



REPUBLIC OF TRINIDAD AND TOBAGO

Debates of the House of Representatives

5th Session – 10th Parliament (Rep.) – Volume 29 – Number 3

**OFFICIAL REPORT
(HANSARD)**

THE HONOURABLE WADE MARK
SPEAKER

THE HONOURABLE NELA KHAN
DEPUTY SPEAKER

Monday 8th September, 2014

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Leave of Absence

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HOUSE OF REPRESENTATIVES

Monday, September 08, 2014

The House met at 1.30 p.m.

PRAYERS

[MADAM DEPUTY SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Deputy Speaker: Hon. Members, I have received the following information: hon. Winston Dookeran, Member of Parliament for Tunapuna, has asked to be excused from the sittings of the House during the period August 27, 2014 to September 08, 2014. The leave which the Minister seeks is granted.

**JOINT SELECT COMMITTEES
(APPOINTMENT OF)**

Madam Deputy Speaker: Hon. Members, I have received correspondence from the Vice-President of the Senate dated August 27, 2014, addressed to the Hon. Wade Mark, Speaker of the House, which reads as follows:

“Honourable Speaker,

Appointment of Joint Select Committees

Your letter dated August 12, 2014 on the subject at caption refers.

I wish to advise that at a sitting held on Tuesday August 26, 2014, the Senate agreed to the following:

- (a) the establishment of a Joint Select Committee to consider the Legislative Proposal entitled the “Draft Houses of Parliament Service Authority Bill, 2014”;
- (b) the appointment of the following Senators to serve with an equal number from the House of Representatives on the said Committee:
 1. Mr. Timothy Hamel Smith
 2. Mr. Anand Ramlogan, S.C.
 3. Mr. Emmanuel George
 4. Mrs. Camille Robinson-Regis
 5. Mr. Elton Prescott, S.C.

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- (c) the establishment of a Joint Select Committee to propose a legislative framework to govern the financing of election campaigns. The Committee is mandated to submit its report with recommendations to both Houses of Parliament within six months of its appointment;
- (d) the appointment of the following Senators to serve with an equal number from the House of Representatives on said Committee:
 1. Mr. Ganga Singh
 2. Mr. Anand Ramolgan, S.C.
 3. Dr. Bhoendradatt Tewarie
 4. Mrs. Camille Robinson-Regis
 5. Mrs. Helen Drayton
 6. Mr. Elton Prescott, S.C.

I respectfully request that this matter to be brought to the attention of the House of Representatives.

Yours respectfully,

Senator James Lambert

Vice-President of the Senate”

**MISCELLANEOUS PROVISIONS (PROCEEDS OF CRIME,
ANTI-TERRORISM, FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND
TOBAGO) (NO. 2) BILL, 2014**

Bill to amend the Proceeds of Crime Act, Chap. 11:27, the Anti-Terrorism Act, Chap.12:07 and the Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:01, brought from the Senate [*The Minister of Finance and the Economy*]; read the first time.

PAPERS LAID

1. Draft Estimates of Expenditure for the financial year 2015. [*The Minister of Finance and the Economy (Sen. The Hon. Larry Howai)*]
2. Draft Estimates - Details of Estimates of Recurrent Expenditure for the financial year 2015. [*Sen. The Hon. L. Howai*]
3. Draft Estimates of Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the financial year 2015. [*Sen. The Hon. L. Howai*]

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4. Draft Estimates of the Development Programme for the financial year 2015. [*Sen. The Hon. L. Howai*]
5. Draft Estimates of Revenue for the financial year 2015. [*Sen. The Hon. L. Howai*]
6. Public Sector Investment Programme 2015. [*Sen. The Hon. L. Howai*]
7. Public Sector Investment Programme – Tobago 2015. [*Sen. The Hon. L. Howai*]
8. Social Sector Investment Programme 2015. [*Sen. The Hon. L. Howai*]
9. State Enterprises' Investment Programme 2015. [*Sen. The Hon. L. Howai*]
10. Review of the Economy 2014. [*Sen. The Hon. L. Howai*]
11. Three-Year Public Sector Investment Programme (PSIP) 2015—2017. [*Sen. The Hon. L. Howai*]

APPROPRIATION (FINANCIAL YEAR 2015) BILL, 2014

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2015 [*The Minister of Finance and the Economy*]; read the first time.

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):
Madam Deputy Speaker, I beg to move:

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2015, be read a second time.

Madam Deputy Speaker, it gives me great pleasure to present to this honourable House the fifth budget of the People's Partnership administration under the transformational leadership of our Prime Minister, the hon. Kamla Persad-Bissessar. [*Desk thumping*] This administration has traversed a very challenging period over the past four years but we have remained resilient and strong. As we have systematically overcome the several challenges which had confronted us, we are progressing with confidence and optimism to a renewed mandate in 2015 for a further five years. [*Desk thumping*]

Indeed, the single-mindedness and clarity of vision of our hon. Prime Minister have been essential in ensuring that our economy returned to more inclusive, fair and equitable growth. [*Desk thumping*] We are witnessing improving living standards among all our citizens. We have policies in place which are extending a

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caring hand to those who experience difficulties, and we are creating opportunities for all our citizens to participate in our growing economy. [*Desk thumping*]

This financial year 2015 budget statement is formulated around a theme: Empowering our people through Sustained Economic Growth and Prosperity. I wish to thank, for their selfless support, the hon. Vasant Bharath, Minister of Trade, Industry, Investment and Communications and Minister in the Ministry of Finance and the Economy, and the hon. Rudranath Indarsingh, Minister of State in the Ministry of Finance and the Economy. [*Desk thumping*] Their guidance in developing our plans and strategies for modernizing the country has been constructive and enlightening.

My other colleagues have also played critical roles in charting our national agenda for improving the welfare of the people of Trinidad and Tobago and, of course, this public policy agenda has also been shaped by the several submissions which I received from professional associations, non-governmental organizations and concerned individuals throughout the length and breadth of our country. For these national insights, I am extremely thankful. [*Desk thumping*]

Madam Deputy Speaker, I must also stress that our plans and programmes could not have been achieved without the professional advice and unstinting support of the staff of the Ministry of Finance and the Economy. I owe them a debt of gratitude as they have worked assiduously, tirelessly and beyond the call of duty in the preparation of the documents which I have laid in this Parliament today. [*Desk thumping*] These documents provide a comprehensive overview of the performance of the Government over the past year, as well as details of revenue and expenditure for 2015.

Madam Deputy Speaker, our economy has performed admirably in the face of the adverse cumulative effects of the difficult external environment and the turbulence in financial markets brought about by the 2008—2009 global financial crisis. The spillover impact was inevitable in the context of our increasing economic and financial integration into the world economy, but our strong economic fundamentals provided a substantial buffer which allowed this country to emerge very quickly from the negative effects of that crisis.

We are now encouraged by the strengthening recovery of the global economy. Economic activity is gaining momentum and the International Monetary Fund, in its July 2014 outlook, is projecting an expansion of 3.4 per cent in 2014 and 4 per

cent in 2015. [*Desk thumping*] While many economic and geopolitical risks remain, these growth projections for the global economy are good news for emerging and developing countries.

The growth rate in most Caribbean countries has been improving as several economies which are more tourism-oriented are benefiting from the higher levels of growth in the United States, as well as from the economic recovery in the United Kingdom. We look to the eventual turnaround of the eurozone area to add a further boost to these economies. In this context, Trinidad and Tobago will benefit from the improving world and regional economy, and with our strong macroeconomic fundamentals and appropriate monetary policy, we will be able to shift our current growth rate to a higher and more sustainable pace.

Madam Deputy Speaker, we have achieved a great deal over the past four years and in a very difficult environment. Growth has been restored after three years of decline. We have had, in the period 2012 to 2014, three years of positive economic growth, notwithstanding extensive and prolonged maintenance activity in the energy sector. [*Desk thumping*] The non-energy sector, in particular, has shown continued strength and buoyancy.

This economic growth is taking place in the context of job creation and stable inflation rates. In the period January to September 2013, the unemployment rate averaged 3.6 per cent, and the average for the year, as well as for 2014, is projected to maintain the same level. The inflation rate had averaged 5.1 per cent in 2013, but as at June 2014, the average rate has fallen to 2.8 per cent, the lowest in ten years. [*Desk thumping*]

The fiscal deficit is on course to meet our 2016 objective of bringing the fiscal accounts into balance. Notwithstanding the budget deficit of \$6.3 billion for fiscal 2014, a surplus of \$1.9 billion had been realized as at the end of June 2014. [*Desk thumping*] Public sector debt remains at a sustainable level at 43 per cent of gross domestic product, with the external debt service ratio remaining in single digit. These debt ratios are within well-established international benchmarks.

The balance of payments remains robust with the generation of consistent surpluses on the current account and with steady flows of private direct investment. As a result, gross official reserves stood at \$10 billion in December 2013, covering approximately 12 months of import cover. [*Desk thumping*] By July 2014, the gross official reserves had reached \$10.2 billion. Gross foreign direct investment has increased robustly on an annual basis since 2010, and is projected at US \$3.3 billion for 2014. [*Desk thumping*]

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Substantial financial buffers have been built up to meet contingencies. Apart from our healthy official reserves, the Heritage and Stabilisation Fund now amounts to US \$5.6 billion. [*Desk thumping*] The rating agencies, Standard and Poor's, Moody's Investors Service and Caribbean Information and Credit Rating Services Limited have maintained the country's excellent investment grade ratings, and access to international markets have been facilitated by those ratings, with Trinidad and Tobago being able to raise, in December 2013, a US \$550 million ten-year bond, which was ten times oversubscribed. [*Desk thumping*] In short, Madam Deputy Speaker, as a nation, we are better off today than we were four years ago. [*Desk thumping*]

1.45 p.m.

Madam Deputy Speaker, I turn to the medium term outlook. In the context of other similarly placed emerging and developing countries, our economic performance has been excellent; moreover, the foundation has been laid for a sustainable recovery. From this position of strength, our economy is undergoing an important transition. Over the medium term 2015 to 2017, the growth momentum is expected to be maintained and the balance of payments is projected to continue to generate surpluses and increasing levels of reserves. Notwithstanding these successes, we recognize that there are many underlying issues which need to be addressed if we are to sustain our growth momentum.

Having dealt with the issue of the return to growth, and the financial problems generated by the failure of Colonial Life Insurance Company Limited and the Hindu Credit Union, we are now turning our attention over the medium term to the reform measures necessary to transform our economy.

The Ease of Doing Business—with our encouraging medium term economic outlook, this Kamla Persad-Bissessar-led administration will continue to facilitate a more conducive economic and business environment to attract both domestic and foreign investment. These investment flows are key drivers for financing sustainable growth and development. The Government has also made substantial strides in improving the regulatory environment for business activities. We have been reducing the administrative burden on companies doing business in Trinidad and Tobago, as demonstrated by the improvement in our ranking in the World Bank's 2014 Doing Business report. This ranking has been improving consistently. In fact, we envisage a higher ranking in the 2015 report of the World Bank. This notwithstanding, there remains a number of challenges, and it is our intention to address these in a focused manner.

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Madam Deputy Speaker, deeper external business and economic relationships are being fostered. We are continuing to negotiate double tax treaty agreements, the latest one being with the Federal Republic of Germany. This treaty will be mutually beneficial to both countries, especially since Trinidad and Tobago is the third largest destination for German investment in Latin America. We have put a new team in place to address these matters, and over the next fiscal year we have placed on the agenda negotiations for double tax treaty agreements with several countries, including Japan, the United Kingdom, Luxembourg, South Korea and the Netherlands.

The work on the ease of doing business has been further consolidated with the May 26, 2014, proclamation of the Bankruptcy and Insolvency Act, 2007. The proclamation with accompanying regulations established the Office of the Supervisor of Insolvency in the Ministry of Finance and the Economy, and allows for the treatment of both corporate and individual bankruptcy. This is the first major overhaul of this legislation in almost 100 years, and it opens up the possibility of encouraging corporate rehabilitation as an alternative to liquidation. In this framework, the flow of credit to the economy will be expanded.

The role of the private sector as a driver of growth is being consolidated, as we continue to build a competitive and efficient economy. Entrepreneurship is being fostered on a number of fronts, including initial public offerings, the securing of strategic partners for selective state enterprises and the utilization of the public/private partnership model for delivering infrastructure and public services.

The Government's public offering programme is under way. The initial public offering for First Citizens Bank Limited was successful by any standard of measurement. The 48 million shares on offer were 3.12 times oversubscribed by over 12,400 applicants. The IPO has added more than 8,000 new investors to the existing pool of equity investors, and the country is on the way to achieving the public policy objective of the widest possible participation of all our citizens in share ownership. [*Desk thumping*]

Despite the concerns expressed by the national community with respect to the inordinate purchase by one staff member of First Citizens, and which is now subject to an investigation by the Trinidad and Tobago Securities and Exchange Commission, the share price on September 05, 2014, was \$35.96, some 63.5 per cent higher than the \$22 which prevailed at the date of listing on September 16, 2013. [*Desk thumping*]

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As soon as it is appropriate, the National Gas Company of Trinidad and Tobago will be offering to the national community 49 per cent of the shareholding of the Trinidad and Tobago NGL Limited, which company holds a 39 per cent shareholding of the National Gas Company in Phoenix Park Gas Processors Limited. This will be an historic event, being the first listing of an energy stock on the local stock market. We shall continue this process to ensure that share ownership is spread as widely as possible among the population, thereby giving citizens a direct stake in industrial successes.

Madam Deputy Speaker, a consultant has been engaged to prepare a request for proposals for securing a strategic investor for the Vehicle Management Corporation of Trinidad and Tobago limited. The engagement of consultancy services to undertake a similar exercise for the National Helicopter Services Limited is well under way. These strategic investors will be required to bring to the operations of those two companies new capital, access to new markets and state-of-the-art technology. The Government is determined to improve the operational efficiency and effectiveness, as well as the governance of our state enterprises. In fact, in 2013, the state enterprise sector on a collective basis generated profits of \$7.6 billion.

The Caribbean Information and Credit Rating Services Limited has already completed initial rating reports for two enterprises: the Point Lisas Industrial Port Development Corporation Limited and the National Helicopter Services Limited. It has also initiated review work for the Vehicle Management Corporation of Trinidad and Tobago Limited and National Flour Mills Limited. These reviews will chart a course for greater efficiency and effectiveness in our state enterprises. Further annual reviews of these enterprises will be undertaken to measure their progress, and annually more state enterprises will be added to the process as we improve the operations of these companies.

Madam Deputy Speaker, the introduction of public/private partnerships as a mechanism for accelerating the installation of requisite infrastructure in several sectors, has been under consideration for some time. Progress was initially slow, as we generated the capacity within the Ministry of Finance and the Economy to manage this initiative. I am pleased to advise the honourable House that two pilot projects in the health and education sectors under a technical assistance programme provided by the Inter-American Development Bank are now in progress.

The consultancy contracts are in place for securing transaction advisors for three national diagnostic centres, 10 primary schools and 10 early childhood care

and education centres. I expect that by February 2015 the preferred contractors for these projects will have been secured. In October 2016, the diagnostic centres will begin actual service delivery, and in January 2017, the 20 schools will be ready for enrolment.

The Airports Authority of Trinidad and Tobago has requested the International Finance Corporation, the private sector arm of the World Bank group, to submit a proposal which will lead to improved services at our two international airports: the is Piarco International Airport and the ANR Robinson International Airport. As we build our capacity for identifying and managing public/private partnership projects, we shall roll out a range of infrastructure and service delivery projects which will provide attractive business opportunities to potential investors.

Turning to the issue of financial stability—we have made substantial progress in bringing stability to our financial system. The issues surrounding Clico and HCU have been largely resolved, thereby re-establishing our long record of financial stability which had underpinned our positive and robust growth for many years. Our recent impressive economic outlook could not have been achieved if we did not move aggressively to repair our fiscal and financial balance sheets in the aftermath of the collapse of Clico. Government quickly reformed the policy framework for addressing the financial consequences of the Clico crisis. The new strategy was essential for strengthening private sector confidence. It has dealt effectively with investors in the short-term investment products, more than 13,600 of whom have become unit holders in the Clico Investment Fund, managed by the Clico Trust Corporation.

Approximately 830 investors in the short-term investment products did not accept the offer, while more than 1,160 non-resident bondholders have advanced and are advancing their claims through the machinery of the legal security commissions in their respective countries.

Throughout this period of uncertainty, this Government has ensured that the investments of some 225,000 traditional policyholders have been protected and assured. [*Desk thumping*] Indeed, Clico has done exceptionally well in terms of writing new business, while maintaining substantial traditional business throughout the crisis. I will like to publicly commend the board, management and staff for their commitment and hard work over the last four years.

Government is taking steps to recover the outlay which became necessary to contain the crisis in Clico and the Clico Investment Bank, which also impacted

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their parent company, CL Financial. To effect an orderly settlement of this debt, Government has embarked on a medium-term strategy to secure the return of the outlay of these funds. This has informed the basic parameters of our comprehensive shareholders agreement, a key component of which is a proper restructuring of those companies, with proper governance practices in what is left of the group. We now await the outcome of the methanol holdings arbitration; following this, a more detailed report will be provided.

I am pleased to state that without this intervention, we would have seen many of the companies in the group facing liquidation, with the attendant loss of jobs and other social and economic hardships which generally accompany such occurrences. The adverse experiences of several advanced countries are testament to this significant accomplishment.

A second related matter is the settlement of the debt to more than 147,000 shareholders and depositors of the Hindu Credit Union. [*Desk thumping*] Approximately 18,000 shareholders and depositors with holdings under \$75,000, have received \$136 million in cash. Madam Deputy Speaker, 1,330 members, holding in excess of \$75,000 have also received in cash \$99 million, and 1,400 members will receive bonds to the value of \$340 million. The bond issuance programme is due to commence early in the new fiscal year.

As in the case of Clico, our intervention has alleviated a substantial social and economic hardship experienced by the shareholders and depositors of this failed institution; we have now put that crisis substantially behind us.

The growth-oriented environment is being anchored in a strong and modern financial structure. Partly due to the economic crises associated with the collapse of Clico and HCU, we are continuing to give consideration to improving our existing financial stability framework for mitigating systemic risk and for applying heightened prudential standards for our large and complex institutions.

A high level task force for integrated financial regulation and supervision, under the chairmanship of an independent consultant, has undertaken research and consultation to determine the most feasible model for integrated financial regulation and supervision in Trinidad and Tobago. On September 03, 2014, last week, I received the report of the task force which outlined the way forward for such a financial stability framework. The recommendations will inform the preparation of a new Green Paper, which will be sensitive to our stage of development as well as to the expected evolution of the capital market and the financial sector in the country.

We have recently strengthened the Securities Act, 2012, to bring it in line with international best practice; in particular on prosecuting market misconduct and manipulation, as well as measuring and evaluating risk exposure in the securities industry. This legislative updating will bring enhanced market confidence, which is not only critical for financial development, but also for growth and development of the country.

We shall soon be laying in Parliament a revised Insurance Act which reflects the deliberations of the Joint Select Committee of Parliament, which worked diligently on this legislation over the past year. It has broad industry support and is modelled on Canadian law, and includes a major strengthening of regulatory capital. Subsequent to the passage of this legislation, we shall lay in Parliament a new credit union Bill with international standards and best practices from other jurisdictions which will transfer supervision of credit unions from the Commissioner for Cooperative Development to the Central Bank of Trinidad and Tobago.

As our financial regulatory framework becomes all encompassing, the financial services industry will continue to expand and become diversified. This evolution in regulatory control is facilitating the work of the Trinidad and Tobago international financial centre, which is strengthening its capability to attract and bring into Trinidad and Tobago new investors in the financial services industry.

We have also laid in Parliament the Miscellaneous Provisions (Proceeds of Crime) Bill which significantly strengthens our framework for anti-money laundering and counterterrorism financing activities.

Savings bonds were once an important investment instrument in Trinidad and Tobago, contributing to the funding of Government services. Bond sales and purchases also facilitated the development of the capital market bringing in small investors who purchased bonds in much smaller denominations than the traditional large investors.

2.00 p.m.

The Government proposes to reactivate this niche market with the introduction of a tax-deductible savings bond—a confidence-inducing measure, targeting in particular young persons seeking to save the future, as well as pensioners seeking a better return on their investments. [*Desk thumping*]

Our increasing integration into the international financial system is now being consolidated with our participation in Euroclear which is one of the principal

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clearing houses for eurobonds and other securities. The settlement and safe delivery of bonds on behalf of local investors using Euroclear will help to build the international credibility of Trinidad and Tobago and give local investors improved access to international capital markets.

Madam Deputy Speaker, technical work continues on the five growth poles which we have established in special and regional areas for spurring economic growth and development, and work is also taking place on port rationalization. The recently commissioned Galeota Port which was opened last week or which was commissioned last week, will provide significant logistic support to the oil and gas industry in the south-east region and in the process will generate economic development and job creation. [*Desk thumping*]

In support of these growth-enhancing activities, we are encouraging businesses and academic researchers to collaborate on the stimulation of innovation at the level of firms. For this purpose, we have established an Innovation Fund, capitalized with \$50 million to be utilized as matching grants for the innovation needs of companies. We are consolidating our new ranking as an innovation-driven country, up from the efficiency-driven country category as determined in the latest Global Competitive Index Report.

Madam Deputy Speaker, I turn now to the progress being made in key sectors of our economy.

Manufacturing: Madam Deputy Speaker, we are focusing on a trade policy and strategy which has at its core the diversification of our production base and export markets. Our newest economic zone, the Tamana InTech Park, built with an investment of \$2.2 billion is leading the drive to attract high-value tenants, who will not only develop human capital, but also create high quality and sustainable jobs.

Marketing has begun to attract investors in the fields of medical care and health tourism. We have agreed on the fiscal framework for the introduction of a Tier Three Data Centre in the Park which will position Trinidad and Tobago as a regional hub for high-quality disaster data-recovery and a production centre for local and regional planners. [*Desk thumping*]

The public policy agenda is being driven by two newly mandated companies, investTT and exportTT. The goal of these two companies is to facilitate the creation of competitive firms in the non-energy manufacturing and service sectors. The existing tax incentive infrastructure has been driving an expanding manufacturing

sector which now comprises approximately 9 per cent of gross domestic product. The Government proposes to provide incentives to develop the following new sectors which we are targeting:

Firstly, our food and beverage industry which has been expanding in both regional and international markets. We propose to establish a subsidy for testing services in order to assist our manufacturers in covering such costs with a view to meeting the quality requirements demanded by international markets. [*Desk thumping*]

Next, the creative arts and entertainment sector which is now in export mode. We are moving to strengthen these efforts. To this end, the Government proposes to increase the rebate for the use of local labour, in particular in the film, fashion and music subsectors. [*Desk thumping*]

Thirdly, the maritime sector is being facilitated through legislative changes which will create a climate attractive to foreign direct investment in that sector. Shipping legislation which has already been finalized by the Chief Parliamentary Counsel will soon be laid in Parliament. [*Desk thumping*]

Finally, the yachting industry has long been providing storage and repair services for cruising yachts and light commercial marine and fishing vessels. The Government proposes to strengthen this industry by introducing at the University of Trinidad and Tobago advanced training for yacht building and maintenance. To this end, the UTT has entered into a strategic partnership with the Southampton Institute—Warsash Maritime Centre for maritime training. The graduates from the institute will be certified by the National Training Agency and their initial training will be organized within the yachting industry. [*Desk thumping*]

Madam Deputy Speaker, the Government will continue to partner with the new investors in developing these sectors which will contribute to the rebalancing of the economy in favour of the non-oil energy sector and to the development of a sustainable economy.

Madam Deputy Speaker, I turn now to the financial services sector. Our financial services sector has become an important pillar in our economy contributing approximately 15 per cent of gross domestic product and facilitating the modernization of Trinidad and Tobago. We have already become the financial centre of the region, and the financial institutions shared-support services subsector is now consolidating with a marketing strategy to attract the middle and

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back-office operations of financial institutions. Two such businesses are now in operation with one thousand newly created jobs. The success of these two operations has exceeded the expectations of the investors, and discussions are under way for the further expansion of the business of one of these centres.

Quattro Global Services Pvt. Limited, an India-based business, has selected Trinidad and Tobago as a location to launch a pilot project to establish a card processing centre. On December 13, 2013, Quattro Global Services Pvt. Limited entered into a memorandum of understanding with both the Trinidad and Tobago International Financial Centre and Caribbean Electronic Payments Limited with a view to commencing the pilot project. This initiative will serve to position Trinidad and Tobago as an emerging location within the Caribbean, Central and Latin American region for financial services and will create high-value quality jobs, in particular for university graduates. [*Desk thumping*]

This new industry will have global reach. Our vision is for Trinidad and Tobago, not only to be the financial centre of the region, but also to be one of the foremost locations for a global financial services hub in this part of the world.

Madam Deputy Speaker, consequent on the global financial crisis, the tourism sector, in particular in Tobago, entered into a period of financial difficulty, however, the Government acted promptly to arrest the decline and to revitalize the sector.

In the past year, we established the Trinidad and Tobago Tourism Development Fund which has been providing guarantees to financial institutions in Tobago as a restructured debt and/or provided new loans to hotels and hotel-related businesses. As at August 2014, the fund had already issued letters of undertaking to 11 businesses in Tobago with a total cash allocation from the fund amounting to \$19 million. [*Desk thumping*]

To achieve even better participation by tourism-related businesses, the Government welcomes the decision of the commercial banks to improve access to the fund by increasing the tenors for both restructured loans and new loans.

The Government will now expand the Trinidad and Tobago Hotel and Guest House Room Stock Upgrade Incentive Programme. We envisage that this programme will lead to the upgrade and refurbishment of guest houses and hotels of between 8–100 rooms. A reimbursement of 25 per cent of the cost of the upgrade works per guest room is being provided with a maximum reimbursement of \$12,000 per room for properties located in Trinidad, and \$15,000 per room for properties located in Tobago. [*Desk thumping*] However, as an interim measure

and to encourage upgrade works both in the interior and exterior areas of the property, effective July 31, 2014, the rebate programme has been expanded for a three-year period for properties between 6–150 rooms with a maximum limit being increased to \$750,000. [*Desk thumping*]

Another three-year incentive programme which commenced on July 31, 2014, is aimed at upgrading work in small tourism properties with between 1–5 rooms. The reimbursement will be 20 per cent of the cost of the upgrade work up to a maximum of \$75,000. [*Desk thumping*] To further the development of the sector and to encourage investment in new four- and five-star hotels, the Government is proposing to provide guarantees to financial institutions for lending to investors.

Madam Deputy Speaker, during the course of the coming year we are proposing to transfer to the private sector, the management of the hotel associated with the National Academy for the Performing Arts; secondly, to enhance tourism sites and other attractions throughout Trinidad and Tobago, in particular the Sugar Heritage Village and Museum project which is preserving the history and heritage of all economic, social and cultural traditions associated with the sugar industry; thirdly, upgrade of beach facilities including safety and security measures at Maracas Bay, Tyrico and Las Cuevas in the first instance—we expect Maracas Bay to start within the next two months; fourthly, upgrade on a phased basis starting from 2016, the beach facilities at Quinam, Los Iros, Salybia, Mayaro, Toco, Manzanilla and Vessigny; and fifthly, we intend to progress the Southern-Caribbean Cruise Initiative further with the execution of a Memorandum of Understanding among participating countries.

Madam Deputy Speaker, the agricultural sector has long been in a state of decline, but this decline has now been reversed with this Government's active engagement in the sector. [*Desk thumping*] At the centre of Government's agricultural policy is the National Food Action Plan 2012—2015. The plan aims to raise productivity and production among our farmers. Indeed, we are now witnessing an expansion in agricultural production with the sector returning to growth in both 2013 and 2014. [*Desk thumping*] Moreover, food price inflation has been averaging below 5 per cent with the average for the first half of the calendar year 2014 being 3.5 per cent, the first time in 21 years that food price inflation has remained in single digits for six consecutive months. [*Desk thumping*]

The Government has continued to consolidate and to improve the quality of infrastructure to support this rapidly expanding sector. Agricultural incentives are being deepened and widened. Three thousand three hundred and ninety small

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farmers accessed the benefits amounting to \$19 million which facilitated either their continuation in farming or the expansion of existing production. [*Desk thumping*] In June 2014, the incentive programme was extended to large farmers.

The Agricultural Development Bank has extended over \$107 million to key areas of the agricultural sector. [*Desk thumping*] The recently established National Praedial Larceny Squad is already making its presence felt, despite being in operation for less than a year. Approximately 51 arrests have been made, and this has significantly improved farmer confidence. Accordingly, I propose to make additional resources available to the Agricultural Development Bank, as well as to increase all fines related to praedial larceny. [*Desk thumping*]

Madam Deputy Speaker, agricultural production is also being spearheaded by the recently created Caroni GREEN Limited. The company has already brought into agricultural production 360 acres of land, utilizing in the main the two-acre sized agricultural plots leased from the former employees of Caroni. With more than 290 metric tonnes of produce harvested within the last six months, Caroni GREEN has been contributing substantially to domestic consumption of quality fresh vegetables.

The commercial large farm programme is being rolled out with the establishment of eight large farms. The agri-business investors are already increasing the quantity, the quality and the reliability of domestic food supply in a wide range of commodities including rice, onions, hot peppers, sweet corn, a range of citrus and aquaculture. By the end of 2015 four additional large farms will become operational. The commercial large farm programme has been extended to Guyana in the context of the execution on September 06, 2013 of a Memorandum of Understanding between the Government of the Republic of Trinidad and Tobago and the Government of the Co-operative Republic of Guyana. Expressions of interest have been issued seeking qualified private agri-investors who will be provided with leases for land in Guyana to produce commodities of strategic importance to the food security of Trinidad and Tobago. And a number of these responses are now being evaluated.

2.15 p.m.

The local rice industry is being revitalized with a mandate to increase production to 50 per cent of total consumption by 2018; 300 acres of rice land have been resuscitated in the Plum Mitan district and 500 acres are already under cultivation and production under the large-farm programme. [*Desk thumping*]

Twelve main fishing centres in Trinidad and Tobago are being upgraded: Blanchisseuse, Cocorite, Orange Valley/Brick Field, Carenage, Las Cuevas, Phase I, La Ruffin, Grande Riviere, Blue River, La Brea, Cacandee, Gran Chemin and Marabella. [*Desk thumping*]

The agro-processing industry is being built by providing rebates on the cost of refurbishing or establishing approved facilities for agro-processing of approved commodities as well as refunding a portion of the expenditure for upgrading the hazard analysis and critical control points for agro-processors. The regularization of the tenancies for 3,420 former sugar cane farmers is proceeding to the next phase of surveying and the issuance to those farmers of standard agricultural leases under which they could expand the production of agricultural commodities, and the agricultural lease issuance exercise for more than 8,400 former employees of Caroni (1975) Limited is continuing. Approximately 2,600 leases have been delivered and 540 are awaiting delivery. [*Desk thumping*]

With the transfer of responsibility for delivery of leases from the Commissioner of State Lands to the Estate Management Business Development Company Limited, the lease issuance process would be expedited for completion in 2015. These leases can now be sold in the open market. [*Desk thumping*] The National Agricultural Marketing and Development Company has been strengthening the linkage between the process producers and consumers, thereby ensuring a much more sustainable balance between demand and supply of domestic produce with associated stable prices.

Madam Deputy Speaker, over the long term the Government remains committed to enhancing the enabling environment for growth in the agricultural sector. We have established the right policy framework for the sector and we expect the sector not only to bring Trinidad and Tobago to a state of food security but also to provide profitable business opportunities for young agricultural entrepreneurs.

Madam Deputy Speaker, I turn now to energy. When this Government came into office we recognized that the development of the upstream sector had suffered from years of neglect which had contributed to declining reserves as confirmed by successive oil and gas audits. To address this problem, we have progressively upgraded the oil and gas tax regime over the last four years. Investment spending is now taking place in a transparent regulatory framework, including a simplified competitive bidding process. We have recognized that to compete internationally for capital, appropriate changes had to be made to the oil

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and gas regime and this has led to a renaissance in the sector. The results of this Government's changes to the fiscal regime of the energy sector are impressive. Investment has been expanding.

The oil and gas companies have advised that investments amounting to US \$3.3 billion will take place in 2014 and similar size investments will take place over the medium term: US \$3.2 billion in 2015 and US \$3 billion in 2016. Included in these investments is the recently announced \$2.2 billion Juniper project, the main component of which will be the fabrication of the Juniper platform in the LABIDCO Industrial Estate with the creation of 300 jobs, thereby initiating the revitalization of economic activity in the south-west peninsula. The platform will facilitate the production of 1.2 trillion cubic feet of natural gas commencing in 2017 at a rate of 590 million standard cubic feet of natural gas per day, which is equivalent of 14 per cent of the country's production. Supporting this would be the commencement in October 2014, next month, of natural gas production from the BG Starfish development.

Twelve production sharing contracts have been signed over the last four years. Under the new model the Government has included various options for the marketing of its share of the natural gas. Five new discoveries of natural gas or oil in the last two years have been made, including: Trinity, in the East Galeota block with 27 million barrels of oil; [*Desk thumping*] Petrotrin in Trinmar's Cluster 6 with 48 million barrels of oil; [*Desk thumping*] bpTT in its Savonette 4 well with one trillion cubic feet of natural gas; [*Desk thumping*] Trinity in its TGAL-1 well with 26 million barrels of oil; [*Desk thumping*] and Repsol in its Teak Bravo North well with 40 million barrels of oil. [*Desk thumping*]

In addition, a further two deep-water production sharing contracts are about to be signed and three on-shore licences are about to be issued—the first time in many decades. Drilling activity, which is reflective of greater activity in the upstream energy sector, is increasing. In 2010, the number of rig days was 1,132 and in 2013 the rig days totalled 2,485. [*Desk thumping*] We expect this number will be surpassed in 2014 based on the work programmes under the 28 active production sharing contracts and licences, and at least 53 exploration wells will be drilled over the next eight years based on the exciting new seismic data coming to hand, the incentives now in place and the contractual obligations of the company. There is going to be an unprecedented period of activity in this upstream sector over the course of the next decade. [*Desk thumping*]

We are witnessing a marked increase in drilling activity, a significant increase in foreign and domestic direct investment, discoveries of new reserves of oil and

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natural gas and the stabilization of oil production. We expect that, starting in 2017, we shall see improved results arising out of the audits of our oil and gas reserves.

Madam Deputy Speaker, the proposed US \$850 million Mitsubishi-Massy Methanol to Dimethyl Ether Plant is in an advanced stage of technical conceptualization. [*Desk thumping*] The plant will produce methanol from natural gas and then go further downstream to dimethyl ether, which can be used as a replacement for both propane and diesel. Importantly, its location in La Brea will generate industrial development in the south-western peninsula and bring to that area much-needed high-quality jobs. [*Desk thumping*]

Madam Deputy Speaker, as indicated, the energy port at Galeota will provide substantial logistic support for the oil and gas companies operating off the east coast with a reach as far as Suriname and Guyana. [*Desk thumping*] The second phase of the Galeota port will begin in 2015, continuing the stimulation of economic activity in the south-east communities. Additionally, upgrade work will take place at Brighton, La Brea to accommodate the Mitsubishi-Massy and Gasfin projects. [*Desk thumping*]

With respect to the fuel subsidy, Government has been advancing the transition from the high usage of gasoline and diesel to a greater use of compressed natural gas as an alternative fuel with our objective being the reduction in the burden of the fuel subsidy and the finances of the country. The National Gas Company of Trinidad and Tobago has established a new company, NGC CNG Company Limited, which is spearheading the roll-out of the CNG-equipped filling stations. Much work has been completed over the past year and by the first quarter of 2016, 35 CNG fuelling stations will be operational. [*Desk thumping*]

Madam Deputy Speaker, hybrid and electric-powered vehicles are now becoming the vehicles of choice in many advanced countries. Moreover, the increasing use of these vehicles is contributing towards the reduction of gasoline and diesel. I propose to provide tax relief on the importation of hybrid and electric-powered cars subject to the regulations outlined by the Bureau of Standards. [*Desk thumping*]

Madam Deputy Speaker, as we modernize this country to create a dynamic knowledge-based society, we are bridging deficiencies in access to and use of information and communication technologies. We recognize that a smarter Trinidad and Tobago will be a more competitive Trinidad and Tobago, and

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pursuant to our national information and communication technology plan, commonly referred to as smarTT, we are implementing the initiatives which are aimed at making more intelligent use of our financial, human and other resources. Affordable high-speed broadband services are being made widely available to support the evolution of a dynamic knowledge-based society.

With technical assistance from the World Bank Group, the Government is embarking on a \$2.4 billion expenditure on high-impact programmes to improve infrastructure supply, in particular the provision of new networks and demand initiatives to stimulate ICT usage in the society. Public/private partnerships will be utilized both in the expansion of supply and in the delivery of services. We are also bringing the ICT policy and law up to best practice.

Madam Deputy Speaker, we are now making progress in overcoming infrastructure backlogs and investing for more inclusive growth and development. In fiscal 2015, public capital expenditure will amount to approximately \$8.2 billion.

I wish to turn now to infrastructure investment in major sectors: water and waste water services. Madam Deputy Speaker, we are well on our way to ensuring an adequate and reliable supply of water to all our citizens. We have reduced leaks in our distribution network, reduced the number of customer complaints, reduced the number of repairs on our major mains, reduced the request for truck-borne water and we have reduced the number of repairs on our valves. We have improved the infrastructure throughout Trinidad and Tobago, including the installation of storage tanks, the construction of new booster stations and we have installed and replaced many kilometres of pipelines and mains. In Tobago we have installed transmission mains from Englishman's Bay to Castara and from Bacolet to Cove Industrial Estate. [*Desk thumping*]

Our citizens are benefiting from these infrastructural developments. Approximately 57 per cent of the customers of the Water and Sewerage Authority are now receiving a reliable supply of water, 24/7. [*Desk thumping*] In Tobago this percentage is approximately 70 per cent. [*Desk thumping*] Madam Deputy Speaker, in 2010, only 18 per cent of the population received a reliable supply of water. Work is being vigorously pursued on establishing a daily supply of water for all our citizens. With the completion of the Beetham Waste Water project, the industrial estate at Point Lisas will benefit from a reliable and high-quality water supply, thereby diverting 10 million gallons per day of good quality potable water to the national community. In 2015, we anticipate that close to 100 per cent of the population will receive a 24/7 supply of water. [*Desk thumping*]

Madam Deputy Speaker, the incidence of flooding needs to be addressed. The annual damage to property, the loss of agricultural crops and the spread of vector-borne and water-borne diseases have been impacting adversely on our citizenry. The economic and social costs have been inordinately high. With funding from the Inter-American Development Bank of US \$120 million, we have embarked on a five-year programme to alleviate flooding and to improve drainage in the city of Port of Spain. [*Desk thumping*] In fiscal 2015, infrastructure work will begin on the South Quay portion of Port of Spain which includes the City Gate area. [*Desk thumping*] Unplanned development has been at the source of our environmental difficulties, including the incidence of flooding. As such, we have been rehabilitating our water sheds and restoring our forest cover through enrichment planting of 1.3 million trees and approximately 6,200 acres across Trinidad and Tobago. [*Desk thumping*] This has been accomplished in the last four years.

We have taken steps to ensure that sustainable development is anchored on an appropriate assessment of sociocultural and economic and environmental developmental issues. The recently legislated Planning and Facilitation of Development Act has established a governance framework under which land use, planning and development will take place with a focus on sustainability. Environmental integrity is being sustained by the community-based environmental protection and enhancement company limited in its work programmes to maintain the environment. A new component, CEPEP marine, has been added which is ensuring that our western and southern coastlines are being constantly cleaned. [*Desk thumping*]

Madam Deputy Speaker, I turn to our historic buildings. This Government has been focusing on preserving our historic buildings. We consider this to be critical for understanding our nation's heritage. It is also an environmentally responsible practice. Preservation work at Stollmeyer's Castle and Whitehall is in an advanced stage and in the next fiscal year physical work will begin on Mille Fleurs and the President's House. We are putting in place a public/private partnership to address the ongoing maintenance of these buildings. [*Desk thumping*]

2.30 p.m.

Madam Deputy Speaker, the Government is moving to open all economic space in the country through a network of roads and highways which will provide safe, reliable and efficient transport. Businesses and Government services will be

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increasingly decentralized as economic opportunities open throughout the country. We have made significant progress in developing this network:

- the 47 kilometre, four-lane San Fernando to Point Fortin Highway is being delivered in phases; the Golconda to Debe segment is already in service and several additional segments will be delivered in 2015; [*Desk thumping*]
- the 6.2 kilometre Rivulet Road is being rehabilitated with a delivery date in 2015 and will provide road capacity to accommodate the expanding traffic demands emanating from the Point Lisas Industrial Estate; [*Desk thumping*]
- the east/west corridor transportation network is being modernized to ease by 2015 the frustrating levels of traffic congestion:
 - (i) the Churchill Roosevelt Highway to St. Joseph river has already been widened; [*Desk thumping*]
 - (ii) the Beetham Highway access route in and out of Port of Spain is being widened; [*Desk thumping*]
 - (iii) the Diego Martin Highway extension is now fully operational; [*Desk thumping*] and the all-important 34-metre span walkover and canopy with staircase near Cuthbert Road will bring major safety benefits; [*Desk thumping*]
 - (iv) the Valencia By-Pass now under construction, will be completed in November 2014. [*Desk thumping*] This new roadway will be used by motorists to bypass the town centre and will also eliminate the excessive traffic pile-ups which currently exist along the Eastern Main Road in the vicinity of the Valencia Junction;
 - (v) the overpass at the Southern Main Road and the Churchill Roosevelt Highway will commence construction in 2015. The eventual removal of the traffic lights from Port of Spain to the University of the West Indies will extend the freeway and in the process reduce traffic congestion. [*Desk thumping*]

Madam Deputy Speaker, the roll-out of a modern network of roads and highways connecting the country is being appropriately sequenced. We have already completed the designs for three new highways:

- (i) the Princes Town to Mayaro Highway; [*Desk thumping*]

- (ii) the San Fernando to Princes Town Highway; and [*Desk thumping*]
- (iii) the Wallerfield to Manzanilla Highway. [*Desk thumping*]

We are considering, through a public/private partnership arrangement, an alternative access route to Chaguaramas to facilitate the increasing development activity in the north-west peninsula, which has already seen the commissioning of the Chaguaramas Boardwalk and the Diego Martin extension highway and the soon-to-be constructed fishing facility and health centre in Carenage. [*Desk thumping*]

The outfitting of the Government Campus Plaza which commenced this year will add another dimension to the vibrancy of the capital city of Port of Spain. On completion, our public servants will now be accommodated in state-of-the-art facilities with acceptable and appropriate office space. The sequencing will be as follows:

- October 2014, next month, the Customs and Excise Division of the Ministry of Finance and the Economy; [*Desk thumping*]
- March 2015, the Immigration Division of the Ministry of National Security; [*Desk thumping*]
- August 2015, the Board of Inland Revenue Division of the Ministry of Finance and the Economy; [*Desk thumping*]
- September 2015, the Ministry of Legal Affairs and the Ministry of Education. [*Desk thumping*]

Madam Deputy Speaker, the Government is collaborating with the Urban Development Corporation of Trinidad and Tobago with a view to outfitting all remaining buildings for occupation in 2016. Further, the Government is now exploring all options available to it for ensuring that all government-owned buildings are not only fully utilized and meet the demand for Government services, but also the residual or unused buildings are offered for sale or lease.

Madam Deputy Speaker, I turn now to our policy initiatives for building a more inclusive society. This Government has identified six policy-driven institutional components which are critical and inter-dependent for making our society more inclusive and for fostering growth which is sustainable. Our policies are aimed at delivering greater equality of incomes through greater equality of opportunities. For this reason, the focus of the Government is on growth-enhancing investment and social expenditures in six key areas: education, health, housing, a social safety net, transport and sporting activities.

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The first component in our commitment to a more inclusive society is the education system. We are advancing our public policy agenda of greater equity in our society and the building of a competitive economy. The Government will continue to provide quality and advanced skills training to meet the needs of a middle-income society.

Early Childhood Care and Education: we expect to achieve universal early childhood care and education by 2015. [*Desk thumping*] Our childhood centres established directly by Government and by public/private partnerships are providing our three- to four-year-old children with quality teaching and learning and in the process are facilitating their easy transition to primary education.

This country has just experienced its best year's results in three of our major examinations: the Secondary Entrance Assessment, the Caribbean Secondary Education Certificate and the Caribbean Advanced Proficiency Examination, [*Desk thumping*] but more needs to be done to build on this success. In order to improve the levels of literacy and numeracy, we have deployed literacy and numeracy coaches to 118 schools and have trained 2,700 teachers who can now develop literacy and numeracy skills in students. [*Desk thumping*]

We are integrating information and communication technology throughout the entire education system. All students in Forms 1—5 will have laptops by September 2014 and we are ensuring that the demands of the society for skilled and technical services are met through the increase in the number of secondary schools offering the Caribbean Vocational Qualifications. [*Desk thumping*]

Madam Deputy Speaker, in order to uphold excellence in our tertiary education system and to ensure that skills development meets the needs of our society, a wide range of initiatives and programmes are being implemented:

- the Government Assistance for Tuition Expenses programme is benefitting approximately 67,000 participants; [*Desk thumping*] all public and private higher education institutions are now being held accountable for the programme, and the soon-to-be introduced National Qualifications and Credit Framework will strengthen the quality of the system;

Let me assure this honourable House that this administration will keep the GATE programme secure and sustainable. [*Desk thumping*]

- the grace period of six months relating to the repayment of loans under the Student Loan Revolving Fund will be extended; [*Desk thumping*]

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- the University of the West Indies, Penal/Debe Campus is in an advanced stage of completion, with dedicated facilities for law, science and technology, food and agriculture and social sciences; [*Desk thumping*]
- the University of the West Indies, School of Dentistry is being expanded; [*Desk thumping*]
- the University of the West Indies, Open Campus is being constructed at Chaguanas; [*Desk thumping*]
- the College of Science, Technology and Applied Arts of Trinidad and Tobago is expanding its nursing facility at El Dorado; [*Desk thumping*]
- the Metal Industries Company Institute of Technology has already established four technology centres in Tobago, in O'Meara, in Diego Martin and in Penal; [*Desk thumping*]
- a Drilling Academy has been established at Ste. Madeline with an expanded facility at Forest Reserve to provide training in downstream activities such as production and refinery operations, environmental remediation and green technologies. [*Desk thumping*]
- a Technology Campus is being established at La Horquetta and the facilities at La Brea and Point Fortin are being expanded; [*Desk thumping*]
- an Automotive Training Institute, a Workforce Development Centre and a Centre of Excellence in Cosmetology are being established at Woodford Lodge; [*Desk thumping*]
- the Business Education and Training Campus in Carapichaima/Waterloo, which is now focusing on agri-production, will be expanded to include a Digital academy to support training in film, television, animation and multimedia; [*Desk thumping*]
- an Aviation campus is being constructed at Camden Field in Couva; leadership is being provided by the University of Trinidad and Tobago. [*Desk thumping*]

Madam Deputy Speaker, we have surpassed the international benchmark established for student participation rates for tertiary education. [*Desk thumping*] In 2010, the student participation rate in the tertiary sector was 42 per cent. This Government has now achieved a rate of 65.2 per cent [*Desk thumping*] which also exceeds our target of 60 per cent.

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Madam Deputy Speaker, the second component in our commitment to a more inclusive society is our focus on providing quality health care and medical services to our national community. Individual responsibility for his or her well-being represents a critical aspect of our overall health care. It is imperative that our citizens monitor and manage, actively, their own health regimes thereby reducing the demand on the country's health system. Notwithstanding this particular admonition, we have focused our attention on creating client-centred experiences and solutions in our health sector to meet the needs of our citizens—to meet the needs as well as the abilities and uniqueness of those members of our national community who require quality health care.

Our core principle is anchored on the rights of patients and clients to experience respectful and professional care in a considerate and supportive environment. In support of this broad agenda, at the core of which is service quality, the Government is improving the delivery of health care in Trinidad and Tobago. To this end, and in order to alleviate the chronic bed shortage at the San Fernando General Hospital, we converted the newly constructed Administrative Complex in San Fernando into the 216-bed San Fernando Teaching Hospital. [*Desk thumping*] The facility became fully operational in the last year and is delivering quality health care to the burgesses of San Fernando and our citizens in the surrounding areas.

Madam Deputy Speaker, our health service delivery model has been moving apace since the last year. A Children's Hospital and multi-training facility in Couva is under construction and when completed will focus on ensuring, not only that the medical needs of our children are fully addressed in an 80-bed facility, but also that 300 medical and nursing students are trained at the University of the West Indies' School of Medicine, Nursing and Pharmacology. With its location close to our gas-based industries in Point Lisas, the facility will also contain a 150-bed centralized medical facility for adults with an associated burns unit. [*Desk thumping*]

The National Oncology Centre, which will provide diagnostic imaging and radiation therapy services is currently under construction and will be fully commissioned in 2015. [*Desk thumping*] This specialist institution will add another component to the national strategy for addressing the specific needs of cancer patients.

A National Diabetic Retinopathy Screening and Treatment Service is being phased in over a four-year period at a cost of \$85 million. This diabetic care service is building on a pilot screening programme which has been in place since

October 2013 and is already improving the quality of life for persons with diabetes through better control. [*Desk thumping*] Approximately 130,000 citizens are estimated in our population to suffer from diabetes with 11 per cent having urgent sight-threatening complications, with compromised vision or blindness.

Four other new state-of-the-art hospitals are on the drawing board: Penal Hospital and Rehabilitation centre, Sangre Grande Hospital, Point Fortin Hospital and the Arima Hospital. [*Desk thumping*] The external patient programme is providing immediate relief to our citizens who have been waiting for surgical procedures for a minimum of three months in our public health care facilities, in particular cataract, joint replacement, CT and MRI.

2.45 p.m.

Madam Deputy Speaker, the Government is also rehabilitating and repairing many other health facilities and medical centres at Arima, Couva, Palo Seco, Sangre Grande, Maracas/St. Joseph, Carenage and Toco. [*Desk thumping*] We have extended the opening hours of many of these facilities and in several areas have done so on a 24/7 basis. [*Desk thumping*] Moreover, in order that the short-term demands for medical services are met and in the context of the shortage of doctors and nurses, Government has been recruiting foreign health care professionals, in particular, nurses and doctors for the public health institutions.

Madam Deputy Speaker, a third component in our commitment to a more inclusive society is the provision over the next decade of comfortable and affordable homes for those in the low-and medium-income groups. We are overcoming the inadequate supply of houses and the difficulties of our citizens in obtaining mortgage financing, and we are improving the maintenance of our housing stock. Ultimately, our goal is the establishment of sustainable communities throughout Trinidad and Tobago.

The Government has embarked on a programme of activities to construct new homes in light of the more than 160,000 outstanding applications from our citizens. We are also rehabilitating and maintaining the existing housing stock. We are committed to meeting the public demand for housing over the course of the next decade and we will do so through an all-encompassing plan of action which focuses on construction, rehabilitation, provision of land and subsidies for home improvement.

Three thousand new housing units are being built with resources from the Public Sector Investment Programme as well as local borrowing. More than 1,000 have already been completed at Egypt Village, Princes Town, Union Hall and Victoria Keys. [*Desk thumping*]

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High-rise apartment buildings will be refurbished and retrofitted in fiscal 2015. These buildings will be at Pleasantville, Laventille, Morvant and Gasparillo. Fifty-six other tenanted buildings with 656 units are being refurbished. These buildings are Charford Court, Maloney, Paradise Heights, Beverly Hills, Dorata Street, Lisas Gardens, Pleasantville, Irving Street, Clifton Street, Ramsaran Street and Lady Hailes Avenue. [*Desk thumping*]

One hundred and ten new home improvement and construction-matching subsidies to eligible low-income families are being provided under the Neighbourhood Upgrading Programme, with a US \$40 million Inter-American Development Bank loan. Furthermore, more than 1,200 beneficiaries have received from the Government home improvement grants at a cost of \$9.3 million. [*Desk thumping*]

The regularization of unplanned settlements is improving the living conditions of low-income persons at selected squatter sites, 30 of which are at varying levels of infrastructure development including at St. Mary's Village, Moruga; Base Road, Arena; and Calvary Hill, Arima. [*Desk thumping*] The Land for the Landless Programme is providing residential lots at subsidized rates to low-income persons at 10 sites including Felicity II, Glenroy II, Princes Town and Beaucarro, Freeport. [*Desk thumping*]

The lease issuance exercise for more than 8,800 former employees of Caroni (1975) Limited is continuing. Approximately 1,700 leases have already been distributed and with the scaled-up resourcing of the Estate Management Business Development Company Limited, the lease issuance exercise will be expedited in the context of the delivery of approved residential estates in 2015. These leases can now be sold in the open market, and the 2 per cent mortgage programme is being improved and is being supplemented with a 5 per cent mortgage programme. [*Desk thumping*]

As we advance our programme to meet our housing needs, we will expand the mortgage loan programme to meet the needs of middle-income individuals. Multi-family units to increase the housing output per site will be increasingly employed. For this reason, we will amend the Housing Act to make regulations as required under the Income Tax Act to grant, effective January 01, 2013—and we are doing this retroactively—the tax incentives to housing developers as outlined in my 2014 budget statement. [*Desk thumping*]

Madam Deputy Speaker, the fourth component is our commitment to provide an efficient, reliable and affordable transportation system for our citizens, as well

as to support the system with comfortable and state-of-the-art facilities. We are procuring on a phased basis, 100 new CNG-powered buses. We envisage that not only will ridership be increased, but the number of routes will be expanded. We have also improved the efficiency of the sea bridge between Trinidad and Tobago. The newly acquired ferry is not only faster, but also accommodates more passengers and cargo.

With the coming into force of the Motor Vehicles and Road Traffic Act, the long-awaited Motor Vehicle Authority will be put in place on or before March 31, 2015. [*Desk thumping*] The head office of the authority will be located in Frederick Settlement, Caroni, and will ensure that our citizens will have easy access to all licensing office-related services. In addition, 13 access centres will be located throughout Trinidad and Tobago, all to be readied by September 2015. [*Desk thumping*]

Madam Deputy Speaker, the fifth component is our social safety net. We propose to rationalize our social programmes to ensure that they are fully synergized. The World Bank Group will undertake a detailed review of the performance of these programmes and make recommendations on the way forward. The group will assess their effectiveness and will determine a framework for the minimizing overlap in both scope and scale. In the interim, we are improving the delivery of the social safety net services as we move to protect the most vulnerable in our society.

We are now deepening the application of our social interventions. A National Development Centre for the differently abled at Carlsen Field has now been completed and will be commissioned before December 31, 2014. [*Desk thumping*] A fleet of 24 buses, of which three are in Tobago, are catering to the transportation needs of our elderly and differently abled citizens.

The Public Assistance Grant has been extended to the head of the household where such a person has to support a child under the age of 18, who is certified to be disabled. Thirteen hundred persons are now benefiting from the expansion of the grant.

The Unemployment Relief Programme has been restructured with an increased focus on social interventions in communities targeting unemployed single parents, persons with disabilities and those living under the poverty line. By September 30, 2014, 1,000 projects in communities will be completed involving more than 600 contractors employing approximately 3,600 persons on the building of drainage infrastructure, jogging tracks and play parks for children,

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the rehabilitation of roadways, pavements and sidewalks and the construction of retaining walls. [*Desk thumping*] We intend to also as far as the URP is concerned, Madam Deputy Speaker, also ensure the equalization of wages between men and women. [*Desk thumping*]

Two programmes—the Servol Adolescent and the Parental Outreach—which have proven to be extremely successful in building cohesiveness among families, will receive increased allocations; [*Desk thumping*] and finally, regarding the baby care grant, a new programme which we have introduced will provide financial assistance for one year only for any child born to underprivileged parents during the course of the next fiscal year. [*Desk thumping and crosstalk*]

Madam Deputy Speaker, I propose to increase the benefits now available to several of our disadvantaged groups. Indeed, the use of these strong social protection and innovative systems and strategies has been instrumental in reducing poverty levels and in building the middle class. [*Crosstalk*] The Human Development Report prepared by the United Nations Development Programme categorizes this country as one of high human development and ranks it 36th out of 185 countries.

Madam Deputy Speaker, the sixth component in our thrust to a more inclusive society is sport development. We have made significant progress in establishing an enabling framework comprising infrastructure, management and coaching, talent building, welfare of elite athletes and sport tourism.

We are building on the existing infrastructure. The technical framework to support the development of football throughout the country has been put in place at an annual cost of \$36.2 million. The five multi-purpose stadia have been or are now being upgraded. Community sporting groups and national governing bodies are continuing to receive financial assistance. This funding programme has facilitated increased participation in various sporting disciplines and provided opportunities for successful participation in events on the international stage.

We shall establish the Trinidad and Tobago National Games with the inaugural games taking place early in 2015. We are developing a critical mass of athletics and five disciplines are being targeted: football, basketball, cricket, netball and athletics. Within this general framework, we shall continue to fund elite athletes so that they can attain excellence at the highest levels of competition.

In addition to this improved sporting infrastructure, we are developing three major state of the art national sporting facilities, all of which are at an advanced stage of completion. We shall be in a position to leverage these facilities to attract

international events at the National Aquatic Centre, the National Tennis Centre and at the National Cycle Centre. [*Desk thumping*] In doing so, Trinidad and Tobago will be marketed as a preferred sport training destination. Madam Deputy Speaker, the Government is challenging the energies of our young people in this area and looks forward to the future success of our athletes in all international sporting competitions.

Madam Deputy Speaker, labour: this Government has been committed to the promotion of employment practices which are fair and equitable to all workers. While we have concluded and brought up to date the majority of our industrial agreements within the state sector, the long delays in settling such agreements warrant a refocus on the methodology for reaching industrial agreements. The private sector has had similar experiences. To this end, the Government will strengthen the existing mechanism for fostering multipartite collaboration and social dialogue.

This will foster consensus building and democratic involvement among the main stakeholders in the world of work. The Social Dialogue Task Force, which was established in 2013 and chaired by the Minister of Labour and Small and Micro Enterprise Development, will now be tasked with a mandate to provide regular reports to address the complex social and economic challenges facing the country, including the keeping of the labour negotiations current and the reduction in the likelihood of lost value through industrial action. The Government will consult with academia on its involvement in the process and will ensure that the dedicated secretariat will have professional and competent staff resources. Madam Deputy Speaker, as part of this process and in keeping with the recommendations of the Minimum Wages Board, I now propose to raise the minimum wage. [*Desk thumping*]

Madam Deputy Speaker, the Government places at the top of its agenda the security of life and property for the national community. The current crime epidemic continues to be addressed through a range of well-resourced multifaceted initiatives, but undoubtedly productivity is still being impaired and doing business in Trinidad and Tobago has to take this cost into account. While the level of homicides continues to be worrying, there has been some success in non-violent serious crime, with declines registered in key areas, in particular, burglaries, break-ins and general larceny. Internal security is being strengthened.

3.00 p.m.

The police presence has been expanded throughout the country, particularly in hotspot areas where army patrols are also present. More mobile patrols and foot

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patrols are in place. Additional police personnel including more than 1,000 police officers and 1,400 special reserve police officers have been recruited. [*Desk thumping*]

Capacity building is taking place, in particular in the areas of evidence-based policing and crime scene investigation techniques. Approximately 560 police personnel have benefited from this training. Eight state-of-the-art police stations with computerized technology have been constructed throughout Trinidad and Tobago, namely Arima, Piarco, Maloney, Cumuto, La Brea, Oropouche, Brasso and Moruga. [*Desk thumping*]

Rapid response units within various police divisions have been strengthened with more than 330 police vehicles equipped with GPS tracking systems, response times have therefore improved. And a newly established community comfort patrol is bringing a much-needed security presence in residential areas and housing estates. [*Desk thumping*] This collaboration between the Ministry of National Security and the enforcement officers from private security companies is adding another dimension to our quest to improve security within our communities.

Madam Deputy Speaker, coordinated national joint operations and proactive operational planning for national security, disaster and emergency crises are being facilitated by the National Operations Centre, a strategic platform for interagency operations. [*Desk thumping*] This robust integrated nationwide system for coordination and communication, at strategic operational and technical levels, is not only contributing to the reduction in serious crime, but it is facilitating regional and international cooperation in the fight against transnational organized crime.

Border security has become increasingly critical due to the country's location which exposes it to the growing threat of transnational crime and drug trafficking. The Trinidad and Tobago Coast Guard has already added to its platform a number of harbour patrol vessels and plans are afoot to acquire from the coast guard, coastal patrol vessels and interceptors. Expenditure on these acquisitions will be in excess of \$1 billion. These assets will effectively blockade the Gulf of Paria against the illegal shipment of narcotics, arms and ammunition and human trafficking. The protection of our internal and external waters will be improved.

This high-risk responsibility by our protective services personnel cannot be discharged without the incidence of some casualties. This Government proposes to establish a fund from which could be drawn the sum of \$1 million which will

be payable to the estate of the deceased for assistance to families arising out of the death of a member of the State protective services killed in the line of duty. [*Desk thumping*]

Madam Deputy Speaker, we are putting in place through legislation another confidence-inducing mechanism for ensuring the efficiency of resource use throughout our public sector procurement. The proposed office of procurement regulation with its procurement regulator will ensure that all public sector contracting be now subject to the values, principles and best standards of practice of public sector procurement. The title of the Public Procurement and Disposal of Public Property Bill, 2014 is reflective of the public policy regarding this legislation which will provide for public procurement and the disposal of public property in accordance with the principles of good governance, namely accountability, integrity, transparency, and value for money, as well as for the establishment of the office of procurement regulation. We are expediting the process of preparing the regulation to make this legislation effective once it is approved by this honourable House.

Madam Deputy Speaker, we have been strengthening our parliamentary procedures. We have already implemented new Standing Orders and established a Finance Committee under the chairmanship of the Speaker of the House with responsibility for budget oversight. The work of the committee will be open to the public for the first time in our nation's history. A joint select committee on campaign finance reform has also been established. [*Desk thumping*] With our recent amendments to the Constitution, provision is now made for term limits for Prime Ministers, the right to recall for parliamentarians and for run-off elections. [*Desk thumping*]

We shall take steps to ensure the appropriate resourcing of the offices of our 41 parliamentarians so that they all have the capacity to represent effectively their constituents. I propose to allocate \$410 million for the Constituency Development Fund for the upcoming fiscal year. [*Desk thumping*] But the Fund will only be operationalized subsequent to the establishment of the legislation, associated regulations, and the implementation of the appropriate control environment.

We are continuing our focus on modernizing our tax administration through the application of technology and enhanced taxpayer engagement to improve the efficiency of tax collection. Over the past year, notwithstanding that the achievement of some of our objectives for this year were affected by industrial action, we have completed a review of the recommendations of the consulting group hired to assist with the review of our taxation system. We have established

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a taxation committee which includes stakeholder groups from the business and accounting communities, and we have resuscitated the Petroleum Pricing Committee.

With respect to non-financial assets, the mapping and valuation process has begun on fixed assets such as buildings, machinery and equipment, land, roads and subsoil assets, as well as contracts, leases and licenses. This exercise will provide further options for revenue generation and more effective asset management.

As we strengthen the tax administration, the Government proposes to offer tax amnesty for tax penalties and interest for late filing of returns and late payment of income or corporation tax and Value Added Tax, as well as business levy and environmental levy. This amnesty will encourage taxpayer compliance and the process will bring in revenue which will more than compensate for the revenue foregone. I also propose to waive all penalties outstanding or chargeable on companies which have not filed their documents with the Registrar of Companies.

Gambling, with the associated incidents of harmful effects has been on the rise in Trinidad and Tobago, and this, no doubt, has been due to the limited regulatory environment. We are committed to bringing all forms of betting and gaming activities in Trinidad and Tobago within a dedicated regulatory framework. A Cabinet-established civil society committee has been holding extensive consultations with all industry stakeholders, and there is now broad agreement on the elements of a regulatory regime. The appropriate legislation and related regulations have now been developed and will be laid in Parliament in the next fiscal year.

We envisage a gaming sector which will not only be responsible but which will also contribute substantially to our public revenues and to the expansion of the national economy with the associated creation of sustainable jobs.

The Trinidad and Tobago Members' Club Association has agreed to the adoption of standard industry best practices within their business model focusing on timely financial recording and reporting and compliance with the guidelines of the Financial Intelligence Unit and the banks here in Trinidad and Tobago. As an interim arrangement, a new taxation and regulatory framework involving the tagging and taxation of gaming machines will be effective January 01, 2015. That legislative environment was put in place during the course of this year.

Madam Deputy Speaker, the Government is continuing its efforts to ensure national insurance coverage is provided to all eligible members of the national

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community. All earnings of emolument incomes have long been covered. We are now moving to extend coverage to the approximately 11,300 self-employed persons. We propose to amend the National Insurance Act to effect this coverage. [*Desk thumping*]

Our senior citizens and retired public service officers remain among the vulnerable and at-risk group in our society. As a Government with a demonstrable commitment to our citizens, we cannot be oblivious to the sterling contribution which these citizens made to our country. I propose to increase these pensions. [*Desk thumping*]

Many of our citizens have long enjoyed pension arrangements provided by our public companies. These citizens have also been supplementing their pensions through registered annuity programmes and these programmes have also been available to the self-employed. I propose to increase the limits for contributions to registered annuities.

Since the first mutual fund was established in 1982 by virtue of the Unit Trust Corporation of Trinidad and Tobago Act 1981, our mutual fund industry has witnessed meaningful and continuous growth. By June 30, 2014, 60 active mutual funds managed by 14 market actors had been registered with the Securities and Exchange Commission. Those market actors are subject to regulation by the Securities Act, 2012, and the guidelines on collective investment schemes issued by the Central Bank of Trinidad and Tobago. The Government is now moving to bring the enabling legislation which established the Trinidad and Tobago Unit Trust Corporation, in line with the guidelines relating to collective investment schemes as well as with the provisions of the Securities Act, 2012 which regulates the securities industry of which mutual funds represent an important component. The new legislation will improve the flexibility of the corporation to respond effectively to the highly competitive nature of the mutual funds market.

Madam Deputy Speaker, in accordance with the review requirements under the Trinidad and Tobago Heritage and Stabilisation Fund Act, legislation to update the governance and operational structure of the Heritage and Stabilization Fund will be introduced in the new year.

I now turn to Tobago. First of all, I wish to place on record that consistent with the provisions of the Tobago House of Assembly Act, the required budget documents were transmitted by the Tobago House of Assembly within the time frame specified under the Act. I wish also to express my appreciation to the Chief Secretary of the Tobago House of Assembly, hon. Orville London, for his constructive proposals relating to the administration and development of

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Tobago—proposals which he shared with me during the course of a consultative meeting between the Tobago House of Assembly and the Ministry of Finance and the Economy. The useful insights of the Secretary of Finance and Enterprise Development, the hon. Joel Jack, have also been helpful. This meeting, as has become customary among ourselves, was conducted in an atmosphere of mutual understanding and respect.

The Government will continue to collaborate with the Tobago House of Assembly and the Ministry of Tobago Development as they boost development and change in Tobago. We are heartened by the continued recovery of its key sector, tourism. The island is witnessing increased visitor arrivals, both international and domestic, with the resulting improvement in hotel and guest house occupancy rates. We welcome the increased tourism marketing efforts by the THA to attract, not only foreign and domestic tourists, but also to expand international airlift.

With domestic tourism rapidly expanding, Caribbean Airlines is strengthening its policies and systems with a view to ensuring a greater alignment between demand and supply on the domestic air bridge. The diversification process in Tobago will continue through adequate allocations for the development of the Cove Eco Industrial Estate and Business Park and for the Enterprise Assistance Loan and Venture Capital Capacity Fund.

The Tobago House of Assembly is collaborating with the Ministry of National Security to ensure that the rich tourism product of Tobago is enjoyed in a safe and secure environment. Manpower shortages in the police service are being addressed and two police stations are being constructed at Old Grange and Roxborough. We are acutely aware of the development needs of Tobago and we will collaborate with the THA on its utilization of public/private partnerships for delivering key infrastructure and associated services.

3.15 p.m.

An immediate project to broaden and to deepen the recreational choices for visitors to Tobago and to provide much needed amenities for fisherfolk as well as boat owners, including power and sail yachts in Tobago and in Trinidad will be the establishment through a public/private partnership of a world-class marina at Petit Trou Lagoon located within the Tobago Plantation site at Lowlands. [*Desk thumping*] The Ministry of Finance and the Economy and the Tobago House of Assembly have agreed to meet at regular intervals to address any issues that might arise during the next fiscal year.

For fiscal 2015, the budgetary allocation for the Tobago House of Assembly is \$2,609,000 of which \$2,202,000 will be for recurrent expenditure, \$384 million for capital expenditure, and \$23 million for the Unemployment Relief Programme. [*Desk thumping*] Furthermore, under the various other heads of expenditure, Tobago will receive an additional amount. In total, therefore, Tobago will receive \$3.7 billion or the equivalent of 5.7 per cent of the national budget. [*Desk thumping*] We remain committed to the recommendations of the Dispute Resolution Commission.

Madam Deputy Speaker, I shall now present my fiscal proposals in the budget.

Manufacturing: to spur development in the non-energy sector, I propose with effect from January 01, 2015, to increase the rebate from 15 per cent to 20 per cent in the production expenditure rebate programme on use of local labour, in particular in the film, fashion and music subsectors and also to increase the cap from US \$3 million to US \$8 million in the production expenditure rebate programme. [*Desk thumping*] I also propose to introduce legislative changes, which will create a climate attractive to foreign direct investment in the maritime sector. [*Desk thumping*]

I propose to amend the Unit Trust Corporation of Trinidad and Tobago Act, 1981 in key operational areas, in particular:

- i. the definition of “securities” will be modified to make it consistent with the definition of “securities” applicable to all market actors as stated in the Securities Act 2012;
- ii. the definition of income allocated for distribution will now exclude realised and unrealised capital gains from the requirement to distribute not less than 90 per cent of such income;
- iii. the 10 per cent concentration and control investment restriction governing unit schemes will now only be applicable to equity securities;
- iv. the Corporation is now being endowed with the power to close, reopen, suspend and cease to sell units in or otherwise wind-up a unit scheme;
- v. the power of the Corporation to restrict its borrowing to a term not exceeding 90 days is being modified to extend the payback period to 180 days;
- vi. the sharing of information with local and international regulatory authorities in accordance with any written law will now be clarified and authorized; and

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- vii. the removal of upper limits on unit prices other than the First Unit Scheme, that is the TT Dollar Growth and Income Fund, will allow the Corporation to issue additional or new schemes at such prices and with such limits on minimum and maximum subscriptions as the Corporation might deem appropriate for market conditions.

I propose to amend the Trinidad and Tobago Heritage and Stabilisation Fund Act, 2007, Chap. 70:09 to provide for:

- i. creation of a legal entity by including a provision to establish the Heritage and Stabilisation Fund as a body corporate;
- ii. legal protection of the Heritage and Stabilisation Fund Board members by the inclusion of a provision to allow for the indemnity of the Board of Governors of the Heritage and Stabilisation Fund;
- iii. increase in the floor of the Fund from \$1 billion, which existed in 2010, to \$4 billion, which increases the amount below which withdrawals cannot be made;
- iv. amendments to sections 13 and 14 to make explicit that the assessments of projected versus actual revenues for each quarter are to be computed on a year-to-date aggregate basis; and
- v. extension of the time frame for meeting withdrawal requests from 48 hours to 72 hours.

Madam Deputy Speaker, I propose to offer an amnesty for tax penalties and interest for late filing of returns and late payment of income, corporation and value-added taxes, business levy and environmental levy. The amnesty will apply to returns, penalties and interest on outstanding tax liabilities for years of income up to 2013. Accordingly, all individuals and corporations who have outstanding tax returns or outstanding tax liabilities and associated interest charges will have the interest and penalties waived if they comply by March 31, 2015. This measure will require amendments to the Income Tax Act, the Corporation Tax Act and the Value Added Tax Act. This measure takes place with immediate effect and will expire on March 31, 2015. [*Desk thumping*]

I also propose to waive all penalties outstanding or chargeable on the filings by corporations of documents with the Registrar of Companies. The proposed waiver will be applicable until March 31, 2015. [*Desk thumping*]

I propose to introduce a savings bond, which will allow small investors and pensioners to purchase bonds in much smaller denominations, including \$1,000 per bond; that is making the denomination as small as that. Purchases of bonds

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from the Government will also be tax deductible up to \$5,000 per annum for a period of five years. [*Desk thumping*]

I propose to expand the social safety net by modifying a number of benefits, effective October 01, 2014:

- i. the Disability Grant will be increased by \$300 per month. The new grant of \$1,800 per month will cost an additional \$86.8 million and will impact 24,100 differently-abled individuals. In 2010, the disability grant was \$1,300; [*Desk thumping*]
- ii. the Public Assistance Grant will be increased by \$300 across all bands. The additional expenditure will be \$89.3 million and will impact 24,797 citizens. This represents an average of 20 per cent increase across all bands since 2010; [*Desk thumping*]
- iii. the personal allowances for individuals aged 60 and over will be increased from \$60,000 to \$72,000 for the calculation of individual taxes. This will cost of \$53.3 million and will take effect from January 01, 2015; [*Desk thumping*]
- iv. the Servol Adolescent Programme and the Parent Outreach Programme will have their allocations increased by 12 per cent; [*Desk thumping*] and
- v. the Baby Care Grant will provide financial assistance in an amount of \$500 per month for one year only for any child born to underprivileged parents during the course of the next year. [*Desk thumping*]

I propose to introduce a new fund, from which could be drawn the sum of \$1 million, which will be placed in the estate of a member of the state protective services killed in the line of duty. [*Desk thumping*]

Effective October 01, 2014, I propose to increase the procurement value under the FairShare Programme from \$1 million to \$1.5 million, to further boost the small business sector. [*Desk thumping*]

Pensions: I propose to continue the process of facilitating the ease of living for our senior citizens. With effect from October 01, 2014, the senior citizens pension will be increased by \$500 per month to \$3,500 per month, [*Desk thumping*] which will cost an additional \$200 million and impact 84,720 senior citizens. The senior citizens pension will now be adjusted with the receipt of other pensions with a cap of \$4,500. In 2010, the senior citizens pension was \$1,950. [*Desk thumping*]

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Public Officers: the monthly pension for retired public officers will be increased by \$500 per month with a minimum of \$3,500 per month at an additional cost of \$240 million and will impact 35,000 retirees. In 2010, the minimum pension for retired public officers was \$1,950. [*Desk thumping*]

I propose to bring the self-employed into the National Insurance System, with an amendment to the National Insurance Act. This proposal will be effective January 01, 2015, and will impact initially 11,300 self-employed persons. [*Desk thumping*]

To that end, any self-employed person in the age group 57 and over, at the commencement of coverage in the year 2015, will receive a one-off payment equivalent to three times their contribution. Anyone in the age group 50—56, at the commencement of this coverage, who contributed fully in each year prior to retirement will be credited with additional contributions to allow them to receive the minimum monthly pension payments.

The Government will inject \$12.9 million into the National Insurance System to cover the cost of the additional contributions for those self-employed individuals and, in addition, the subsidization for the payment of contributions by low-income self-employed persons, defined as persons who earn less than \$3,000 per month by the National Insurance Board of Trinidad and Tobago, in an amount equivalent to two-thirds of the contributions due from eligible low-income self-employed persons.

The Government will inject a further \$41 million into the National Insurance System to meet this liability over the next 5 years, but with an injection of \$4 million for fiscal 2015. The transition for the self-employed into the National Insurance System will be fully funded for the first year only at an additional cost of \$2 million.

Madam Deputy Speaker, agriculture. I propose to continue our focus on achieving food security and to that end, effective January 01, 2015:

- i. all fines related to praedial larceny will be increased by 50 per cent;
- ii. the cost of establishing approved facilities for agro-processing of approved commodities will be subject to a rebate of 50 per cent up to a maximum of \$100,000;
- iii. the cost of refurbishing approved facilities for agro-processing of approved commodities will be subject to a rebate of 50 per cent up to a maximum of \$50,000;

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- iv. 40 per cent of the cost of hazard analysis and critical control points for agro-processors will be refunded up to a maximum of \$150,000; and
- v. I also propose to provide the Agricultural Development Bank with an allocation of \$75 million.

Registered Annuities: I propose, effective January 01, 2015, to increase from \$30,000 to \$50,000 the limit for contributions to registered annuities. This will impact 15,000 citizens at a cost of \$75 million. [*Desk thumping*]

With respect to Caroni, I propose that the balance remaining upon the termination of the reserve fund in May 2016, be distributed on a pro rata basis to all pensioners and deferred pensioners of Caroni (1975) Limited. [*Desk thumping*]

I am also putting in place a mechanism, through which those beneficiaries who had not yet paid for their residential service lots could now do so through a commitment to Caroni of their portion of the residual balance.

Road usage: I propose to increase fines by 50 per cent for speeding, driving under the influence, driving without insurance, possessing fraudulent motor vehicle certificates, driving with expired driving license and for individuals producing or selling fraudulent insurance certificates. [*Desk thumping*]

I propose to finally meet the outstanding reimbursements owed since 2005, to registered maxi-taxi owners for their payments of motor vehicle taxes and Value Added Tax. [*Desk thumping*]

3.30 p.m.

I propose with effect from January 01, 2015, to exempt motor vehicle tax and VAT on new or used hybrid and electric-powered vehicles not older than two years, for a period of five years for private or commercial use. [*Desk thumping*]

I propose to expand the existing 2 per cent mortgage programme by increasing qualifying property values from \$625,000 to \$850,000, and by increasing the combined monthly income of households, from \$8,000 to \$10,000, and to supplement that programme by introducing a new 5 per cent mortgage programme for households with a combined monthly income of greater than \$10,000, but less than \$30,000, towards accessing a mortgage greater than \$850,000, but not exceeding \$1.2 million. [*Desk thumping*] This measure will benefit 26,100 applicants within the HDC framework and a similar amount in the private sector. I propose to increase the tax allowance from \$18,000 to \$25,000

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per household per annum on mortgage interest paid in the year of income for first-time homeowners for five years, including those years already utilized by existing beneficiaries. [*Desk thumping*]

Effective January 01, 2015, I propose to increase the minimum wage from the current \$12.50 per hour to \$15.00 per hour. [*Desk thumping*] In 2010 the minimum wage was \$9.00 per hour and this, therefore, represents a 66 per cent increase since January 2010. [*Desk thumping*]

Madam Deputy Speaker, I wish to direct my attention to our estimates of revenue and expenditure for fiscal 2015. As is usual practice, we have estimated oil and gas prices on the basis of our interactions with relevant international organizations. In respect of our revenue assumptions, we are utilizing a price of US \$80.00 per barrel for oil, and a gas price of US \$2.75 per MMBtu. Following these price assumptions, we are projecting the following: total revenue, TT \$60.351 billion; oil revenue, \$21.223 billion; non-oil revenue, \$39.128 billion; total expenditure net of capital repayments and sinking fund contributions, \$64.664 billion.

Madam Deputy Speaker, for fiscal 2015, the Government envisages a fiscal deficit of 2.3 per cent of gross domestic product, down from the 3.6 per cent of gross domestic product in the financial year 2014 budget, and in keeping with our commitment to reduce the deficit by 1 per cent per year. [*Desk thumping*]

We are making the appropriate capital investments to drive modernization, but this is being done in the context of the consolidation of our fiscal position. We are ensuring that the budget deficit does not undermine monetary stability nor crowd out the private sector.

Madam Deputy Speaker, pursuant to our public policy agenda, I have made appropriate allocations to the various Ministries as follows:

Education and Training:	\$10.126 billion
National Security:	\$ 6.994 billion
Health:	\$ 5.545 billion
Public Utilities:	\$ 3.932 billion
Housing:	\$ 2.877 billion
Local Government:	\$ 2.649 billion
Works and Infrastructure:	\$ 2.542 billion

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Transport: \$ 1.984 billion

Agriculture: \$ 1.328 billion

Madam Deputy Speaker, in 2010, the people of Trinidad and Tobago elected the People's Partnership under the dynamic leadership of the hon. Kamla Persad-Bissessar. [*Desk thumping*] The people elected us because they wanted a Government which had greater conviction in its strategies and programmes for the future of our country. We developed a coherent framework of what we wanted to achieve. Since that time, we have consolidated the economic, social, political and financial stability of our country as reflected in all our macroeconomic data. We created a vibrant economic environment which inspires confidence among domestic and foreign investors. We are now in a recovery phase generating quality jobs. We shall continue to sustain that recovery by focusing on long-term fiscal consolidation, debt sustainability and by implementing major infrastructure projects.

The proposed procurement reform legislation represents a key underpinning for establishing transparency and accountability. This framework of action will raise our capacity to progress as a nation, and will help in safeguarding our financial and economic stability.

Madam Deputy Speaker, the Republic of Trinidad and Tobago is a mature democracy. We are strengthening this democracy as we put in place a set of constitutional principles relating to the terms of office of Prime Ministers, to the recall of parliamentarians and to run-off elections. We are ensuring that the country's prosperity is equitably distributed among all our citizens. We are also ensuring that our citizens continue to thrive in an environment of safety and security.

As we broaden and deepen our major economic sectors, commercial opportunities are emerging, whether they are in downstream oil and gas or in ICT or in financial services. We are assisting our young people to invest in their skills and in their future. We are assisting our low and middle-income families to acquire comfortable and affordable housing, and we are putting in place mechanisms and facilities to allow our citizenry to access timely, quality health care and medical services.

Madam Deputy Speaker, while the restoration of financial and economic stability was high on our agenda, we did not refrain from making substantive efforts to modernize our country and to create an inclusive society. We have

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delivered the commitments made in May 2010, and we have done so within a coherent and consistent framework, and in the context of fiscal prudence. Let me cite some of these achievements:

- the San Fernando to Point Fortin highway is being phased in—the Golconda-Debe segment is already in use and the Mosquito Creek-Penal segment will be available in 2015; [*Desk thumping*]
- new and modern hospitals are now under construction; [*Desk thumping*]
- since 2010, 83 new schools have been built; [*Desk thumping*]
- since 2010, 4,500 repair and maintenance projects have been undertaken on our nation's schools; [*Desk thumping*]
- at present, 67 schools are under construction; [*Desk thumping*]
- the FairShare programme has been increased by 50 per cent since 2010; [*Desk thumping*]
- the soon-to-be commissioned National Aquatic Centre, the National Cycle Track and the National Tennis Complex will catalyze competitive sporting teams and sport tourism; [*Desk thumping*]
- the airlift to Trinidad and Tobago is being expanded, building on the services now being provided by Condor Airlines and Apollo Airlines to Tobago and JetBlue to Port of Spain; [*Desk thumping*]
- domestic food inflation is now running at a rate of 3.5 per cent in the first six months of 2014, the lowest in 21 years; [*Desk thumping*]
- new procurement legislation will bring to public sector contracts confidence-inducing fair, efficient and transparent procedures; [*Desk thumping*]
- the number of serious crimes has been significantly reduced; [*Desk thumping*]
- the Children's Life Fund is fully operational and is providing timely and needy assistance to all applicants; [*Desk thumping*]
- 75,000 laptops have been provided and laptops will continue to be provided to all incoming students to secondary schools; [*Desk thumping*]
- emergency relief assistance has been provided to 750 households affected by severe weather conditions, including flooding; [*Desk thumping*]

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- dialysis treatment is now virtually free to the public through the public and private health-care institutions; [*Desk thumping*]
- cardiac services, including open-heart surgeries have been delivered to 114 patients in the first nine months of fiscal 2014; [*Desk thumping*]
- surgical services, including cataract and CT/MRI scans are now being provided to patients who are on the listed services for a minimum of three months; in the first month of the programme, June 2014, 105 surgeries have been performed; [*Desk thumping*]
- the number of rig days in the energy sector has increased from 1,132 in 2010 to 2,485 in 2013; [*Desk thumping*]
- the student participation rate in tertiary education has increased from 42 per cent in 2010 to 65 per cent in 2014; [*Desk thumping*] We have surpassed our target of 60 per cent;
- the minimum wage which was \$9.00 per hour in 2010 has been increased to \$15.00 per hour; [*Desk thumping*]
- the VAT backlog owed to businesses which amounted to over \$5 billion in 2010 has been substantially reduced and we anticipate that the entire amount now outstanding will be settled by the end of the new fiscal year. [*Desk thumping*]

Madam Deputy Speaker, the welfare of our State is being safeguarded, and we are convinced that this budget will continue to consolidate our vision of a stronger, fairer and smarter Trinidad and Tobago. [*Desk thumping*]

Madam Deputy Speaker, I commend this budget to this honourable House, and I beg to move. [*Continuous desk thumping*]

Madam Deputy Speaker, in accordance with Standing Order 81(4), I wish to advise that the debate on the budget will resume on Friday, September 12, 2014 at 10.00 a.m. [*Desk thumping*]

ADJOURNMENT

The Minister of Housing and Urban Development (Hon. Dr. Roodal Moonilal): Madam Deputy, I beg to move that this House do now adjourn to Friday, September 12, 2014 at 10.00 a.m., to debate the Appropriation Bill 2014/2015.

Distribution of Budget Packages

Madam Deputy Speaker: Hon. Members, before putting the question on the Motion for the adjournment, I want to advise that your packages, including and containing the budget documents, are now available for collection. The packages are being dispatched from the J Hamilton Maurice Room located adjacent to this Chamber. Hon. Senators who are present here, you are also invited to collect your packages at the very said room.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 3.42 p.m.