularly our young people. We are consolidating our gains. We are ensuring that we remain on our journey to share the fruits of our development with our citizens wherever they reside: in the towns, the urban areas and, importantly, the rural communities.

Madam Speaker, I hope that members' deliberations on this Budget will take place constructively and consistent with constitutional requirements. To assist members, I have today laid in Parliament 11 documents which detail and analyse the policies, plans and programmes of this Administration to maintain the emerging economic recovery, to ensure that it is consolidated and the conditions established to take this country into maturity and a vibrant and knowledge-based society.

Before the presentation of this Budget, speculation was rife as to what it would contain. All sorts of scenarios played out in the public domain, most of them totally uninformed.

The usual commentators and mainstream media made all sorts of predictions, using what they thought was "insider" information, much of which, like the ludicrous front page story in a daily newspaper today, which announced a new millionaire tax in

screaming headlines and hinted at an increase in the price of fuel, were irresponsible and downright mischievous.

We received many suggestions and recommendations, but several were self-serving, short-sighted, misguided or impractical. A number of requests ignored the financial realities and challenges we face as a country with a small open economy, subject to the vagaries of external shocks, which can hit us anytime and asked for every possible concession or increase, regardless of cost.

Most recommendations were for reducing or removing various taxes and introducing new tax exemptions, subsidies, concessions and waivers, or increasing social grants. However, if implemented, these recommendations would significantly increase expenditure or drastically reduce revenue, thus creating a huge fiscal deficit, which cannot help us develop as a country in these challenging times.

To sum it up, our economy is finally growing after years of external shocks which were entirely out of our control. Therefore, this coming year, 2024, is a year for consolidation, development and growth, and we cannot undermine our revenue streams to the extent requested and increase public expenditure willy-nilly without a source of funds, nor can we be profligate and reckless.

Indeed, if we were to accede to the various requests from interest groups, one of whom recommended abolishing **income tax**, we would bankrupt the country and find

ourselves in the cold, steely hands of the IMF, as so many of our Caribbean partners already are.

Consequently, we have taken a deliberate decision not to increase or reduce any existing taxes in 2024, other than some positive adjustments to the tax regime in the energy sector to stimulate exploration and production, among a few other minor adjustments.

In this year, 2024, we did not feel that we should impose any further burdens on our citizens, but rather, we should provide some relief in key areas to those at the lower end of the scale.

Therefore, our fiscal and budgetary measures for 2024 are quite simple, as follows.

- ***We have provided \$1.0 billion in backpay for those 37,000 public sector workers who have accepted our offer of a 4 percent increase plus increases in some allowances.***
- ***We shall also bring all those public sector workers up to their new salary levels immediately at a cost of an additional \$360 million per year. We are also exempting the one-off payment of \$4,000 to retirees from tax, which forms part of this process.***
- ***I am also giving these 37,000 public sector workers an undertaking that all ministries and agencies involved will be provided with the necessary***

funds to pay this \$1.0 billion in backpay by Christmas 2023, and I am requesting all permanent secretaries and accounting officers by way of this budget statement to immediately start preparing the paperwork to achieve this deadline for these payments.

- *Additionally, to assist those at the lowest end of the income scale, we will increase on January 1, 2024, the minimum wage by 17 percent, or \$3.00 per hour, from \$17.50 an hour to \$20.50 an hour, which will help almost 200,000 workers at this level, and increase the monthly take home pay by over \$500 per month, for workers who work a basic 40-hour week and earn the minimum wage. For those who currently work a 12-hour shift at the minimum wage for a 6-day week, like some security guards, this will increase their monthly take home pay by over \$900 per month. It should be noted this increase will increase Government expenditure for workers at the minimum wage by at least \$50 million per year.*
- *Further, to help needy families, we will in 2024 provide a school supplies and book grant of \$1,000, based on a means test. We expect this measure to assist at least 65,000 needy children.*
- *We have also budgeted for an ambitious capital expenditure programme of \$6.2 billion in 2024 to stimulate economic growth further. All Ministers will be required in 2024 to do whatever is necessary to fully accomplish our planned Public Sector Investment Programme for this fiscal year.*

- **We are introducing a number of programmes designed to help the less fortunate, such as adult literacy and financial literacy, as well as a number of stimulus programmes and support structures designed to boost the diversification of the economy and to assist small and medium enterprises, who are the backbone of our productive sector.**
- **We also intend in 2024 to focus on digitization in all its facets, and on technical and vocational training programmes, and to promote through outreach programmes and education the vast range of incentives and grants for businesses that already exist but, for some reason or another, are not being fully accessed or utilised.**
- ***Most importantly, in 2024, we will focus on assisting the Police and other law enforcement agencies to combat and control crime. The substantial additional budgetary allocations for vehicles and equipment, inshore vessels, community patrols, the proposed huge recruitment drive to boost the numbers of active police officers and other tangible support for the TTPS are testimony to this. Further, if more funding is required in 2024 to assist the Police to achieve its objectives, it will be provided in the mid-year review or before.***

In conclusion, Madam Speaker, I wish to thank my colleagues for their enormous support and policy prescriptions in our efforts to accelerate our socioeconomic development.

Moreover, I truly value the views and proposals of our important stakeholders in the public and private sectors. They certainly enriched and assisted my policy choices. I wish to thank the public service officers at the Ministry of Finance for working beyond their call of duty to ensure that the Budget and associated documents were all prepared, reviewed and delivered to this Parliament in time for this presentation. Congratulations are no less in order for the public officials in the various Ministries and Agencies for their own contributions.

Madam Speaker, I am in no doubt that this individual and collective effort will create a bright and prosperous future for our citizens.

Madam Speaker, I beg to move.