

## 'Forex scarcity more severe for SMEs'

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MEMBERS of the business community are looking for meaningful action on foreign exchange shortages following Finance Minister Davendranath Tancoo's mid-year budget review statement last week that the country now has 7.5 months of foreign exchange reserves.

This from president of the Fyzabad Chamber of Commerce Angie Jairam who believes the forex crisis stems from deep-rooted structural challenges and missed opportunities.

'There are many factors behind the shortage of foreign exchange. We lack diversification, there are limited opportunities for competitive bidding in the energy sector, the oil refinery was shut down, food importation is too high, and our manufacturing sectors are still too small, although growing,' she explained in a WhatsApp response to *Express* enquiries yesterday.

She said T& T must plan for volatility, not just minimum thresholds.

'We must not just work towards the threshold but prepare to cover ourselves for the unexpected. It will take at least two years before we see any possible improvement in that area,' she stated.

According to Jairam, the impact of foreign exchange scarcity is especially severe for small and medium-sized enterprises (SMEs), which she described as the backbone of community development.

'These decisions and policies have affected the growth and investment sectors, especially SMEs, who employ persons in the communities and build and sustain communities,' she said.

Tancoo said last week the non-energy sector had been neglected for almost a decade.

Jairam agreed. 'As mentioned before, we've not exploited the advantages we have, and we remain too dependent on oil and gas. That lack of attention has put us in the position we're in today,' she said.

Jairam welcomed Government's export allowances and export growth assistance initiatives but cautioned that these measures must be backed by active support for investment and business confidence.

'The Government has to facilitate and encourage investment to keep the ball rolling, or else we'll be worse off-just sitting and waiting for the energy sector to rebuild,' she added.

### **Tax reform**

On the issue of tax reform, Jairam said Tancoo highlighted structural weaknesses in manpower, infrastructure, and regulation.

'He explained the deficiencies clearly. Once the proper structures and regulations for accountability are in place, there should be improvements in operations,' she opined.

She said the proposed initiatives such as transfer pricing regulations and tax incentives can succeed, but only with consistent oversight.

'Monitoring and accountability are critical. Strengthening policies and sticking to them should help get us into an improved position,' she stated.

Still, Jairam stressed that everyone must contribute to improving revenue collection, not just Government.

'Everyone has to play their part or pay the consequences. Businesses big and small must pay their fair share. And Government must provide incentives-the ease of doing business must be key to achieving success.'

She added: 'Almost every sector must be strengthened and become service-oriented to achieve healthy growth.

Public administration must be given the relevant tools and must maximise its capacity and capabilities.'

Jairam also called for the adoption of modern digital systems to improve tax administration and reduce revenue leakages.

'Implementation of efficient technological systems can help to effectively reduce leakages,' she said.

While acknowledging that the mid-year budget review attempted to address a wide range of sectors, Jairam believes the Finance Minister is laying the groundwork for a more stable 2026 budget.

'I think the Minister tried his best to look at every sector one by one and fill the gap as much as he can, so he can have a better start in the 2026 budget. Getting rid of short- and long-standing debt and cutting the fat will allow us to concentrate on rebuilding the economy with policies for growth and development,' she said. As for debt management, Jairam advised a more disciplined and efficient approach.

'Cut what is not necessary. Use what we have access to. Use technology where we can. Stop duplication. Monitoring policies must be enforced. And we must diversify to the fullest capacity. All must play their part to take us out of the doldrums we have found ourselves in,' she said.