

■ Appointed Central Bank governor...

Howai: More forex transparency

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NEWLY appointed Central Bank Governor Larry Howai has promised greater transparency regarding foreign exchange issues in the country, along with solutions to address the problem of supply.

Howai, a former finance minister under Prime Minister Kamla Persad-Bissessar's first administration from 2010-2015, received his instrument of appointment from Finance Minister Davendranath Tancoo yesterday at the Finance Ministry's Port of Spain office, where he also met with Minister in the Ministry of Finance and Minister of Planning Kennedy Swaratsingh.

In a telephone interview with the *Express* yesterday, Howai said today would mark his first day on the job, beginning with a meeting with Tancoo before heading to the Central Bank.

He said he initially did not want to return to public life, but agreed to the Prime Minister's request when she indicated she needed him on her team to help address the challenges facing the country.

He said it is important to think about the children of the future, adding that what the Prime Minister referred to is merely the 'tip of the iceberg'.

'There are a lot of challenges. We as a country import everything that we consume-whether it is equipment, food, clothes, medicines, vehicles-and we need to carefully look at our foreign reserves and determine how we should manage that in the best way,' he said.

He acknowledged that there are confidentiality clauses that prohibit the public naming of foreign exchange users, but he believes that information can be shared with the population without breaching those provisions.

'It will be one of the first issues that we have to deal with based on the concerns that are being expressed.

'There are a number of alternative options available to us in terms of how we manage the process,' he said. There's need for some transparency, how the process works.

'A lot of people are not happy they don't think they are getting a fair share as far as that is concerned, but the real issue is that the supply is just not there.

'Everybody would like foreign exchange, but it's only a limited amount, and we have to determine what is the best way to utilise that foreign exchange for the benefit of all,' he added.

Reiterating the need for transparency and explaining to the people what the issues were, he said: 'They may not always be happy with the allocation they get but if they understand a little bit more how it works, perhaps that will go some way in reducing some of the noise levels.

'It doesn't fully deal with the problem, but at least people understand how it works.'

Howai explained that the foreign exchange the country has comes mostly from the oil and gas sector, which belongs to the people.

'So, your resources are being sold and the foreign exchange is generated and put in the Central Bank, and then from there it is allocated out and utilised; and I think it is only fair that you ask for an understanding of how we are dealing with it,' he said.

'So while I understand that the Central Bank must maintain a level of confidentiality, the confidentiality provisions in the act were put there not because they are preventing people from getting information that they legitimately should get, but really to ensure the stability of the Central Bank is maintained is an institution,' he said.

While there will be respect for these provisions, there is also a responsibility to answer to the people, he added.

Howai said he will ensure more communication going forward.

'It is such a critical resource to the nation, it is important that we account properly to the people using the right resources,' he said.

The new Governor also stated that in the long run, there is a need to address the supply side of the foreign exchange issue.

Audits and the Auditor General The *Express* also asked Howai if he would maintain the system whereby an external auditor is hired to audit the accounts of the Central Bank.

'I will want to have a discussion with the Auditor General and the Minister of Finance on the matter, but let me say that many State enterprises do, in fact, outsource their audits because the Auditor General does not have all the resources she would like to have to do all the audits that she needs to do, and many times they have backlogs and what tends to happen is that you have statutory deadlines to meet and companies can be in breach,' he said.

He said that as a former chief executive of First Citizens, he had spoken to the Auditor General and obtained agreement to utilise another accounting firm to audit the accounts, and he provided all the audits to the Auditor General, emphasising the need for a harmonious relationship with her in this respect.

Howai reiterated that he needs to have discussions with the Auditor General to find the best solution moving forward.