

Sagewan calls for transparency on Petrojam deal

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IS BUYING fuel from Petrojam the most cost-efficient mechanism being used by Paria Fuel Trading Company Ltd?

Economist Indera Sagewan raised this question yesterday as she called on the Government, and in particular Energy Minister Stuart Young, to provide transparency rather than respond to concerns with negativity.

She said that if the fuel is being purchased at the best price on the market, then this is a good move; but if it is not, then Paria is not acting in the best interest of this country.

'It is one thing for the minister (Young) to suggest that we have this huge trade surplus with Jamaica, because it is a fact that we do export a lot to Jamaica.

'However, Jamaica, in turn, exports a lot of manufactured goods to Trinidad and Tobago, so it is not a sufficient justification for the minister to say they are simply trying to improve trade relations with Jamaica. If it is costing us more, it cannot be a good thing,' she said.

Sagewan said that this question must be answered and that the public should know whether we are getting the fuel at a cheaper price compared to an alternative source. Jamaica, she said, has a right to be celebrating because it deserves the kudos for seeking and finding markets for its refinery.

'On the other side, people can't help but see this for what it is: Trinidad and Tobago was the mecca of the region with respect to oil production, and we are now reduced to a place where we are purchasing from one of our sister islands, which doesn't even have the natural resource coming out of the ground. So, it is obvious that people are going to feel that this reduces our value,' she said.

Sagewan emphasised that it is a fact that T& T is now a net importer of fuel and, therefore, there is a duty to taxpayers to ensure that we are purchasing fuel at the most competitive price available on the international market.

She noted that Petrotrin was an efficient producer of oil, but the Government had said it was a drain on the Treasury and shut it down, moving to an open market situation where T& T is now buying fuel.

Sagewan said she never thought she would see the day when T& T would be buying fuel from Jamaica.

'One would have thought that those who govern us would be forward-thinking enough to find better solutions.

'It is now going on nine years since Petrotrin was shut down, and taxpayers are paying half a million US dollars a month to maintain the asset, even though we are hearing so many stories about pilferage,' she said.

She noted that there is the argument that the Petrotrin refinery should not have been shut down because reports suggested that it could have been streamlined and reorganised to operate profitably.

She said there is also the argument that the Government did not factor in all the social benefits of the refinery for the communities.

Sagewan said that, aside from all this, the Government should have already privatised Petrotrin and allowed the country to have an operating refinery. News of Jamaica exporting 'fuel oil' to Trinidad and Tobago spread on social media over the weekend, prompting Paria Fuel Trading to issue a release on Sunday. Paria stated that the marine fuel is not intended for use in the domestic market but is exclusively designated for the country's bunkering operations, serving international marine operators, including cruise ships, container vessels, and other international marine vessels.

The bunkering operations would be a net contributor to foreign exchange earnings, Paria added.

The agreement with Petrojam for Very Low Sulphur Fuel Oil (VLSFO) is a preliminary arrangement encompassing a sixmonth contract with a maximum total volume of 540,000 barrels at an approximate cost of US\$50.2 million, determined by prevailing international pricing. Paria received its inaugural shipment from Petrojam on 1 February 2025, amounting to approximately 50,000 barrels.

In response to criticisms about the move, Young took aim at the 'naysayers' and 'mischief-makers', defending Jamaica's export of marine fuel to Trinidad and Tobago and stating that he is proud of this development.

Young said that Paria's partnership with Petrojam Ltd for the bunkering of marine fuels was discussed over the last two years.

The initiative, he said, would continue to strengthen the T& T Government's relationship with Jamaica.