

PNM TO THE RESCUE

**Address by Dr the Hon. Keith Rowley,
Prime Minister of the Republic of Trinidad and Tobago
47th Annual Convention
of the
People's National Movement
Sunday, November 12th, 2017
Queen's Park Savannah, Port of Spain**

Mr Chairman, Party Officers, Members of the Central Executive, the General Council, Members of The Tobago Island Council, Mayors, Chairmen, Councillors and Aldermen, Specially Invited Guests, Members of the PNM family, members of the media, fellow citizens.

It is always with a deep feeling of humility and great expectation that I look forward to the excitement of meeting, greeting and addressing you at our party's Annual Conventions, this the 47th of which we have convened here today.

Ladies and Gentlemen, we have been on this journey since Dr Williams, our First Prime Minister, guided us to want independence and to undertake to accept responsibility for our future with an annual budget then of under two hundred million dollars. Since then we have come a long way and have made significant progress in most areas. It has not always been smooth

sailing. We have had our ups and downs, our good times and our not so good times but on every occasion we have demonstrated an ability and a willingness to rise to the challenges and this time is no different.

As I pondered on the nation's current adverse economic circumstances under which I was preparing to address you today, my spirit persisted in engaging me in the words of wisdom of renowned international philosophers of yesteryear which stubbornly reverberated in my mind.

Plato reminded me of the old saying: **"Adversity is the Mother of Invention"**. Plato also reminded us to **"Be kind, for everyone you meet is fighting a harder battle"**. What deep and meaningful words!

I was also reminded of the words of the 1st century Roman poet Horace who since that time was driven to observe that **"Adversity has the effect of eliciting talents which in prosperous circumstances would have lain dormant"**

If ever Trinidad and Tobago needed to embrace these legendary words of wisdom that time is now: right here and right now.

For it is when rapidly declining economic conditions befall a people and times become hard, that we draw on our precious reserves, pull from the wealth of our own illustrious past, and call forth the absolute best of our God-given competencies: attributes of resourcefulness, courage,

commitment, dedication, creativity and honesty. We reflect on the principles of life inherited from our parents and fore parents, and draw, as judiciously as we can, from the abundance of their noble legacies: legacies from which we can all benefit, especially under extenuating circumstances.

Ladies and gentlemen,

Prior to assuming office as your Prime Minister two years ago, I asked myself a series of searching questions.

Here are four of the many questions I asked myself:

The first was: How does a country deal with a can of worms and a bed of thorns uninterruptedly constructed for a people by a demitting, dishonoured administration?

The second question was: What happens when the new administration assumes governance particularly during a period of unprecedented economic adversity?

The third was: How does the Leader of the new administration engineer his decision- making machinery?

And the fourth question was: Can Trinidad and Tobago benefit from seeing how other nations emerged successfully from similar political atrocities?

Ladies and Gentlemen, after deep and honest introspection and widespread consultations with worthy advisors, I arrived at a number of clear conclusions.

First among them was that the road to strong economic recovery would be winding, elusive, treacherous, painstaking and sometimes even lonely.

Secondly, that it will require patience, tolerance, resilience, dexterity and determination.

Frequently, I am reminded of two other intellectually sound words of wisdom:

One was written by Idowu Koyenikan in his book - Wealth for All Africans: How Every African Can Live the Life of Their Dreams

Here is what was said:

“Pride in your country should not come after your country becomes great; your country becomes great because of your pride in it.”

The other was the wisdom written by the Distinguished Ghanaian Author, Nana Damoah, in his book, he said;

“Rome was not built in a day” but we fail to appreciate that Rome was eventually built. The question, then, was: if Rome was not built in a day, when was it built? The Answer was: It was built day by day.”

Ladies and gentlemen,

If we are to emerge triumphantly out of the depths of economic adversity into which our society has been plunged, I am convinced that all of us are duty bound to encourage one another to take fullest advantage of the opportunities presented by our harsh economic times.

We must do so by maximising the strength of character and full potential of which each of us is capable. In other words, we must, as far as we are able to, convert adversity into opportunity: explore ways and means to do things differently, expediently and expeditiously. In short we have to be able to **do more with less.**

A new society for Trinidad and Tobago beckons, and we must all join together in shaping and moulding it into what we want it to become. If we agree with these sentiments then we need to embark on this journey by saying **“the future begins today”**

As, side by side, we make the journey towards the **Goal of Sustainable Development**, so eloquently espoused in the nation's **Vision 2030 plan**, let us acknowledge but not harp on our shortcomings. Instead, let us capitalize and find hope on the progress which we have made and of which we are capable. The national assignment must be **Making Progress Toward Prosperity**.

For 5 years and 90 days we had exhibited the most painstaking degree of patience and tolerance, bearing upon our broken backs, the ultimate in injustices and inequities inflicted on a trusting nation: an unimaginable abomination that has left us frequently bowing our heads in shame and utter disgrace and wonderment.

On the other hand, we in the PNM know of one brand of Governance: the brand that makes us free and proud: free because we steadfastly honour the tenets of honesty, integrity, decency and truth, and the truth is what makes us free. And proud of who we are as a nation, what we represent and above all proud of our deep roots and unparalleled track record of achievements which have branded Trinidad and Tobago the jewel of the Caribbean.

PNM brand of governance is bountiful and beautiful to those who treasure forthrightness and who are not afraid of the facts as they exist.

Ladies and gentlemen,

The time has come to fight back: to restore our nation's honour, well-being and integrity.

While the dissident attempt to rewrite history and frown on our restorative successes and fight among themselves in the forlorn hope of returning to resume their feeding frenzy and nefarious assault upon our treasury, PNM continues to march on: undeterred by their reckless machinations and their open and unbridled obstructionist behavior. The Nation is fed up of their incredible lack of patriotism and abhors their unpalatable approach to parliamentary decorum and their debilitating display of undemocratic indulgences.

Ladies and gentlemen,

There has never been a more critical time than right now to focus on the **PNM's Road Map to Sustainable Development.**

Vision 2030 is not only a PNM initiative. It is the Nation's way forward, the assurance of an enhanced standard of living for all irrespective of class, color, creed, race or political persuasion. Vision 2030 knows no boundaries. It is saying to all and sundry: We have heard you and working together there is very little which we can't accomplish. So we say "Let's do this!"

And now, the time has come to give our Nation the chance it deserves: the chance to stand again on solid ground: full of confidence that the road ahead is focused and unambiguous, safe and in good hands: that there is opportunity for our young people to follow their dreams and set their sights on high even in these less than favourable conditions.

Well then, you may ask, what makes the PNM so special? What makes the PNM so different that you will want to hear us and stand with us?

Ladies and gentlemen,

Here is the answer:

The Nation of Trinidad and Tobago was created, nurtured and developed by the PNM and now we have matured somewhat. Virtually every nation-building initiative worthy of emulation and adulation came forth from the PNM. We have dealt with great difficulty before and we have made good on our commitment to always put the national interest above all other.

Those who have followed can do no more than build on what is already there. Like Rome, this Nation, which we all cherish, was not built in a day but day by day: and each day was a PNM success story.

My dear party members, fellow citizens

The skillful management of our current difficulties and the next generation of progress are in PNM hands.

You don't have to figure it all out or get it all perfect in one sitting. You just have to stay the course: stay connected to the fundamentals of self-belief which have guided the PNM and the nation over the past half a century. Now more than ever we need **Discipline**, we need to be **Tolerant** and certainly we need to be more **Productive**.

As members of the PNM we often need to be reminded that we are part of a greater whole, that we are not alone in our aspirations for decent work with job security, industrial peace, justice and equal opportunity for all. These are some of the great ideals for which we stand. We demonstrated this in our recent encounter called **Spotlight** , at the Hyatt when, prior to the national budget presentation, we shared the stage with many a contrary view, confident in the rectitude of our cause and in the options that we have chosen.

Ladies and Gentlemen,

From the day that we resumed office in **2015**, your Government has demonstrated diligence and prudence in the careful discharge of your mandate. We have championed the philosophy of sound fiscal management which has resulted in stabilising the troubled economy, and we are now on the road to some measure of restoration, anticipating

growth and sustainable development, spreading the burden of the inevitable adjustment equitably across all frontiers, bearably upon all shoulders.

Let us not live in denial or fear. Our economic challenges which began to come into view in 2014, are not hidden in dark closets nor are they insurmountable. Like so many other countries, they are there for all to see and to be acted upon. The one annoyance is that ours has been exacerbated by the wild and wanton indiscretions of the previous UNC administration who behaved like there was no tomorrow. In fact it might very well be that they genuinely believe that there is no future for us as a people and as such they should just grab as much as they can as quickly as they could. The PNM harbors no such thoughts, we believe, and confidently assert, that there is a bright future ahead for our nation, where there is opportunity for participation and advancement of our families and, our communities. Yes there might be a fog of economic uncertainty, in some quarters now, but this too can be defeated by that high bright sun called the resilient spirit of the people of Trinidad and Tobago.

One thing that may be a feature of our national character is how easily we forget. Let me remind the nation that soon after the **2015** budget was presented in October 2014 the period of prosperity began to recede and by the turn of the year there were calls for the budget to be immediately revised in response to rapidly declining oil and gas prices, which are not set by us but by the international market place. This development marked a

period of intense curtailment in our revenues and significantly reduced our ability to sustain some patterns of expenditure to which we had become accustomed, and I dare say entitled.

Taxes from oil companies have declined from **TT\$25 billion in 2008** to an unbelievable **TT\$0.472 billion in 2017**: a decline of **98%**.

Other energy sector revenues, taxes and royalties have dropped from **TT\$15.7 billion in 2010** to an abysmal **TT\$2.1 billion in 2017**: a decline of **87%**.

At the same time **Transfers and Subsidies**, i.e Government payments towards water, electricity, pensions and a range of Social Support etc, have increased from **TT\$17 billion in 2007 to TT\$27.8 billion in 2016**: an **increase of 64%**.

Under these conditions, wisdom dictates that we must decrease total expenditure from the all time high of **TT\$62 billion in 2015 to TT\$50 billion in 2018**. This rather unpleasant, but very necessary assignment, fell to your PNM Government to make the adjustments with care and compassion so that any associated pain as anticipated would be minimized as far as we are able to.

Ladies and gentlemen,

In spite of the revenue impediments I touched on a while ago, our net Official Foreign Reserves still stand at **US\$ 8.5 billion** representing 10 months of import cover: unbelievable but true.

Although we had been forced to make withdrawals from the Heritage and Stabilization Fund within the last two years, the Net Asset Value as at August **2017**, stood at **US\$5.7 billion**. This was better than the **Net Asset Value of US\$5.6 Billion** in September **2015**.

We are seeing positive indicators in the slowing of the retrenchment rate where we have received notices of **1,134** persons to be retrenched over the period January **2017** to September 2017 compared to **2,384** persons for the same period in **2016**. For the period September 2015 to September 2017, we have received to date notices of **4,829** persons to be retrenched. Against this background we have seen a progressive decline in the unemployment rate from 4.4 percent in the second quarter of **2016 to 4.0** percent in the third quarter of **2016** and then to **3.6 percent** in the fourth quarter of **2016**. As we continue to monitor the unemployment situation and support the maintenance of lower end job opportunities through the continuation of **CEPEP, URP and OJT** we are forever mindful of underemployment and the frustrations of those persons who have made the effort and have prepared themselves to function in more productive better paying jobs.

According to IMF projections, our economy is expected to grow at a rate of **3.6 % in 2018 and 3.2 % in 2019**. These are targets anticipated by

external analysts and projected outcomes with which we would have no quarrel, at this stage.

As we are called upon to govern in this period of austerity and forced economic contraction, the fallout of sustained revenue shrinkage, as part of our management approach we have to work with a plan and we have to prioritise.

The plan is this;

- a) Reduce expenditure over time in a steady and systematic way
- b) Preserve as many job opportunities in the public sector as the new circumstances can sustain and encourage job expansion in the private sector
- c) Maintain some expenditure on a development program to create jobs and to continue developing the country's physical and economic infrastructure, even as times are hard
- d) Re-establish growth in the economy
- e) Improve tax revenue and other revenue collection
- f) Reduce subsidies
- g) Diversify the economy through initiating and supporting new initiatives and awakening stagnant efforts (like agriculture and tourism).
- h) Reduce the consumption of foreign exchange
- i) Eliminate waste and corruption
- j) Watch the public debt

And**Do all of these things at the same time.....!**

This work program as laid out here is operated on an expenditure management approach which identifies priorities.

1. Health Care:

Notwithstanding how often we complain about the shortcomings in the system of health care delivery it is without serious contradiction that public expenditure preserves in this country a robust health care delivery effort for all our citizens.

Public expenditure provides **3100** hospital beds in ten **(10)** full service Hospitals. A range of medical services are available at one hundred and ten (110) Health Centres nationwide. These facilities are manned by **1913** doctors, **6127** nurses and **6583** support staff of all kinds.

The medical supplies alone to sustain this operation amounts to just under \$1.0 billion per year. This expenditure and the payment for the staff and overall service of the health sector will remain a highest priority item.

We also have to pay attention to the fact that we are committed to bringing the new **Couva** Hospital into service as an additional facility to our national health system in 2018.

We also have within our sight for the not too distant future, two new facilities currently under construction, the **Arima** hospital and the **Pt**

Fortin Hospital, both of which are at approximately 40% completion, and a major upgrade in Sangre Grande is contemplated.

We also have a Central block, with 500 beds at the Port of Spain, where an engineering report since 2009 has deemed the building structurally unsafe and needs replacement. This Government will address the issue even in our current difficult financial circumstances.

2. Education:

Education has been our number one expenditure item for all the years but has been challenged recently by rapid expansion in spending on National Security responses. Today we have **121,363** students in our primary schools, **80,983** in our secondary schools and **55,000** more at the tertiary level. We continue to make them and their teachers our number one priority since their education is the only guarantee we could have as security for our nation's future.

In order to sustain this priority in this period of austerity we have budgeted to spend **\$10m** on textbooks this coming year,

\$200m on school feeding,(58,000 breakfasts and 80,000 lunches)

\$ 60m on Primary School grants.

We provide student transport for **17,000** students per day.

We have budgeted **\$720m** for UWI and another **\$200m** for UTT.

These all represent some reduction from the highs of **2014/15** but in the current partitioning of the national cake these ancillary allocations along with the untouched payments for **7000** teachers in Primary schools and **5185** in Secondary schools reflect highest priority items and will remain so.

3.National Security

It is the view of most citizens that the number one priority of the state is to provide its citizens with a level of security that results in a general feeling of safety. For the last two decades this country has been challenged by the criminal element, both local and international. We don't make guns and ammunition here nor do we produce cocaine or heroin yet the illegal business of these items have chronically infected our society to the point where whole communities are under siege and the entire nation is on the lookout for the next event or outrage. Many young people have fallen prey to gang culture and the use of violence in the quest for easy money or settling scores threatens the peace and social stability of the nation.

Additionally, a very small minority of our citizens has answered the call to international religious terrorism and a few remain students of this dangerous doctrine, posing greater strain on our security services and our national budget. Even so we have no choice but to fund the necessary responses which cannot be postponed or delayed in most instances. National security demands to be an item of priority on the expenditure profile.

Notwithstanding the regular hollow bleatings of those of our political colleagues who had a five year shot at grappling with this beast but only succeeded in leaving it hale and hearty after five Ministers, billion dollar cancellations of equipment and programs and the hiring of Reshmi Ramnarine, a telephone clerk to head the Security Intelligence Agency (SIA), we remain resolute in giving the state security agencies the best chance to engage and defeat the criminally inclined element in our society.

In the last twenty five (25) months your PNM Government has remained focused and proactive in its broad response to widespread criminal behavior which was sweeping this country well before September 9th 2015. Remember the killings inside the Prime Minister's compound at St Anns? Remember Lifesport and the role the Kamla- Persad Bissessar Government played in creating this monster, the tentacles of which are still wrapped around the country today?

Even as we were responding we have only just completed a comprehensive **National Security Policy and Strategy Implementation plan.**

Only recently **The National Security Council approved the Counter-Terrorism Policy and Strategy.**

In developing our plan of action for **Countering Violent Extremism** we have established partnerships with US, UK and international agencies. We are currently accessing training and capacity building from the UK and we are very grateful for this and other similar assistance.

As part of our cooperative approach a Senior TTDF Officer was posted to the **Joint Inter Agency Task Force** of the US. Information from this

initiative resulted in one of the largest drug bust in the Caribbean recently (800m).

We now have cleared the way with the US to implement **The Personal Identification Secure Comparison And Evaluation System (PISCES)**. This system is now to be implemented at **Piarco**, before year end, as well as **ANRR Int.** Tobago as well as at the port of **Cedros**. This system gives us the ability to more effectively track the movement of persons across our borders.

The Security Services have focused on some additional initiatives to prevent murders. These include TTPS/TTDF base camps at **Laventille, Enterprise and Chaguanas**. They have stepped up patrols and have been focusing on the arrest of priority offenders.

There are intensified efforts to find and seize illegal firearms and you would have been seeing some improved results.

The Police has established a functioning Cold Case Team.

The **Organised Crime and Intelligence Unit (OCIU)** was officially launched on **15th September**. It is the assignment of this coordinated unit to dismantle, suppress and prosecute members of organized criminal groups, focusing on specific criminal targets and enterprises. It is now highly operational and already there have been several successes so far.

With respect to **Cyber Security**, we have just established a **Computer Security Incident Response Team**.

The Ramsaran Committee has completed its **Manpower Audit of the TTPS** and has submitted a comprehensive report which was received by the Cabinet and is on its way to Parliament for public examination by the **Joint Select Committee of the Parliament**. Its contents and recommendations would shape the debate and actions with respect to building and sustaining an effective Police Service which will always remain the main line of defence of the citizens in the face of the onslaught of those who are criminals in our midst.

On the infrastructure side work is proceeding on the construction of the Shirvan Police station as a replacement for Old Grange station in Tobago. Roxborough Station is also under construction and preparations are far advanced to commence work at St Clair and Carenage.

We are in the process of establishing the **DNA data base** and are doing some improvements in the prisons which would include the construction of **Video Conferencing Facilities at the Remand Yard Prison**.

We are working on new Fire Station Facilities for **Arouca, San Fernando, Point Fortin, Penal and Scarborough**.

4.0 Social and Family Service;

As we identify priorities in order to respond to the changed circumstances we have kept focused on the fact that it is not only about arithmetic but it's always about people....how our policy responses will affect people, particularly those at the base of the income pyramid and

those who are least able to look after themselves. It is within this context that Social and Family Service allocations remain priorities and have not been reduced (except for waste, abuse and corrupt practices) as we make the widespread adjustments in which we have been and continue to be engaged in.

As of September 2017 we cater for **93,677 Senior citizens**, all of whom are guaranteed a monthly payment to a maximum of \$3,500 at a total cost of **\$3.5 billion**.

Additionally we support **25,728** other persons/ families, with monthly payments ranging from **\$1150 to \$1750** on the **Public Assistance Grant** program. This is maintained at a cost of **\$400m** per annum. A further **\$500m** is made available to assist another **23,625** citizens who benefit from the **Disability Assistance Grant program**.

Outside of this commitment the state also provides another **\$90m** in the form of **General Assistance** grants, **Geriatric Adolescent Partnership** for home care as well as **Subventions to Non-Governmental Organisations and three (3) Statutory Boards**.

Ladies and Gentlemen, even in these our difficult economic times, this level of care and attention to the needy and the deserving will continue as a priority.

Additionally, from time to time we will as a nation be called upon to respond to acts of nature which frequently wreak havoc on some

individuals or communities anywhere in the nation. In such times we must and we do find an extra portion to bring relief to those so affected.

Last June we had to respond to the effects of Tropical storm Bret. As the waters receded staff of the Ministry of Social Development and Family Services along with Local Government quickly assessed the situation. They received 3062 claims of which **1419 were deemed to be ineligible** and **1643 were approved** at a cost of **\$10, 819.**

More recently we have had to respond to even more severe and widespread flooding in mid- October. Once again the state has been called upon to bring some relief and further support to those affected. As of **6th November** the relevant staff conducted **2615 assessments** in the affected areas and payments from an emergency allocation of **\$35M** are currently being paid out.

So you see ladies and gentlemen, even in the most challenging of times Mother Trinidad and Tobago gives of her best to all her children.

The only reward she might ask is an acknowledgement of her continued sacrifice on behalf of all her children whom she loves so very much.

5.Public Debt

Even as I have outlined our plan of action and have presented a group of priorities, there are many other areas which cannot be just left behind or

taken off the table. There are many other wider responsibilities which must be attended. As we set out to bring about this balance in our actions we have to tell you that we can only meet the projected lower levels of expenditure with the involvement of significant borrowings to close the shortfall between revenues and anticipated expenditure. In short we have been required to borrow to ease the burden of the downward adjustment. We therefore have to keep a close eye on our public debt profile and our foreign reserve situation.

In **2014/2015** the net Public Sector Debt was **79,363,826,145.0**.

By **2015/2016** this debt rose to**88,304,618,796.0**

By **2016/17** this public debt has risen to..... **92,801,106 939** and we still have to borrow again in **2018** to keep the commitments of the priorities I just made to keep the essentials going. So when you hear the wealthy Opposition members calling and demanding for this that and the other, and they want it now I want you to tell them two simple things.

1) Tell them that the state is not as wealthy as they are and therefore is not able to be as generous as they could be, nor as they would like.

2) Tell them that you want them to tell you where they would like to move the money from in the budget to put it where they want it spent.

It is only when they answer this particular question that you will be able to know what is good advice and what is pure unadulterated drivel which can do nothing for the better management of your affairs.

The truth is that at this time we are borrowing significant sums to sustain our current standard of living. As laudable as this objective is it cannot be

sustained and we must get out of this situation as quickly as possible otherwise our future will be endangered.

Of **the \$93b** of public debt that I have just referred to **\$38b** is debt incurred by the state enterprise sector and the Statutory bodies like **WASA and TTEC**. You may recall that at the turn of the new year, in January, I did address the nation on the **Petrotrin** situation. Since then a major review of the company's business has been undertaken and a new Board, with a clear mandate to fix the chronic problems as they exist at this major state enterprise, has been installed. The Board has settled in and has begun to focus on all aspects of management and operations at the company including allegations of questionable measurements of fiscalised oil in its "farmout" program.

Technology

While we navigate the turbulent economic waters, the trends are very encouraging. But we are not yet out of the woods.

Systematically and quietly we have been making progress: improving our ease of doing business, operationalizing a new **Investment Facilitation Framework**, building our national **Single Electronic Window** and implementing the **World Trade Organisation Trade Facilitation Agreement**.

We have been steadily reducing the time and cost of importing and exporting.

Business start-ups are being re-engineered to improve the online registration process.

An Automated System is being developed allowing applications for obtaining permits in the **Construction Sector** to be submitted and processed electronically.

Very soon, you will be in a position to make and receive **Electronic Payments** in the Public Sector and take advantage of a more efficient, **Electronic Funds Transfer Environment**.

In spite of our challenging economic conditions, work is well advanced in improving the processing times for **Approval and Facilitation** of investments in the non-energy sector.

Automation of government services and online payments for **e-visas, visa waivers and visa exemptions** are around the corner: reducing the process time from **two weeks to 1-3 days**.

Ladies and gentlemen,

Up to September 2017, **TTBizLink**, the brainchild of the PNM since 2009, has recorded over 1.1 million transactions and registered over 8,000 users from over 2,700 companies.

How many of you are aware that your PNM- created **TTBizLink** received **the Award for Excellence in Electronic Government in December 2016** by the **Network of e-Government Leaders of Latin America and the Caribbean?**

Need I say more? **E-Government** is truly on the move in Trinidad and Tobago.

e-Mobile Inspection by the **Bureau of Standards, the Plant Quarantine Services and the Food and Drugs Inspectorate** will be conducted on-site. No more paper.

e-Maritime Service now enables local shipping agents to submit vessel pre-arrival and departure declarations to the Maritime Services Division, Coast Guard and Port Administrations on line.

e-Utilities Module has been enhanced to enable submission of applications to WASA for **Building Development and Plumbing Approvals.**

Ladies and gentlemen,

This is just a snippet of where we are going and what we have been doing, in spite of our economic adversity.

Much more activity is taking place behind the scenes to set the stage for diversification of the economy especially in the spheres of **Agriculture and Fisheries, Manufacturing, the Maritime Industry, the Creative Industry, Agro-processing and ICT/Business Process Outsourcing, Setting up of a New Foreign Exchange Facility and promotion of the Eteck Industrial Park.**

As I speak, plans are in train to launch a **Live Music District** to take advantage of our international reputation in the creation of music: a key offering of our new tourism product.

Work is moving apace on establishment of an **Export Ready Creative Academy** and on building capacity in the field of **Fashion.**

In fact our ladies will be pleased to know that our **Fashion Value Chain Investment Programme, launched in March 2017 by FashionTT,** involved the training of five (5) designers who have since penetrated new markets in St. Lucia, Antigua and Barbuda, and Barbados.

We have also been having great success in our **Bespoke Tailoring Programme.** CreativeTT, in collaboration with the **Saville Row**

Academy and the Metal Industries Company is in the process of establishing a one-year Certificate Programme in Bespoke Tailoring which will be equivalent to the National Vocational Qualifications at Level 4 of the United Kingdom. This will be facilitated by the famed **Professor Andrew Ramroop** of the Saville Row Academy and is expected to begin early next year.

Similar initiatives are currently being pursued with the film industry.

Ladies and gentlemen,

A great deal of interest is being revived in the **Tamana InTech Park**, the compound specifically designed for technology and innovation-driven enterprises.

We are currently giving consideration to requests from both International and local investors to set up operations within the facility. After months of discussion an international consortium has completed a feasibility study on their interest in an aspect of the aluminium industry in Trinidad. A presentation on this proposal is scheduled to be made to the Energy Sub Committee of the Cabinet on Wednesday of this week.

You have had more than your fair share of talk about the deterioration in the oil and gas prices, as well as decline in the production levels, all of which greeted us on our assumption of office.

I am pleased to report that we have been addressing these issues with significant success.

You may recall that well before 2015 a serious gas shortage had developed at Pt Lisas and some plants were being closed down as others struggled to operate on reduced supplies and some were on month to month contracts since 2013. Many of those vital gas contracts were coming to their expiry date and no serious new gas price negotiations were advanced by the Government which owns 100% of the National Gas Company which is the state's sole aggregator and marketer of natural gas in Trinidad and Tobago.

Instead of dealing with this very critical situation the last Government was too busy trying to clean out the NGC bank account, the last of which was scraped out to award and pay for a billion dollar contract to SIS for a water treatment plant of dubious value at Sea Lots. The contractor on that project ran away as soon as you changed the Government. The NGC had to initiate court proceedings to prevent them from running away with the equipment too.

It was PNM Government to the rescue when we immediately guided the new Board of the NGC to commence and progress these very delicate gas price negotiations with BP, our largest producer. In the absence of a new negotiated gas price all the major producing companies had virtually frozen investment going forward. That never attracted the attention of the experts who have a lot to say about oil and gas now.

The negotiations between NGC and BP progressed well but eventually both sides came to a point where there was no closure from either end.

As Prime Minister I travelled to Houston to open the door for NGC to be able to have access to the top decision makers in BP and for those executives to put their best and improved offer to the NGC. The approach worked. Both sides were able to come to an agreement and we had a gas price of mutual satisfaction.

In Houston we stimulated the completion of the negotiations between BP and NGC for a gas sales agreement with the National Gas Company and for BP to immediately committ to invest US \$5 billion over the next five years.

This watershed agreement with BP cleared the way for other companies such as EOG, our second largest gas producer, to come on board with otherwise stalled investments in Trinidad and Tobago and this led to a total package of \$10b USD of investment being currently underway in the energy sector.

Looking ahead towards the medium and longer term steps were taken to secure additional supplies of new gas from ordinarily unavailable gas fields even as our own producing areas were maturing and becoming increasingly depleted. We wanted to make sure that Trinidad and Tobago remain a serious player in the hydrocarbon business even when supplies within our borders diminish over time. This business is basically our

lifeblood and the vision is to keep that blood flowing for as long as possible.

It is also what we know and what we do well and even as we diversify there are few alternatives that could give us the kinds of returns that we can extract from oil and gas.

To this end we pursued discussions with our closest neighbor, Venezuela, and eventually signed an agreement with the Government of Venezuela, to bring gas from their Dragon Field, off the north coast of Paria peninsula, on to the existing Hibiscus Platform in northwest Trinidad and from there to be piped further down to Point Fortin and Point Lisas to sustain industries there. This far reaching initiative is proceeding apace between, Venezuela, Trinidad and Tobago and Shell.

Ladies and gentlemen,

We did all these things with no fuss, no fanfare, no string band of loafers or freeloaders gallerying around us and above all no cosmeticians and no under the table deals.

Those well-planned and professionally negotiated business and investment transactions, all conducted above board, with transparency, decency and integrity are the cornerstones that have now restored Trinidad and Tobago to its pride of place in the energy sector.

And we can go on and on. There is one of their mouth pieces who drags himself out of bed everyday only to parrot that we have no plan. If what they say is true then what then do you call all that I have so far shared with you? What then is Vision 2030? It lives. We don't only believe but we are confident that our country, with a proud past, has a bright future.

Add to that, the Juniper project, a BP initiative to produce 590 million cubic feet of natural gas per day: the Angelin field development catering for 600 million cubic feet per day to come on stream in 2019; the EOG Sercan project with capacity for 275 million cubic feet per day; the Atlantic project with capacity for 200 million cubic feet per day plus all the exploration work which is taking place on the Continental Shelf by Bp and Shell and EOG.

We are in close contact with BP where we are engaged in hopeful discussions that we here in Trinidad and Tobago can compete successfully and win the bid to build the Cassia platform in La Brea. There are many benefits to be had for our local skilled people so we say to BP and to the fledgling Guyanese oil industry "Bring your platform blueprints and come, we have the skills to build them here".

Ladies and gentlemen,

They criticized the Minister of Finance when he imposed the 12.5 per cent royalty on gas at the wellhead. The royalty was already applied on oil and is now being extended to apply to gas. Do you see something wrong with

that? In my discussions with BP I have said to the leadership in that company, you are doing a good job in Trinidad and Tobago to the satisfaction of your shareholders from all over the world but I as Prime Minister, I have shareholders too, the people of Trinidad and Tobago. They are the original owners of the resource and they too need to be satisfied and it cannot be that whilst the grass is growing the horse is starving.

In our very open and candid discussions I told them that a PNM Government would not have agreed to some of the arrangements which we met in force and which could lead to a massive drying up of tax revenues in the way it has come to pass. I can tell you that they understand very well where we are coming from and who we represent, the people of Trinidad and Tobago. Our discussions continue in a very respectful and professional manner and the future for BP, for Trinidad and Tobago, as well as all our corporate investors remains very bright.

In the United States, royalties for onshore production ranges from 12.5 per cent to a maximum of 30 per cent. Offshore production ranges from 12.5 to 18 per cent. In Canada, typical royalties range from 10 per cent to 45 per cent. In Ecuador, oil royalties range from 12.5 to 18.5 per cent. So what is so wrong when we apply 12.5 per cent? It is still one of the lowest royalty rates in the world.

So once and for all we are putting our energy fiscal regime back in tandem with international practice. No vie-ky-vie arrangements. Discipline and integrity are the order of the day. The **Petroleum Pricing Committee** which had remained nonexistent or dormant for years is being reactivated to assist in these matters.

Ladies and gentlemen,

It is no secret that all is not well with Petrotrin. Petrotrin's debt is now a massive \$13 billion. The refinery is losing money on every barrel of oil it refines and the company is not doing that which all oil companies must do, that is, drill to find and extract more oil. But all is not lost. We have set up a specialist committee to examine their operations. The Report of this exercise has been to the Cabinet and will soon be examined in the Parliament and also provide a guide for the necessary actions required to bring about a turnaround in the performance of this very vital national asset.

Ladies and Gentlemen,

The PNM enjoys an unparalleled record of success in the energy sector. Countries all over the world speak proudly about the Trinidad and Tobago Energy Model.

No Administration understands the energy sector more than the PNM. PNM purchased it, conceptualized it; PNM created what we have now. PNM

developed it, PNM nurtured it and no one is more committed than the PNM, to preserve and protect it.

So, in spite of our current economic challenges, our energy sector marches on as we seek other areas of endeavour for economic expansion.

Ladies and Gentlemen,

The Property Tax is a part of the law in Trinidad and Tobago. In this law lower rates will apply to agricultural and residential property as compared to industrial property. There is also provision in the law that will allow for temporary or permanent waiver in extenuating circumstances where a residential property owner is demonstrably unable to pay any tax on property. Anyone who is familiar with the economic plight of Trinidad and Tobago today will know that the proceeds of this tax is desperately needed especially at this time.

Those who squandered your money, raped your Treasury, mismanaged your affairs, enriched themselves along the way, have appointed themselves abolisher of this tax. They have taken this matter to court and are raising frivolous objections at every turn. They would have you believe that the proceeds of the tax is for the PNM so by blocking it then they are somehow doing something for you, and are denying it to the PNM. Nothing is further from the truth. It is all about themselves and it is you the

average citizen who is being denied the benefit of those taxes and persons who should be contributing by way of these taxes are getting away with windfall millions without paying their fair share to the national coffers even as they continue to be get full service from the depleted Treasury.

Trinidad and Tobago is probably the only country in the world where property tax does not exist to aid in raising revenue to service the country. The UNC knows why but they dare not tell you their truth.

The Government will continue to pursue this matter diligently until we come to a place where this traditional and widely accepted revenue is collected for the benefit of the wider national community.

Work on establishing the much needed Trinidad and Tobago Revenue Authority is well in hand and underway. All current staff will have the option to transition to the Authority under terms and conditions no less favourable than what they currently enjoy. Those who do not wish to work in the new agency will have the option of transferring to positions within the Public Service with disadvantage.

It is common knowledge from anecdotal and scientific sources that there is a huge loss of Government revenue due to entrenched dysfunctionality and other reasons in the current arrangements. All the best advice obtained even before this Government came into office pointed to the need for this approach.

Recently the Government had a study done on the “**tax gap**” in the Trinidad and Tobago economy. Permit me to quote a few lines from the report of this study which the Government received in September 2017;

“When disaggregated we found the Corporate Tax Gap to be between **TT\$5.1 billion and TT\$6.6 billion** and the **VAT** gap between **\$1.9 billion and TT\$ 2.4 billion.**”

What that is saying ladies and gentlemen is that in Trinidad and Tobago studies have shown that there is uncollected tax of between **\$7.0 billion and \$9.0 billion.**

With respect to levels of taxation the report had this to say;

*“For corporations facing a **25 percent** statutory rate the effective rate was found to be in the range **14 percent to 18 percent.** For those corporations facing a rate of **30 percent** the effective tax range was found to be between **17 percent and 21 percent.***

*For the **VAT at 15 percent** the estimated effective rate was in the range **8 percent to 11 percent,** and for the more recent **12.5 percent** the expected effective rate is between **7percent and 9 percent.**”*

For those, like members of the Opposition, who appoint themselves champions of “the overtaxed” these are not my figures these are data from the scientific analysis of qualified experts.

What the country needs is a better, more efficient, tax collection and enforcement system. I want you to take careful note of who has a problem with that. Look carefully at who is saying **“Leave it so”.**

A review of expenditure on **Subsidies and Transfers** is on stream especially to improve the efficiency of public spending on health, education and social services and to avoid overlapping of our social safety net.

Implementation of the **Procurement Legislation** is now awaiting appointment of the Regulator by the President whose authority it is to appoint that officer.

Just a few days ago we launched the programme for stimulation of at least 500 small to medium sized enterprises and we are moving towards making Trinidad and Tobago both a preferred location for “**Business Process Outsourcing**” and **the Region’s International Financial Centre**.

A new policy is being rolled out to enhance the competitiveness of the Trinidad and Tobago yachting industry. Following upon the unfortunate devastation by multi hurricane strikes on the northern Antilles now is a good time for us to remind the sailing/boating fraternity that Trinidad can provide a safe haven just outside the path frequently traversed by hurricanes in the Caribbean.

Housing

Of great significance is the PNM revised strategy to satisfy the demand for housing accommodation. Our intention is to shift the HDC effort away from housing for middle income earners who can adequately be accommodated by the private sector which is now incentivized to supply affordable units at an accelerated rate on public and private lands. Meanwhile, as the Government, we return the HDC to our focus on the provision of affordable housing for lower and lower middle income families, with a bit more emphasis being placed on economically reasonable rental accommodation in a wider range of solutions.

A programme is already in train to replace the ageing fleet of the Public Transport Service Corporation, and in spite of our scarce resources, we will continue the policy of Maxi Taxi owners and operators being exempted from Motor Vehicle Tax, Value Added Tax.

Ladies and gentlemen,

We have achieved great success in cleaning up the UNC corrupt practices which contaminated the food support programme: reducing the food card demand from over 60 thousand to less than 28 thousand with no deserving recipient left wanting. This is a classic case of eliminating abuse while preserving the original intent of supporting those who qualify to access the particular benefit. No more food cards from the trunks of MPs cars and for distribution at election "rent a crowd" rallies.

Significant strides have been made, in collaboration with UNDP, towards the development of a **National Register of Persons with Disabilities** so that their services may be accessed in keeping with their condition and skill sets.

Ladies and Gentlemen,

The year 2017 has been filled with successes both in the local and international sports arena. We owe a tremendous debt of gratitude to our sports men and women. In spite of our limited resources, we will continue to support them as they seek to pace one another to even higher levels of achievement. Their frequent successes always help to lift the spirit of the nation on any given day. 2017 has been a remarkable year for sporting participation by Trinidad and Tobago.

We are taking steps to ensure that our sports men and women occupy their rightful place in the future development of our Nation: a potential for sports tourism as a viable option for economic diversification and we are actively interfacing with regional and international bodies who see Trinidad and Tobago as a veritable sporting centre for hosting numerous events in a wide range of sporting disciplines.

On the diplomatic stage, plans are in place to establish an Embassy in Abu Dhabi in the United Arab Emirates and to re-open a High Commission in Bridgetown, Barbados.

During my visit to Belize, in February last year I had the pleasure of signing the *Protocol Amending the Revised Treaty of Chaguaramas*, the purpose of which was to incorporate the Council for National Security and Law Enforcement as an Organ of the Community and the CARICOM Implementation Agency for Crime and Security as an Institution of the Community.

Ladies and gentlemen,

I am sure that many of you are aware that the THA has obtained an international credit rating, and that in the not too distant future, will enjoy the further opportunity to borrow approved sums of money on its own initiative to accelerate its development programme.

Another item of good news for Tobago is that draft legislation to grant self-government and a greater devolution of powers to Tobago is currently in its final stages before it reaches the Cabinet. The Legislation will be tabled before Parliament imminently and from there it will move expeditiously to the Law Reform Commission for urgent attention.

Air and Sea Transport between Tobago and Trinidad are engaging our very close attention and we have ensured that whatever is to be pursued in this regard will have some more direct inputs from the people of Tobago. We will keep you abreast of progress being made. Given the procurement process which the port is engaged in I expect that an additional passenger ferry will be on the route very soon. The coming of this vessel, bringing

additional capacity and more reliable sailings, will go a long way towards eliminating the hardships which have been associated with this service in recent months. For Tobagonians, in particular, the end of the inconveniences and disappointments is near.

Ladies and gentlemen,

I have just shared with you an outstanding record of some of the achievements of our great Party in government, undertaken during a very difficult period of harsh economic adversity.

I know it looks like a long time but in reality it is only twenty five (25) months. Twenty five months after the scorched earth, reckless spending policies of the UNC cabal and associates, who their own party founder cannot trust with their party's constitution.

Twenty five months ago, you the PNM, you rallied the nation to resoundingly reject the five year rampage and pillage that passed for government that shamed this nation on a daily basis.

Having been confined to the Opposition they miraculously now have all the answers to the problems they ignored. Everything is now so simple, solutions so clear, if you listen to them.

They now demand caring (as if being pushed around in a toy boat in ankle deep muddy water with a silly grin on one's face is how caring is demonstrated). That is their leadership which prays for a flood so they could mobilise their party for a snap election.

They are now trying to portray themselves as well-springs of caring, gushing the milk of kindness after they distinguished their reign by being

identified as the most corrupt government this country could ever imagine. Now they are daily trying to revise history hoping that you will forget.

No, we will not forget! We will put our shoulders to the wheel, we will sacrifice as required to save our country and give our children a future but we will not forget. We will prosecute them where the evidence is found but we will not forget.

We will forgive but we will never forget!

Your Government was determined to execute on your behalf and we have done so boldly, imaginatively and fearlessly. Of course had economic fortunes favoured us there is no telling the full extent to which we would have exceeded your expectations and ours. We are grateful for your patience and understanding in not having lived up in areas where perhaps your demands may have been higher than the delivery could have afforded. But given the circumstances we believe that we have done much more than reasonably well.

We have done well. We will now move on to do even better!

Suffice it to say that we shall be in closer communication with you so that, when the time comes, you will be in a position not only to be aware of the tremendous strides which, as a nation, we are making but you will be fortified to defend your party and your country from the vicious and vile attempts by those on the other side whose only motivation is to strip their brothers and sisters of the wealth of the land which is our true and uncompromising inheritance.

In conclusion, I want you to know that the way ahead is still littered with unpredictable road blocks and uncertainties but, come what may, we, the PNM, are eminently geared to treat with all events, the good, the bad and the ugly. In stormy times like these the ship of state needs a steady trustworthy hand. **The PNM is that steady hand!**

Rest assured that your Government will continue to be vigilant and watchful and to be positive and patient as we navigate the turbulent waters in sight of better days ahead and an improved quality of life for all our citizens.

We thank you for the patience which you have displayed in listening to the account of our stewardship and wish you all continued enjoyment of your 47th Convention.

As we stay true to our constitution, I exhort you to form new party groups in all communities, hold your meetings, have functioning executives and vibrant memberships and take part in all national debates.

I thank and congratulate the organisers of this excellent event and I propose that next year we hold this glorious spectacle of our coming together in Tobago. Hopefully at that time we would be in a position to tell Tobagonians that Parliament has acted on their ambitions.

May Almighty God continue to bless you, bless the PNM and bless all the people of this land Trinidad and Tobago, which sustains us and which we love so very much.

Long Live the PNM. Great is the PNM, Great is the PNM, Great is the PNM and it shall prevail.
