



WELCOME REMARKS

To be delivered by

MR MOONILAL LALCHAN

VICE PRESIDENT

Trinidad and Tobago Chamber of Industry
and Commerce

**ON THE OCCASION OF THE “2ND ANNUAL PRE-BUDGET PANEL
DISCUSSION”**

MONDAY 9TH JULY 2012

8:00 AM – 10:30 PM

**AT THE LEON AGOSTINI CONFERENCE HALL, CHAMBER
BUILDING**

- THE HONOURABLE LARRY HOWAI -

MINISTER OF FINANCE AND THE ECONOMY

- THE HONOURABLE RUDRANATH

INDARSINGH – MINISTER OF STATE THE

MINISTRY OF FINANCE AND THE ECONOMY

- **DISTINGUISHED SPEAKERS: -**

**MS ALLYSON WEST – TAX PARTNER OF PRICE
WATER HOUSE COOPERS**

**MR ROBERT GIUSEPPI – LABOUR MOVEMENT
REPRESENTATIVE**

**MS DIANA MAHABIR-WYATT – PRINCIPAL
CONSULTANT AND DIRECTOR OF PERSONNEL
MANAGEMENT SERVICES LTD**

MR KELVIN MAHABIR – PRESIDENT OF ETECK

MR JWALA RAMBARAN – MODERATOR

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Good morning

On behalf of the Trinidad and Tobago Chamber of Industry and Commerce, I welcome everyone to our second Annual Pre-budget Breakfast Meeting. It is indeed a pleasure to host this breakfast meeting for another year and I wish to thank each and every one who has shown their support this morning.

A special welcome to the Minister of Finance and the Economy, Senator the Honourable Larry Howai and Minister of State in the Ministry of Finance and the Economy, The Honourable Rubranath Indarsingh. Ministers – thank you for being here in your Ministerial capacity to listen to our discussions. We are looking forward to receiving some feedback from you as well.

At this time, permit me to also welcome our esteemed panelists – Ms. Allyson West, Mr. Robert Giuseppi, Mr. Kelvin Mahabir and Ms. Diana Mahabir-Wyatt, as well as our equally esteemed Moderator,

Mr. Jawala Rambarran. I would like to thank you for being here and agreeing to sit on our panel. I am sure I speak for everyone here when I say that we are all looking forward to hearing your presentations, and engaging in discussions.

Our Pre-Budget Panel Discussion, now in its second year, is meant to offer the business community the opportunity to become involved in the consultative process for the national Budget and thus influence the outcome. That said, the National Budget is everyone's business, and I take this opportunity to thank the media for being here today to help us

reach the wider national community and engage all of our citizens in these discussions.

Every year, the Chamber is asked by the Ministry of Finance to submit recommendations for consideration in the upcoming Budget. After soliciting suggestions from our network of members and the business community at large, we carefully consider each, assess its feasibility and then develop a comprehensive list of recommendations for the Minister. Each year we have seen some of our recommendations incorporated into the budget, and we

thank the Government for allowing us the opportunity to take part in the process. Being a key stakeholder in revitalising the economy, we hope that this year, more of our recommendations will be included.

This year, against the background of an economy that has, according to economic data, shown no growth for the last three years, this Chamber has decided to align our recommendations for fiscal 2012/2013 to our strategic areas of focus. These are: the Economy, Crime, Competitiveness, SME Development, Tobago Development, Governance and Transparency.

Therefore, for this year's Discussion, we have identified four pertinent topics related to these areas of national focus which we believe are of significance to the development of the economy in the next fiscal year and beyond. They are:

- Tax Recommendations to Incentivise Diversification of the Economy**
- What are Labour Unions doing to encourage an increase in Productivity and Pay for Performance**
- Recommendations for Attracting Foreign Investment**
- Recommendations for dealing with Social Issues and the long term solutions**

Since the beginning of the financial crisis in 2008, we have seen local investment activity decline significantly. There are several reasons for this. We recognise that most countries are experiencing an economic downturn and so, realistically, one cannot expect to see as much activity as before in this uncertain climate. However, we believe that to stimulate the economy, the Government should be focused on creating a stable political, social and economic environment, with a view to more divestment and privatisation so that the private sector can become involved, particularly through the Private-Public

Partnership model. In addition to government as enabler, we are of the view that investment and incentive efforts need to be targeted equally at our local businesses, of course, where there is capacity to do so. We must ensure that there is the proper framework in place to protect our own and that there is a reduction in differential incentives that favour foreign investors. That being said, however, we are not here to encourage protectionism. We welcome foreign direct investment, and encourage our local businesses to not see foreign firms as a threat, but rather, an opportunity for them to build their own capacity and competitiveness.

On the social front, CRIME continues to be the Number One issue plaguing Trinidad and Tobago. With over 200 murders for the year, increased white-collar crimes and an unacceptable crime detection rate, the Chamber sees an urgent need to eradicate all levels of crime regardless of the offence or offender. The Chamber's concerns continue to grow about the negative effect crime has on our investment climate, the cost of doing business in T&T - both in terms of direct dollars and productivity - our attractiveness as a tourism destination, and the lifestyles of our nation's citizens. Some of the proposals to deter crime that the

Chamber has made include prisoner rehabilitation, crime management and youth development. We are anxious to hear from our panelists who I am sure will have a lot to say on social issues and their impact on crime.

Third on our agenda is the issue of competitiveness. As globalization has evolved the worldwide financial landscape and re-engineered international business arrangements, we must not allow our economy to fall behind. We consider one of the major barriers to the ease of doing business and remaining competitive to be the inability to make online payments for government transactions due to antiquated

legislation. We therefore urge for review or the repeal of the Ex-Chequer's Act and the implementation of the necessary legislation to facilitate the Government being able to accept and make online payments as well as instituting the required infrastructure.

Our sister isle of Tobago holds immense economic value for both islands. The Chamber remains resolute and committed to the transformation of Tobago's business sector into a thriving and self reliant entity. Unfortunately, the adoption of our previous recommendations which include the creation of a business climate conducive to economic stimulation and the remarketing of the island as a Tourism destination,

whilst accepted, appears to be moving very slowly. We have already met with the Minister of Tourism who has endorsed the need to move speedily on the recommendations

Finally, but certainly not least, the role of small and medium enterprises cannot be understated as they continue to emerge as an important sector in sustainable economic development. Our business community is predominantly comprised of SMEs and so more work must be done in this area to encourage our SMEs to grow and become a more established part of our national development. The small and medium enterprise market, another tier on the Stock

Exchange, will provide a much more flexible approach to long term financing. However, there is need for improved tax incentives to make this more attractive.

Based on the proposal submitted by the Chamber this year, we anxiously await the inclusion of our recommendations in this year's Budget. We remain confident in the Government's ability to identify the path of economic sustainability for 2012/2013.

As the Chamber continues to fulfill its Vision as the voice of business in Trinidad and Tobago, we stand ready to work alongside the Government of Trinidad and Tobago to promote a more vibrant business

climate making this country, the epicentre of Trade and Investment in the Region. With this said, I invite you to engage in enthusiastic discussion with our panel of speakers. I encourage everyone to partake in the question and answer segment as we eagerly await your contributions.

I now turn the podium over to Jwala Rambarran, our Moderator for the session.

Please welcome Jwala to the podium.

(1263 words)

