

Transcript - Prime Minister Rowley hosts Media Conference (Monday 5th December, 2016)

Well I just think that since we spent the day in Venezuela and what in effect has been a very historic day that I'll say a few words to you on what we have done today. Basically what has happened today is that we have moved our situation from knowledge of resources and cross border resources to signing off on a project.

It is not news to any of us in Trinidad and Tobago that we are a gas based economy. We also are involved in oil and other aspects of commerce but high and largely, hydro carbon and Venezuela is also in that similar situation but on a much larger scale. I just want to clarify two terms, one is 'cross border' and the other is 'across the border'. Now many of you are familiar with the term Loran/Manatee as one of the gas fields. That's a cross border field. What it means is that the reservoir crosses the border line between Trinidad and Tobago. Some of the gas in the same reservoir is in Trinidad and some is in Venezuela; that a cross border field. And we have been trying for many years to produce that gas so that it can become part of the resource based of our Point Lisas investments. We have not made much progress with that for a variety of reasons. Not the least of which is that there are very many players in that ownership and decision making progress. The ownership involves the Government of Trinidad and Tobago, the Government of Venezuela, the Venezuelan Oil Company, Trinidad and Tobago Oil Company, foreign oil companies and so on. And that complexity has seen something which today the President of Venezuela very aptly described in our conversation as the business of delay and we did agree that there is great profit for some people in the business of delay. But that does not suit Trinidad and Tobago because what we wanted was gas in pipe on the way to our processing plants.

So that cross border arrangement had been the subject of our conversations and effort for quite some time. In September of 2015, in my first conversation with President Maduro, which lasted for a very long time surprisingly was that Trinidad and Tobago chose to discuss 'across border field' which is gas in Venezuela that was under the full control of the government of Venezuela, and those discussions advanced very rapidly on the basis of our main meeting and our discussions in May and we put in place the relevant diplomatic and technical teams to work towards the objective of today's signing. And that objective was to identify the resources in Venezuela, identify the processes by which we will bring those resources to market, identify the agencies and all the protocols involved in giving life to a particular project. So that is a giant leap forward in that we are now no longer talking about cross border gas and its complications, we are today now talking about an agreement between the Government of Trinidad and Tobago and the Government of Venezuela to bring Venezuelan gas by specific identification of pipeline and platform and specific usage in Trinidad and Tobago. In short, we now have a project and Heads of agreement, the government to government agreement has been signed today and the Heads of

agreement of the operational agencies tomorrow morning at NGC and other participants including Shell which as you know, Shell has become a major player in Trinidad and Tobago by its acquisition of the assets of British Gas and Shell is involved in the Hibiscus platform, the existence of which has been a major impetus in putting this project together.

So let me just, while not giving you the details of some of the confidential aspects of things some of which are still to be worked out like at the level of the heads of agreement of the operating company, let me just read for you from the Heads of agreement from the Government of Venezuela and the Government of Trinidad and Tobago, the specific words in the agreement so that you as the media in Trinidad and Tobago will be properly apprised of exactly what we have agreed to today and this is a plan going forward; today is not going to end the process, it begins a very important process for Trinidad and Tobago.

So let me just read for you from the agreement. And I read here from page 5 Article 2, headed Obligations of the Parties: the parties (the Government of the Bolivarian Republic of Venezuela and the Government of Trinidad and Tobago) agree to take reasonable steps to facilitate A) the development, construction, operation and maintenance of one or more pipelines from the Marisol Sucre region in the Bolivarian Republic of Venezuela to the Republic of Trinidad and Tobago including a pipeline from the Dragon field to the Hibiscus platform known in the agreement as the pipeline. B) the delivery of gas from fields in north eastern offshore area of the Bolivarian Republic of Venezuela known as the Marisol Sucre region to the Republic of Trinidad and Tobago and C) the sale of natural gas volumes to the domestic market, gas market, of Trinidad and Tobago as a priority and international markets. This is what we have signed off on today, signed by President Maduro and myself and all the protocols in the articles in this document relate to giving life to that and this is known as the Project and the companies in the document are the National Gas Company of Trinidad and Tobago and PDVSA, the Venezuelan oil company.

So as of today these companies are authorised by both governments to proceed to operationalize that Project. This is a long way from where we had been before just hoping and thinking that this could happen, we have now opened the door for it to happen in the form of a Project. And the documentation covers all kinds of protocols including protection of the environment, the liabilities and expectation of those involved in the contract, dispute resolutions and so on, its a proper contract where the governments of both countries take responsibility for ensuring that this commercial venture comes to past in the quickest possible way. So from here on in, with the governments having done this, the companies will now set about to operationalize this.

We took the opportunity to acknowledge that there are other possibilities for major cooperation between Trinidad and Tobago and Venezuela. It was acknowledged that the revolving fund to facilitate commerce and manufactured goods is working. We were told there is \$27M left in the

first \$US 50M which means that we can at least produce more on a larger scale and the President agreed today to add a further 50 million dollars to that so that the fund, this revolving fund that facilitates manufactured goods into eastern Venezuela would be sustained and continue to grow.

We also at the level of the President of Venezuela and myself opened discussions between the Chairman of Petrotrin who was part of our delegation and the Minister of Energy to determine whether there is a possibility of spare capacity in Trinidad and Tobago for a finding can be met by determining whether adequate crude of a certain quality is available in Venezuela for onward transmission to Trinidad and Tobago for refining so that we can maximise the use of our refinery for the benefit of both the owner of that oil and the refiner which is Trinidad and Tobago. There will be benefits for us if such a crude could be located and increase the throughput of the refinery in Trinidad and Tobago with all the benefits that can come from the because as you know, one of the things that we are facing in Trinidad and Tobago is that having just spent a huge amount of money in upgrading our refinery, we are now faced with the lowest oil production in 60 years in Trinidad. So we really have to find a closure for that gap and our discussions today indicate that if that raw material in the form of adequate quality of crude can be found in Venezuela, the government to government expectation is that a supply could be made to Trinidad and Tobago.

We also discussed two other areas as well as reaffirming our commitment to continue our joint operations in national security matters. We discussed the possibility of the use of Venezuelan timber in a manufactured industry in Trinidad and Tobago towards the establishment of new business using Trinidad and Tobago methanol as a catalyst for a plywood industry and to that end, the relevant Venezuelan Minister would visit Trinidad and Tobago in the very near future to meet its counter party to discuss that business proposal. The Minister of Tourism is part of our discussion and Venezuela is keen to be a jumping off point for South America into Trinidad and Tobago and the President of Venezuela has committed to liquidating some longstanding debt which exist for Caribbean Airlines which accumulated at an earlier time when tickets were sold and paid for in Bolivars and the conversion to US dollars was a difficult thing and a significant debt exist and grew up the government by where the Presidential commitment today undertook to have that debt serviced and also they have put a new arrangement in place where tickets out of Venezuela are paid for not in Bolivars, but in US dollars so this accumulation of unpaid or unpayable debt will not happen. So I think that is some good news for Caribbean Airlines but we agree that it's a lot of benefits for both countries for us to remain in communication by way of air and sea.

The Venezuelan Tourism Minister raised the possibility of sea transport from Trinidad and Tobago to Margarita and Caracas if only for tourism purposes in the first instance. So these discussions will take place and we in Trinidad and Tobago see these as areas opening up for possibilities of doing additional things. We know that we are heavily dependent on oil and gas

but if there are other areas of activities that we can engage in, which have economic benefit, then we will want the cooperation of our neighbour and see what is possible.

What we have done today is shine the light on a very strange development where Trinidad and Tobago and Venezuela have so much in common and so much to benefit from cooperation, we are 7 miles apart, but at the level of two states, we have not properly explored the benefits of our geographic, cultural, historical and commercial possibilities and today's signing opens that door to that stairway of progress. So we think that we have had a good day in Venezuela and we think that it has been a good day for Trinidad and Tobago and Venezuela. So having said that, if there are any questions I would try to answer them.