



**RESPONSE OF THE LEADER THE OPPOSITION, THE
HONOURABLE KAMLA PERSAD-BISSESSAR, SC, MP,
TO THE MID-YEAR BUDGET REVIEW**

Monday 13th May, 2019

CHECK AGAINST DELIVERY

Introduction	3
Atlantic LNG Train 1	6
An economy in crisis	12
The World Bank	14
Fitch Solutions	15
International Monetary Fund (IMF)	15
Ease of doing business falling	17
Truth about Recovery	19
Government Expenditure	23
The IDF	24
The Exchequer and Audit Act	27
Debt	29
Foreign reserves	30
VAT refunds and effect on businesses	36
Joblessness Under PNM	38
The collapse of the “Game Changers”	39
Gas	40
The NIF	42
Petrotrin Restructuring	43
Sandals	44
Dry docking facilities in La Brea	45
Revitalising the interisland sea bridge, including buying two new fast ferries.	46
The Road Ahead	48
The UNC’s Plan 2020-2025	49
Conclusion	51

Introduction

Thank you, Madam Speaker and to this Honourable House for the opportunity to contribute to the debate on the mid-term budget review of this government.

I came here today with expectation. I, like most of the country, wanted to hear what plans the Government had to improve our situation.

But what we heard was more deflection, more distraction more incompetence.

Since this Government presented its first budget, and in every budget presentation and mid-year review that followed, we have witnessed a Government in free-fall.

After almost four years of this PNM administration, citizens are virtual hostages - trapped in their homes due to runaway crime.

More people are finding themselves without a job.

The humanitarian crisis in neighbouring Venezuela is beginning to impact us here, and is putting a strain on our fragile and failing economy.

Foreign exchange has all but dried up.

Foreign direct investment is drying up.

In the 2019 budget we discovered that the Petrotrin refinery was being shut down, now we learn that Atlantic LNG Train 1 may be mothballed just like the refinery - with more job losses likely.

And just recently the Government borrowed \$700m from the Infrastructure Development Fund to pay Petrotrin retrenchment benefits.

CHECK AGAINST DELIVERY

Revenue is being redirected away from growth activity to recover from the “mothballing” of the refinery.

If we are witnessing what the Government calls a “turnaround” I call it a backtrack. A backtrack to failed PNM policies of the past with the same result - collapse of the economy.

In my response to the 2019 budget I asked several questions which I would like to ask again, because I don't think the answers have changed.

Do you feel safer today than 3 (now almost 4) years ago? No

Do you feel secure in your job? No

Has the economy improved? No

Are you confident enough to open a business? No

Has your purchasing power increased? No

Are you getting better healthcare? No

Are your children getting a better education? No

Have they fixed or maintained your roads or improved your drainage? No

Are you getting basic utilities, especially water? No

Are you satisfied with the behaviour of the government? No

Has your quality of life improved? No

Do you have any hope, any semblance of hope, that this PNM Government will make your lives better? No

CHECK AGAINST DELIVERY

The presentation of the mid-term review proposes nothing to change the direction of the downward spiral we are experiencing in the country.

What we are witnessing today, is a government that thinks the politics of the past can help them as we move closer to elections.

They think that ignoring the needs of citizens while rewarding their friends, family and financiers - that it will work for them.

They think they can ride out their last year in their term by continuing to be a Government of announcements, but actually doing nothing. Announcements like we have witnessed here today, which never come to pass.

Announcements like Local Government Reform, which they promised during the last general and local government elections, but are only now about to scramble through the Parliament.

Announcements like jobs would be preserved at all costs, while thousands of people are being sent home, and no new jobs have been created.

Announcements like Dragon Gas Pipeline, San Fernando Waterfront Project and the HDC Housing Programme.

A Government cannot run a country based on announcements that never happen and then try to fool the population by saying that we are all in this together.

Let me now go through the announcements of today.

Atlantic LNG Train 1

A serious alarm bell has gone off sending a grave warning to T&T's future economic stability. I'm talking about the recent announcement of the failure of the BPTT's infill drilling programme to secure enough gas to satisfy its obligations to Atlantic's Train 1. This makes it clear that there will now be a significant shortfall in gas production in the country.

This has serious and profound consequences and major implications for every single sector of our nation from investment to major infrastructural work and even to the most basic social services.

What is now crystal clear is that the complete lack of planning by this government to make contingency plans will see a further spiral downwards for this country in terms of our energy and economic future.

This government has treated the energy sector-our main source of FOREX with complete contempt. As a result, T&T's energy sector is now on life support facing an uncertain future.

The Trinidad Express reported today in the article *Imbert to present mid-year review today* that "BPTT's infill drilling off the east coast of Trinidad could result in Atlantic's Train 1 being mothballed in 2020 and 2021".¹

NGC owns a 10 percent share of Train 1 and clearly future revenue and growth projections would be harmed if there is not enough gas supply to run Train 1.

Now this is an old issue, I don't know that many people are aware that when the Manning Administration approved Atlantic Train 4, many senior analysts in the energy sector predicted that the gas supply shortage scenario would arise in Trinidad & Tobago.

¹ https://www.trinidadexpress.com/news/local/imbert-to-present-mid-year-review-today/article_8cccbea8-7516-11e9-8f21-8b078874938f.html

CHECK AGAINST DELIVERY

I will quote from the article *Grave Concerns for Natural Gas Reserves* written by Kasala Kamara and published on October 18, 2006 by Trinidad and Tobago News.²

[Then] NGC president [Frank Lookin] pointed out that the proposed ... Train 4 alone, with a gas demand of 800 mmcfd [Million Cubic Feet per Day], will need 5 tcf [Trillion Cubic Feet] of gas over 20 years. What this really means is that, One LNG train is going to equal the gas demand of all the plants at the Pt Lisas estate today.

What we have here is that as far back as 2002, there was a recognition that the known gas reserves would not be able to sustain the planned developments in the long term unless gas was discovered.

This led us to introduce fiscal incentives for the energy industry.

To make it more stark, Prof. Ken Julien noted in 2003:

...when you look at the reserves picture, and the country has to look at sustainable benefits both tangible and non-tangible, you will find out that you are committing 80% of gas reserves to one industry ALNG.

So, this is the history. When we came into office, we incentivised exploration activity.

Had we not intervened to incentivised companies like BP, Shell and EOG, etc, we would not have projects like Juniper, Angelin, or Sercan and without those projects producing gas, this country would be in far worse shape.

In fact, in its 2018 Annual Economic Survey, the Central Bank indicated that activity in the upstream sub-sector was boosted by

² <http://www.trinidadandtobagonews.com/Editorial/181006.html>

CHECK AGAINST DELIVERY

higher natural gas output, largely facilitated by the Juniper platform.³

Today the Express reported

"more jobs will be lost in the energy sector, fewer local suppliers and contractors will be required and, most importantly, Government will collect no tax revenue for two years on BPTT's production of between 400 and 500 million standard cubic feet, used by Train 1".⁴

We expected that the Minister of Finance would lay out a clear plan or speak to required adjustments for this new development which only came to light on Friday.

I wonder if the Minister will heed the warnings of economists to reduce reliance on the energy industry in the article *BPTT shortage a warning to T&T* by Rishard Khan published in Sunday's Guardian:⁵

Dr Ronald Ramkissoon said:

...it is al-most as if the universe is warning us that we need to do what we have been talk-ing about but not actually investing in which is non-oil economic activity cocoa and all the other products.

Roger Hosein noted:

it sends a serious, sharp warning for the state to change the thinking towards how to generate economic activity in Trinidad and Tobago and to bring non energy sector growth more into the fore-front for focus.

Further, Gregory McGuire suggested the solution to the issue:

is really around utilising the excess supply from other pro-duc-ers and or utilising the excess supply from BP itself.

³ As reported by Trinidad Express Central Bank: Growth for the Energy Section in 2018, 13 May 2019

⁴ https://www.trinidadexpress.com/news/local/imbert-to-present-mid-year-review-today/article_8cccbea8-7516-11e9-8f21-8b078874938f.html

⁵ <http://www.guardian.co.tt/news/bppt-shortage-a-warning-to-tt-6.2.843462.bc7d761d85>

CHECK AGAINST DELIVERY

The Government may want to reconsider the reallocation of gas supply to ensure the greatest revenue and least economic loss in terms of employment, growth, etc for Trinidad and Tobago.

Further, the Government should consider re-introducing fiscal incentives to spur increased exploration activity.

I remind you that the Rowley led PNM has condemned us for the fiscal incentives we put in place to increase exploration activity.

Today we can clearly say, based on the evidence before us, that the red and ready team have derailed the natural gas sector.

Instead of encouraging more deep-water bids like my administration did, they lazily depended on Dragon gas, a game changer turned non-starter.

We must never forget the words of Robert Dudley, BP's group CEO in 2013 as he commented on the PP's incentives (Trinidad Express October 2nd 2013)-

The benefits of these fiscal changes have been evident in the recent successful bid rounds, particularly in deep-water, and we can now expect to see increased investments in exploration and development as a result of the changes announced last month...within BP we will take these changes into account and make changes in our investments in another part of the world. That's called the competition for capital and that's good for Trinidad

So, the incentives worked. They come here and, in the media, bad mouthing the incentives at every opportunity.

We gave incentives, fiscal incentives for INCREASED Exploration and Production.

And the Point Lisas companies and Atlantic haven't packed up and left because of those incentives.

CHECK AGAINST DELIVERY

The statement of BP's Norman Christie sounding a warning was carried in the Express of September 15 2016 and I quote him:

The current Gas Master Plan deliberations must result in clear policy decisions regarding matters such as gas allocation and price and must incentivise upstream investments in an increasingly competitive environment. Failure to bring clarity to these matters quickly will result in a sharp decline in investments, which will lead to a repeat of the circumstances that have materially contributed to the natural gas supply and demand imbalance that we are currently experiencing; only it will be worse.

In other words, the Government has no plan. We are still waiting on that plan.

The Government has not revisited any of the legislation governing the Energy sector to stimulate growth and development and create grounds for increased investment in a more stable environment.

They have not accepted or actioned a single proposal from the Poten and Partners Natural Gas Master Plan.

You see, the international players have been discussing this and what we are hearing is that they do not trust this Government, they are afraid to commit to any further investment because they realise this Government is clearly out of their league in the Energy Sector and have no plan.

We have many other questions for the Government:

Will we need to borrow more next year if Train 1 is not producing revenue?

Will that financing be more expensive due to the reduced Government revenues?

CHECK AGAINST DELIVERY

Will the Government raise taxes again to make up for lost revenue?

What is the Government doing to increase exploration and production?

Is the Government planning to dip further into the HSF to make up the potential shortfall?

I remind you that since December 2015 the Government has been promising to amend the HSF act, but they have yet to do so.⁶ Still they continue to withdraw from the fund.

Most importantly, can the Minister of Finance still honestly commit to the spending he has proposed today?

⁶ <http://www.looptt.com/content/govt-moves-ahead-hsf-separation>

An economy in crisis

The reality under this Government is that people are hurting. Life under the Rowley Government is difficult - and that is putting it mildly.

People like Rhonda⁷, a single mother with children who is finding it hard to cope. Or Stephen a former Petrotrin employee who hasn't been able to get another job.

This is now the PNM's 4th year in office. What have they done to improve your lives? Besides complaining, or blaming me? Or try to mislead the public?

Just about a month ago - the Minister of Trade tried to assure manufacturers that things are looking up. Recession done!

But what is the reality?

The Minister of Finance has crashed the TT economy. This is what happens when you put engineers who think they are wizards to manage our economy.

Just Friday I heard the Finance Minister claim to be a wizard. I have to say that for once I agreed with him.

But he's no Dumbledore - he's more like He-Who-Must-Not-Be-Named.

He is the wicked wizard of the north (Diego martin northeast) who only knows one magic trick - a disappearing act!

He waves his wand and jobs disappear, forex disappears, foreign direct investment vanishes.

⁷ <http://www.cnc3.co.tt/news/single-mother-saving-me-not-option>

CHECK AGAINST DELIVERY

He is even making money from your wallet disappear through tax increase after tax increase.

Despite his false narrative of turnaround and stabilization, independent international organizations have painted a completely opposite picture.

On Friday, the Minister claimed that the growth in assets in Republic Bank and First Citizens Bank meant that there was no capital flight occurring in T&T.

But this smoke and mirrors from this wizard. This a parlour trick. This government has borrowed and continues to borrow heavily from these very banks. These borrowings would be registered as assets. Therefore, this cannot be a realistic measure of capital flight. They must not teach economics at Hogwarts!

There has been an increase in credit because businesses and people have been borrowing just to stay afloat, not to invest. That is a fact.

This has nothing to do with Capital Flight. Nothing at all. His anxiety to dismiss capital flight is instructive however. You see it's not the average citizen and small business engaging in Capital Flight. They are barely surviving. Take a look at who is getting the mega contracts from this government, the businesses which they have been boosting.

How much foreign Direct Investment has T&T attracted? That is another key indicator of confidence in our economy. Instead this government is giving the country nothing but illusions!

The Government is now doing something frightening - they're trying to convince you that these reputable, international organizations are the ones telling untruths! "*Fake news*" is now their favorite term.

CHECK AGAINST DELIVERY

This is what I call the Maduro-ri-zation of T&T-where the public is being asked to believe fact is fiction and fiction is fact

Let me give you an example of what we call a bold-faced lie.

In this very House last week, the Minister of Finance, declared: *“in the first quarter of 2018, the economy grew by point 9 per cent.*

In the second quarter of 2018, the economy grew by 2.1 is per cent. In the third quarter of 2018, the economy grew by 1.5 per cent.”

If we were to consider the Quarterly Index of Economic Activity (QIEA), which was previously used by the CBTT as their measure of quarterly growth, the overall economy shows growth for the first two quarters of 2018 (3.1% and 3%) but it is in fact NEGATIVE in the third quarter (-1.9%).

That is on the Central Bank’s website right now. But it does not suit the Nancy story the Minister wants you to believe. Is he saying the Central Bank lied? That statistics provided by the Central Bank are wrong? Or is it that the Minister waved his wand and magically, the facts were replaced by his fiction.

The World Bank

But here’s what the World Bank says:

- T&T is one of only four countries that the World Bank estimates this year will have weaker economies by the end of 2019. The other three are: Venezuela, Nicaragua and Argentina.
- T&T has the highest fiscal deficit as a percentage of gross domestic product (GDP) in Central America and the Caribbean.

CHECK AGAINST DELIVERY

- GDP contracted by 2 percent in 2017 and 1 percent in 2018, and is expected to contract by 0.5 percent 2019.

Fitch Solutions

The Minister of Finance has also tried to dismiss reporting from Fitch Solutions that:

"Over the medium term we expect the central bank of Trinidad and Tobago will devalue the dollar. Our view is underpinned by our expectation that T&T's external accounts will remain weak, keeping the peg under downside pressure and undermining the banks ability to support the peg."

"Capital outflows have been primarily driven by a weak business environment and T&T's unfavorable interest rate differential with the US"

Fitch concludes that T&T risks capital flight in response to its deteriorating growth outlook and the likelihood of more substantial currency devaluations.

And while the Minister is anxious to dismiss Fitch Solutions as not being contracted by the Government to do any assessment, that was never the issue. Nobody ever said they did. That is all distraction. Fitch Solutions is saying what people outside these halls are saying.

International Monetary Fund (IMF)

The IMF is also at odds with what is being said by this Government:

The International Monetary Fund (IMF) has projected zero percent growth for Trinidad and Tobago's GDP in 2019.

According to the IMF's World Economic Outlook released earlier this month, the country only achieved 0.3 percent growth in 2018, which is less than the 1.9 percent growth projected by government.

CHECK AGAINST DELIVERY

The IMF's forecast contradicts government's latest assertion that the country is no longer in a recession.

Everything the Minister of Finance and the Rowley Government has been saying to us about "*economic turnaround*", "*turn the corner*" is a bold-faced lie!

Ease of doing business falling

Under Minister Imbert this country is recorded as being in the worse condition for doing business than it has ever been.

The World Bank annually produces an indicator called the Ease of Doing Business in which a country is assessed on the basis of surveys, analysis of the legal and commercial environment, government policy and projections for competitiveness informed by other World Bank indicators.

This index is used as a snapshot for investors considering whether to conduct business in any country.

The ease of doing business ranking of our country went from 66 in 2014 to 105 out of 190 countries in 2018. A fall of 39 which means that it is easier to do business in 104 countries besides Trinidad and Tobago.⁸ No wonder we have enormous capital flight and no new foreign indirect investment.

It seems the only people who finding it easy to do business under this government are the wives of cabinet ministers and the greedy elite. PNM Friends, family and financiers.

This is the PNM legacy.

Countries which rate better than us include Rwanda, Kosovo, Jamaica, Dominica, the Dominican Republic and even little St Lucia, an island with one tenth of our population, no natural resources and a fraction of our GDP.

The Minister of Finance's legacy is to lead the way to making it harder to do business in Trinidad and Tobago.

⁸ <https://tradingeconomics.com/trinidad-and-tobago/ease-of-doing-business> and <http://www.doingbusiness.org/en/data/exploreconomies/trinidad-and-tobago>

CHECK AGAINST DELIVERY

In dealing with construction permits we were ranked 125 out of 190. In trading across borders, international trade, we were ranked at 130.

In terms of property registration, the Minister of Finance has this country at 158. In enforcing contracts, we were nearly last at a ranking of 174.

Even in the Minister of Finance's favorite area, paying taxes, which measures the administrative ease of paying taxes, Trinidad and Tobago ranks 166 out of 190 countries.

One of the factors causing the slide in the rankings in FY 2018 was the increases to the corporation tax rate.

I have repeatedly championed here the need for less as opposed to more taxes, as a way of freeing up income for investment and commercial and economic activity.

To paraphrase Winston Churchill, you cannot tax a country into prosperity.

Truth about Recovery

Let us look at this alleged recovery that the Minister and his Prime Minister have been prattling about.

The Minister wants you to compare last year and this year, and on the basis of that he boasts that there is growth.

BUT, this has been the same Minister who has been in charge of the Country since 2015, when he came in, claimed that the country was running on fumes and maxed out credit etc.

He claimed there was no money, that the Government was cash strapped, but the country which earned \$60.5 billion in fiscal year 2015, also generated \$60.3 billion dollars in Revenue in Fiscal 2016.⁹

By the time the effects of his sabotage of the economy started to take effect, Revenues began to slide downwards to \$47.8 billion in 2017 recovering slightly to \$50.5 billion in 2018 as the energy sector initiatives taken during my tenure took effect. According to the Minister's estimate, Trinidad and Tobago was expected to generate \$48.2 billion in Revenue in 2019 almost 20 percent less than it was earning under my governance.¹⁰

He crashed the economy. It stayed crashed. It is still crashed. But now he wants to claim economic turnaround? Shame.

His antics resulted in a loss of confidence by business owners and investors, closure of multiple businesses and mass unemployment.

But then like now, in this midyear review, Minister Imbert wants you to believe that things are buoyant thanks to his astute management.

⁹ <http://138.128.179.50/sites/default/files/Auditor%20Generals%20Report%20on%20the%20Public%20Accounts%202018.pdf>
page 67

¹⁰ <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-of-Revenue-2019.pdf> page v

CHECK AGAINST DELIVERY

But do you know why it crashed?

It is the Minister's own pronouncements, his doom and gloom stories, his fantasies about bankruptcy, his contrived despondency, and deliberate vindictive, malicious machinations designed to destabilize the economy.

THAT is what caused the crisis we have today.

The Minister of Finance created this crisis of confidence, and today it has taken root and he is finding it impossible to retract.

Why do I say this? In their first 3 years, the PNM actually received collectively more revenue than my Government during our first three years.

They received \$5.5 billion dollars more than we did in the first three years.

But they were too busy sabotaging the country to focus on governing.

The gloom and doom, the chicken little antics eroded business confidence, undermined investor confidence and created an environment inimical to economic and financial activity.

The result of this was manifested in the falling revenues in 2018 I mentioned before. This Minister of Finance has crashed the economy.

You would recall that I have repeatedly proved that he was not telling the truth because we had left billions in the treasury, and billions more to be collected.

It was a deliberate strategy of the Minister of Finance, not to pursue collection of the revenues, delay receipts and so create the

CHECK AGAINST DELIVERY

illusion of distress which he so desperately needed to prepare the way for his claim, his PNM deception, his PNM Munchausen.

It did not matter that hundreds of thousands of people were forced out of jobs and into poverty.

It did not matter that businesses collapsed as business confidence plummeted as a result of his façade.

All that mattered for this Minister and his Rowley led regime, was that they fool the population into believing that things were bad and somehow, they made it better.

More facts? From the billions in “*fumes*” Imbert spent \$57 billion in 2016¹¹, \$55 billion in 2017, \$54 billion in 2018 and now \$57.4 billion in 2019¹², including the additional requested today.

This makes a total of \$223 billion, or \$172,000 for every single man woman and child in Trinidad and Tobago. But it did not go to every man woman and child.

The average citizen does not feel that their lives have improved by \$172,000 under this government. Not even by \$172 dollars!

This money went to the hands of PNM friends, financiers and family.

The Minister moaned about the few dollars he spent on salaries and back pay for regular workers and public servants and managed to pick their pockets with taxes on taxes.

I refer to their own figures, and I welcome them to show me updated figures which are different.

¹¹ <https://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-of-Expenditure-2018.pdf>
pg vii

¹² <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-of-Expenditure-2019.pdf>
pg vii

CHECK AGAINST DELIVERY

I am not making up numbers. These are the facts, pure and unadulterated.

Government Expenditure

No one in this country believes the Minister's story about economic turnaround.

In fact, I am confident that many are unaware at the magnitude of the Government expenditure over the last four years, especially as there is nothing to show for it.

Where are the hospitals, schools, police stations, health centres built by this government? Where is the social infrastructure?

We have already determined that the economic infrastructure has collapsed.

The standing Finance Committee was just asked to approve a few hundred million dollars to pay outstanding debts owed to citizens, service providers, contractors and businesses alike.

Our country's physical infrastructure is collapsing as there has been little and in many cases no work done to maintain the buildings, schools, drains and road network developed which the PNM inherited from my Government.

As a matter of fact, this Government has consistently underutilized its own Public Sector Investment Programme resulting in the effective deterioration of the country's infrastructure including hundreds of millions lost in the worst flooding this country has ever seen.

CHECK AGAINST DELIVERY

The IDF

Many of these projects are funded by the IDF, established under 43 (2) of the Exchequer and Audit Act Chapter 69:02.

The Minister of Finance 5 days ago came to this House and asked for our approval to supplement the budgetary allocation to the IDF by 709 million.

This he said was purposed to replenish the IDF as funds had been transferred from this fund to finance exit costs associated with Petrotrin.

This entire sordid issue of Petrotrin remains a matter which we believe requires a comprehensive forensic investigation.

The secretive and hasty manner in which it was done, constitutes an unconscionable and reprehensible crime by this Government against long standing workers, and entire communities of south Trinidad.

The resultant cover up of billions in corruption spent on the WGTI and USD plants, and the protection of PNM friends, families and financiers engaged in activities including but not limited to the well-known fake oil scam, which appear to have robbed the company of hundreds of millions in revenues, is compounded by the fact that the whistle blowers, those who dared stand up to protect the public purse and the company for which they worked, were unceremoniously fired for their honesty and public spiritedness.

For all intents and purposes, they were victimized by this wicked PNM Government.

Close to half of the amount of money asked for was for the firing of the Petrotrin workers, which if the Minister is to be believed was not budgeted in the 2019 budget, because it was not anticipated.

That is a scary matter.

CHECK AGAINST DELIVERY

The PM and his hatchet man woke up one morning and decided that 5000 plus direct employees and another 5,000 indirect workers associated with Petrotrin should be fired.

In October 2018, during the Budget debate, neither the Minister of Energy, nor the Minister of Finance spoke to the shutdown of Petrotrin.

It appears that the urgency of shutting down Petrotrin and firing all, all, all was a priority of the Government.

The Minister of Finance, aided and abetted by his high-profile friends in the Parliament, refused to provide explanations and answers to the justifiable questions asked by Members of Parliament on this side.

One would have thought that if they had nothing to hide, they would hide nothing.

But instead of seizing the opportunity to provide information to the country, Minister Imbert arrogantly refused to explain the details surrounding the use of this \$709 million of taxpayers' dollars.

But I wonder if in his anxiety to sweep the matter under the rug, whether he did not breach procedure.

For as long as I have been in Parliament, the transfer and use of funding between heads requires a variation initially which must be brought to and approved by the Parliament. I stand subject to correction.

The Minister earlier this year did in fact bring a variation of appropriation, but this did not include moving any funds from the IDF to the Ministry of Finance for what he called exit costs associated with Petrotrin.

CHECK AGAINST DELIVERY

In fact, the settlement of the termination benefits was reportedly done by Petrotrin itself, a fully functional state enterprise¹³ to the tune of some \$2.7 billion.

There were reports of the Company transferring funds to banks to facilitate payments¹⁴.

Clearly then this \$709 million was not in itself the sum total of the amount of money spent on “*exit costs*” by the Government or Petrotrin.

The financing of the costs requires some clarification.

If the exit costs were funded by Petrotrin, how then and why was the IDF accessed for this purpose?

Were the funds transferred to the Minister of Finance as corporation sole, or the Ministry of Energy as line Ministry for Petrotrin for application for settling these debts?

If so, when and where was the legal approval provided to facilitate transferring funds from the IDF to another head of expenditure?

Is it that the Government can simply reallocate funds from the IDF without Parliamentary approval or oversight, and only needs to come to Parliament to replace what was extracted?

Has this been done before to meet any other outstanding debt or project?

¹³ <http://www.looptt.com/content/petrotrin-closed-27-billion-paid-out-workers>

¹⁴ <http://www.looptt.com/content/petrotrin-pays-outstanding-back-pay-temporary-workers>

The Exchequer and Audit Act

The Exchequer and Audit Act which governs this transaction, is the very same account that has been in overdraft since 2003, under the PNM.

You would recall the Minister working hard to convince businessmen that he only had money to run the country for “*five minutes*”¹⁵, and that when he came into office, he discovered that the economy was in an “*even more perilous state*” than he imagined.¹⁶

This is the same Minister who today boasts of the job that he has done to return the country to growth.

The Auditor General’s report provides some clarity to the Minister’s mischief. Again, the facts are facts.

When my Government demitted office, the Overdraft at the Exchequer Account was \$33.4 billion.¹⁷

This allegedly contributed to the Minister’s frustration, necessitating him to work his accounting and economic magic to rescue the country.

Interestingly, according to the most recent statistics available to Trinidad and Tobago, the accounts of the Comptroller of Accounts, as at September 30th 2018, the Exchequer Account was overdrawn by \$40.3 billion, a full \$6.1 billion more than the fraudulent crisis manufactured by Minister Imbert to artificially endorse his “*Blame Kamla*” rhetoric which they continue up to today.¹⁸

¹⁵ <https://newsday.co.tt/2017/10/08/imbart-overdraft-at-central-bank-almost-at-the-limit/>

¹⁶ <http://www.guardian.co.tt/news/tt-close-overdraft-limit-6.2.370073.f243c7fb6c>

¹⁷

http://www.auditorgeneral.gov.tt/sites/default/files/Auditor%20General%27s%20Report%20on%20the%20Public%20Accounts%202016_0.pdf pg 85.

¹⁸ <http://138.128.179.50/sites/default/files/Auditor%20Generals%20Report%20on%20the%20Public%20Accounts%202018.pdf> pg. 57

CHECK AGAINST DELIVERY

This is the highest the overdraft has ever been.

Having talked the economy into a recession, despite receiving only 4 percent less revenue than we did in the first four years, the Minister collapsed the economy and given his inability to manage funds, like a spranger, he sells state assets, and borrows from every possible source to stay afloat and create the illusion that he has returned the economy to the growing state in which he found it in 2015.

He took a perfectly good economy and talked it into recession.

Debt

In addition to living on the overdraft from the Exchequer Account, the Minister of Finance has continued to borrow extensively on the local and foreign markets, indebting future generations for decades to come.

When the Rowley Government assumed office in September 2015, the Central Government total outstanding debt was \$84.1 billion¹⁹.

By February this year, the figure had increased to the highest level of debt the country has ever had at \$95.2 billion.

Whilst this growing indebtedness of taxpayers is itself cause for worry, of even greater concern is the fact that this increase was essentially growing external debt which almost doubled from TT\$13.8 billion to TT\$25.6 billion between September 2015 and February 2019.

¹⁹ <https://www.central-bank.org.tt/statistics/data-centre/debt-monthly>

Foreign reserves

How are we to repay these heavy borrowings given our current and growing challenges in generating foreign exchange?

In their advisory in Second Quarter of 2017, the Unit Trust had declared what we all know:

“The FX market has been tight since 2015 and the demand for FX is outstripping the supply, with no signs of improvements in the near future. This greatly affects the availability of US dollars.”²⁰

From then to now, the position has not changed. If anything, it got worse and continues to deteriorate.

Today people going on vacation line up for days to get US\$200, businesses are unable to get currency to pay for inputs or products that they sell.

Although the Central Bank published a list of authorised traders in Foreign exchange last year, which clearly spells out the law and the penalties for breaching the Exchange Control Act, there are signs all over downtown Port of Spain and elsewhere which clearly state the rates at which the business house would purchase currency.²¹

It is no secret that there is a thriving illegal market in the purchase and sale of foreign currency that has emerged because of the unavailability particularly to small and medium sized businesses.

The result has been the eclipsing of several of these as conglomerates have been able to pick up the slack by having their own sources of foreign exchange, including trade/exports but also

²⁰ <https://www.ttutc.com/advisory-services/download/TTU-94060-ASD-Newsletter-QC2107-revised.pdf> page 1

²¹ https://www.central-bank.org.tt/sites/default/files/press_releases/PUBLIC%20NOTICE%20Breach%20of%20Exchange%20Control%20Act%202018_1.pdf

CHECK AGAINST DELIVERY

including shareholdings in banks and financial institutions which themselves trade in foreign exchange and which benefit from the Central Bank directed channeling of foreign currency.

Despite the assurances of the Minister, there is a foreign exchange crisis and shortage to some segments in Trinidad and Tobago.

A little over a month ago, the head of the local operations of Scotia bemoaned this fact stating that "**Nobody is happy with the foreign exchange situation in T & T**".²²

The Minister has early in his tenure has investigated the distribution of foreign exchange injections by the Central Bank but failed to publish the results as he had promised.²³

To date only the Minister and his chosen friends are aware of who gets foreign exchange and how much and the criteria for distribution.

The fact is however, that growing demand for forex for commercial activity is also challenged by growing demand for forex to service international borrowings by the Government.

The result has been that since Imbert was hand selected as Minister of Finance the net official reserves fell from US\$10.5 billion to \$7.3 billion, a collapse of more than 30 percent to date.

This has been despite drawdowns from the HSF which were used to bolster the available forex.

²² https://www.trinidadexpress.com/news/local/no-one-s-happy-with-forex-situation/article_badb0c0a-573e-11e9-95ee-5b105f4bc986.html

²³ <http://jupiter.guardian.co.tt/news/2015-11-18/imbert-wants-answers-forex-central-bank>

CHECK AGAINST DELIVERY**Net Official Reserves in US Millions and Import Cover²⁴**

Date	Net Official Reserves - US\$ Millions	Import Cover (months)
Apr-2019	\$7,311.40	8.2
Mar-2019	\$7,350.50	8.3
Feb-2019	\$7,495.50	8.5
Jan-2019	\$7,613.70	8.6
Dec-2018	\$7,575.00	8.0
Nov-2018	\$7,446.60	7.9
Oct-2018	\$7,430.40	8.0
Sep-2018	\$7,465.30	8.1
Aug-2018	\$7,619.70	8.3
Jul-2018	\$7,749.80	8.5
Jun-2018	\$7,816.30	8.6
May-2018	\$7,965.40	8.9
Apr-2018	\$8,112.10	9.1
Mar-2018	\$7,987.90	9.0
Feb-2018	\$8,095.40	9.2
Jan-2018	\$8,283.00	9.5
Dec-2017	\$8,369.80	9.7
Nov-2017	\$8,350.80	9.7
Oct-2017	\$8,516.70	9.8
Sep-2017	\$8,506.60	9.8
Aug-2017	\$8,711.00	10.1
Jul-2017	\$8,742.80	10.1
Jun-2017	\$8,735.90	10.1
May-2017	\$8,955.60	10.3
Apr-2017	\$9,053.50	10.4
Mar-2017	\$9,105.40	10.5
Feb-2017	\$9,089.90	10.4
Jan-2017	\$9,303.50	10.7
Dec-2016	\$9,465.80	10.5
Nov-2016	\$9,676.60	10.8
Oct-2016	\$9,891.70	11.0
Sep-2016	\$10,008.80	11.2
Aug-2016	\$10,266.00	11.5
Jul-2016	\$9,446.50	11.2
Jun-2016	\$9,565.70	11.3
May-2016	\$9,671.30	11.4
Apr-2016	\$9,429.00	11.1
Mar-2016	\$9,571.00	11.3
Feb-2016	\$9,722.70	11.5
Jan-2016	\$9,805.90	11.6
Dec-2015	\$9,933.00	11.2
Nov-2015	\$9,778.60	11.1
Oct-2015	\$9,790.90	11.1
Sep-2015	\$10,459.20	11.9

²⁴ <https://www.central-bank.org.tt/statistics/data-centre/foreign-reserves-monthly>

CHECK AGAINST DELIVERY

But this too has an effect on the ease of Doing Business in this country.

Companies which are seeking to invest here are already facing a ton of reasons why not to invest, including the runaway crime problem and the other issues cited by the World Bank.

Today, US companies seeking to trade with this country are cautioned that:

“TT’s investment climate is generally open and most investment barriers have been eliminated. Major issues affecting companies are an ongoing foreign exchange shortage, inefficient government bureaucracy, crime, poor work ethic in the labor force, and corruption. Some foreign investors have seen the decision-making process for tenders and the subsequent awarding of contracts turn opaque without warning, especially when their company’s interests compete with those of well-connected local firms.”²⁵

Just to clarify, this was published and updated at the end of April by Export.gov, a US based limb of the US Department of Commerce charged with providing support and guidance to US Companies seeking to invest and trade abroad.²⁶

Further,

“Foreign exchange is managed by the Central Bank. Since 2015 there have been numerous shortages that the Central Bank has tried to combat through regular injections of U.S. currency from the country’s sizeable foreign reserves. Companies sometimes have to wait up to six months to be able to exchange TT dollars for U.S. dollars”²⁷

²⁵ <https://www.export.gov/article?id=Trinidad-and-Tobago-Market-Overview>

²⁶ <https://www.export.gov/About-Us>

²⁷ <https://www.export.gov/article?id=Trinidad-and-Tobago-Foreign-Exchange-Controls>

CHECK AGAINST DELIVERY

Six months. But the Minister of Finance is comfortable with this state of affairs.

It must be noted that companies are being warned TODAY, albeit diplomatically, about the circumstances of the award of contracts under this government turning “opaque” when “well connected” local firms are involved.

This is the EXACT reason why this Government has refused to implement the Procurement legislation fully, and why they have refused to adequately and appropriately staff the Office of Procurement Regulation.

How else can Cabinet Ministers justify evaluating tenders and doing international searches etc. to procure a vessel which clearly is not fit for purpose?

The Minister of Finance announced the need for \$73 million in supplemental variation for procurement of a ferry for Tobago - Trinidad run, they have awarded billion in contracts in the last four years and as the PNM rushes into election, billions more will be spent in awarded of contracts lacking transparency and absent integrity which the Procurement legislation was supposed to provide.

It was reported earlier this year that the Procurement regulator, Mr. Moonilal Lalchan, had compiled and submitted the required regulations required to give full effect to the new Procurement system since November 2017, to the Minister of Finance.

Nothing was done in the 365 days of 2018, in fact there was not even provision made in the Estimates for the Procurement Office in FY 2018 despite Mr. Lalchan’s appointment.²⁸

²⁸ <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Recurrent-Expenditure-2019.pdf> page 284

CHECK AGAINST DELIVERY

I note that there was an allocation for the establishment of the Procurement unit in the Ministry of Finance of a little more than \$2 million for 2019 which frankly does not appear to be remotely what is required for effective operation of an entity such as was envisaged by the legislation I championed.

I have not seen any supplemental variation, but I insist that everything possible must be done to ensure that the office of the procurement regulator is fully functional in the shortest possible time.

The corruption referenced above must not be allowed to continue.

VAT refunds and effect on businesses

Recently, the same Minister brought what he called "*tidings of great joy and good cheer*" when he announced that after four years, his Government would be fast tracking the payment of VAT refunds to businesses who have been waiting for years.²⁹

This is another example of the Hero syndrome that the Minister seems obsessed with. This is no gift.

The Government owes businesses these VAT refunds and has withheld \$4.6 Billion in VAT refunds which has the effect of stifling business growth. The business community has been put under intense strain and pressure to maintain its workforce and to complete new projects.

The Minister of Finance has refused to refund monies due to businesses, forced them to fund the Government's agenda, pay overdraft interest to the banks, fire staff, cut salaries in some cases even close their businesses, and now the Government wants businesses to celebrate the promise of VAT refunds? What hypocrisy.

The Minister of Finance created the crisis and then pretend to solve it...sounds familiar?

But businessmen know not to take this Minister at his word because he is deceptive to say the least.

In April 2016, this same Minister of Finance announced that his Ministry was considering reducing the time frame for paying VAT refunds from 6 months to 3 months.³⁰

²⁹ https://www.trinidadexpress.com/business/local/imberty-more-money-to-flow/article_8da52400-617a-11e9-9358-8be841bfbf78.html

³⁰ <https://www.facebook.com/CNC3Television/posts/imberty-we-are-considering-reducing-time-period-for-bir-to-pay-vat-refunds-from-6/10154120233002996/>

CHECK AGAINST DELIVERY

One year later one media house reported that VAT refunds were stopped because of lack of funding.³¹

The FACT is that despite his pronouncements thousands of businessmen dutifully paid their VAT collections in, and the Minister of Finance withheld their payments for years.

Even now, the Ministers own words reveal his insincerity as he made his campaign promise.

A few days ago, Imbert told a select group of businessmen that over the next 6 months, the government was going to go into what he described as a "*fund raising push*" to raise enough money to "*begin*" settling the \$4.6 billion he owes in VAT refunds.³²

Having sacrificed businesses, he finds himself unable to truly champion the crisis he created so he engages in misdirection, obfuscation and general flim-flam.

The facts are evident from his utterances. Maybe VAT refunds to start by November in time for Local Government Elections so he can make the same pronouncement again.

But businessmen, especially small and medium sized businessmen, do not hold your breath. You cannot trust this Minister.

³¹ <http://i955fm.com/government-temporarily-suspends-vat-refunds-due-to-lack-of-funding/>

³² <http://www.guardian.co.tt/news/imberty-we-wont-touch-diesel-subsidy-6.2.836176.d917f934f4>

Joblessness Under PNM

The track record of the Government I led in terms of job growth is in stark contrast to that of this administration in their four years.

It has been a miserable four years for workers and trade unions.

Some have suffered large scale union membership decline bordering almost on wiping out of those unions.

I am proud to have led the most labour friendly government in our post- independence period. This statement is not made lightly because the numbers do not lie.

We are proud to have created over 55,000 new jobs, concluded negotiations and signed over 100 collective agreements to enhance the quality of life of the working people.

More jobs will be lost. More people will be fired.

The collapse of the “Game Changers”

In the _____ minutes of the Minister of Finances verbiage and occasional diatribe, I expected him to provide a status report on the six game changers dramatically announced in the budget for fiscal 2019.

After all these were designed to create significant change in the structure of the economy, generate significant jobs, investment and revenue and usher in Minister Imbert’s “*new era of prosperity*”.

These confidence-induced developments were welded to the breastplate of the Government’s hopes for development of Trinidad and Tobago.

These “*game changers*” were:

1. The Dragon Gas deal
2. The success of the NIF
3. Petrotrin restructuring
4. Sandals Tobago
5. Drydocking facilities in La Brea
6. Revitalising the interisland sea bridge, including buying two new fast ferries.

Gas

Given that the Dragon gas deal is for all intents and purposes, dead *ab initio*, and given the recent failure of the company's infill drilling programme to secure enough gas to satisfy its obligations to Atlantic's Train 1, it is obvious that there will now be a significant shortfall in gas production in the country.

The Trinidad Express reported today that "*BPTT's infill drilling off the east coast of Trinidad could result in Atlantic's Train 1 being mothballed in 2020 and 2021*".³³

NGC owns a 10 percent share of Train 1 and clearly future revenue and growth projections would be harmed if there is not enough gas supply to run Train 1.

We expect(ed) that the Minister of Finance would lay out a clear plan or speak to required adjustments for this new development which only came to light on Friday.

The Express further reported "*more jobs will be lost in the energy sector, fewer local suppliers and contractors will be required and, most importantly, Government will collect no tax revenue for two years on BPTT's production of between 400 and 500 million standard cubic feet, used by Train 1*".

Will we need to borrow more next year if Train 1 is not producing revenue?

Will that financing be more expensive due to the reduced Government revenues?

Is the Government planning to dip further into the HSF to make up the potential shortfall?

³³ https://www.trinidadexpress.com/news/local/imbert-to-present-mid-year-review-today/article_8cccbea8-7516-11e9-8f21-8b078874938f.html

CHECK AGAINST DELIVERY

I remind you that since December 2015 the Government has been promising to amend the HSF act, but they have yet to do so.³⁴ Still they continue to withdraw from the fund.

³⁴ <http://www.looptt.com/content/govt-moves-ahead-hsf-separation>

The NIF

It's done. Government has saddled the new company with 400 million in debt *ab initio* pilfering the revenues from the sale of the bond while steadfastly refusing to indicate exactly who benefitted.

While the Government has stated that 7,436 individuals benefited, and a few companies, they have failed to provide details which will have confirmed the suspicion that the companies and owners of the companies are the ones who invested and took the lion's share of the NIF.

The discovery that the Government's own NIB, which also falls under the direct control of Minister Imbert, had reportedly single handedly taken up a quarter of the entire portfolio although the fund itself was under scrutiny and possibly approaching insolvency, raises more questions about the process the Ministers prefers to hide from. If there is nothing to hide, then hide nothing.

Petrotrin Restructuring

I dealt with this before and I am certain that my colleagues will also.

When the Opposition attempted to get information from the Minister in regard to the very exit costs, and the status of the Hospital and its equipment and medicines etc., we were refused. But these are multimillion-dollar issues which former employees are reporting may have been misappropriated.

My office has been visited by former estate constables who provided security services to the facility and they have indicated that there are some concerns that the calculations in their severance may have ignored specific contractual obligations of the company and which has placed them in grave difficulties.

Sandals

The Sandals scandal was still borne from the time national scrutiny prompted citizens to ask for details and question the motives and comments of the PNM.

The Minister continues to try to convince the population that a multibillion-dollar business venture like Sandals fled this country because the public asked for accountability.

What foolishness.

Up to now the Government refuses to tell us what this deal with Sandals cost the country in financial terms.

A vast number of meetings, trips, negotiations, discussions, calculations and drafting, approvals and administrative services etc. What is the cost? Why did they really leave? If there is nothing to hide, then hide nothing.

CHECK AGAINST DELIVERY

Dry docking facilities in La Brea

In the Opposition response to the budget and elsewhere, we asked for more details on this project.

Why for example was a contract being agreed to even before the feasibility was done? When was this project to start? What were the terms and conditions?

How many and what kind of jobs were to be developed? What training was being provided to ensure that these jobs can be filled by qualified personnel?

How many Petrotrin employees could reasonably be facilitated in this type of industry?

What are the fiduciary responsibilities of Trinidad and Tobago in any contractual obligations in regard to this port?

CHECK AGAINST DELIVERY

Revitalising the interisland sea bridge, including buying two new fast ferries.

After more than two years of this Governments directly handling the Sea bridge³⁵, and the expenditure of unwarranted hundreds of millions in questionable rentals, leases etc. without accountability is cause for concern.

The creation of a ministerial committee to engage in the procurement (they claimed they did not procure, they “sourced” the vessel and passed to NIDCO to “procure”) is unnatural at the very least.

They inherited a fully functional sea bridge, but crashed it so that they could use the basis of urgency and need to bypass normal tendering requirements and procedures.

The result is that hundreds of millions were spent to provide the replacement service.

To date there is no clarity on the ownership of one of these vessels, and the methodology used to procure etc.

The Minister has refused to tell this country what the cost was to provide the service between Tobago and Trinidad during the last three years on a month to month basis.

Citizens resident in Tobago must never forget the stress to get basic foodstuff while Government Ministers were suggesting that there was no crisis because they could get almond milk in the supermarket.

But we must also not forget the profiteering that was facilitated by this Government, the corruption at the port which the PM declared but facilitated by refusing or failing to act.

³⁵ <https://wired868.com/2017/05/28/fixin-t-superfast-galicia-timeline/>

CHECK AGAINST DELIVERY

Given the all-around failed state of these “*Game changers*”, what other false hope does the Government have to offer to citizens as excuse for their incompetence and failure to build on the platform their inherited?

The Road Ahead

Elections are coming Trinidad and Tobago.

Do not believe anything they say – Petrotrin shutdown costing thousands of jobs, hundreds losing their jobs at TSTT, the shutdown of TDC, GHRS and several other state companies, the crushing of the economic development board which provided long term plans and projects for the development of the country, property tax, vat on food etc. ...these things were not in their manifesto.

The mass unemployment will be addressed by short term employment created specifically to fool the population into taking their short-term bribery. As soon as election is over, PNM will go right back to where it is now. Unemployment and frustration again.

Look out for social spending, on poverty reduction. Do not forget what you experienced in the last four years, because the PNM plan is to continue where they left off if they get back in.

Look out for make-work programmes and beautification projects, CEPEP and URP jobs because that is what they think you deserve, and what will make you forget the trauma and sacrifice you endured over the last four years.

Look out for humility after Ministers "*fixed themselves*" with millions of tax payers dollars. Remember Cro Cro's own song about how they treated him when they formed Government. Remember how absent they were for four years.

The UNC's Plan 2020-2025

In spite of what those on the other side would like people to believe, highlighting the inadequacies and incompetence of this Government brings me no joy.

I, and the members of my team want to see our nation progress. This is why we spent our term in office investing in our people and in projects and programmes to improve their lives.

It pains me to see what this Government has done in almost four years.

But the party I lead is not disheartened, in fact we are energized. We have been working and continue to refine our National Economic Transformation Master Plan 2020-2025.

We are gearing up and getting ready to hit the ground running when we return to office, and put our economy back on a path of growth and sustainable development.

From Page 3 of the National Economic Transformation Masterplan 2020-2025:

Our National Economic Transformation Masterplan 2020-2025 lays out a wide-ranging suite of policy initiatives and programmes which we will pursue to get our people working again and working towards a better future. We will create 50,000 new jobs by 2025.

Our plan benefits from insightful views and informative consultations with key stakeholders and experts and is aligned to the United Nations Sustainable Development Goals (SDGs), which the international community endorsed as the policy framework for a world free of poverty.

Diversification is at the heart of our economic masterplan. For far too long, our country's economic fortunes have been too closely linked to the energy sector. We will encourage strategic

CHECK AGAINST DELIVERY

investments in niche non-energy sectors where we have strong competitive advantage, market opportunity and growth potential.

These bold steps must be made now. We will, of course, not ignore the energy sector, which will remain our economic engine for the time being.

Conclusion

Today the Minister completed his 4th midyear budget. He has had all of 2016, 2017, and 2018 and half of 2019 to prove us wrong when we said they had no plan.

But as we get closer to the close of this Government's term in office it has only become clearer to everyone that they **do not know how to govern.**

Big talk and arrogance - yes. They have that in abundance.

That you could stand here with your head held high, and talk about turning around or whatever other alternate reality you have repeatedly tried create, shows clearly that you are delusional.

Under your watch not only are more people unemployed, but before also feel less secure in their jobs. Did you know that?

Under your watch, we have gone backwards where people now have to worry and basics, water and roads.

Under your watch, we are not a population that can even think about the future, because we are all trying to survive today.

That is the product of your mismanagement.

Today, I stand before the population, as Leader of the United National Congress, to the tell of this country, resist their attempts to have us live in their alternate realty.

Think about your quality of life and your standard of living as it today as opposed to 2015. They will come here and create any story and push any line to win an election but what happens after they win.

Disaster after disaster,
crisis after crisis,

CHECK AGAINST DELIVERY

collapse after collapse, and then they blame anyone but themselves.

But we need a real Government, real Leadership, and real, implementable plan, not some pie in the sky vision. And I have it in my hand here today.

So, they will come today and spin stories but we all know the truth, they have failed the people of Trinidad and Tobago, and it is time for them to go!