

Tancoo: Govt considering Afreximbank





Africa Business Group chief executive officer Michael Sudarkasa PHOTO BY KERWIN PIERRE

There have been several calls from various business sectors, over the years, for this country to join the African Export-Import Bank (Afreximbank), citing that it would greatly benefit T&T's economy and citizens.

Joining the call is Africa Business Group chief executive officer Michael Sudarkasa, who said that being part of the Afreximbank is a huge opportunity for the country.

"For years, a major gap in Africa-Caribbean relations has been the absence of institutions that could finance trade and investment. Afreximbank is addressing that, having already injected capital into the Caribbean Development Bank and other regional institutions," Sudarkasa outlined.

He noted that T&T's formal membership in Afreximbank would open access to billions in funding for infrastructure, energy, and industrial projects.

"Plans such as upgrading Piarco International Airport and restarting Petrotrin's oil refinery could benefit significantly from such support."

When contacted on whether the government will consider looking at Afreximbank, Finance Minister Davendranath Tancoo said, "I can report that the Government is currently conducting its due diligence assessments and reviewing the submissions of the Bank, which will inform our decision. I am pleased to advise that there are several Exim banks and multinational lending institutions, and agencies that have been reaching out to the Government to get involved in the development of T&T.

"When you have this level of interest in investing and partnering with our government, this is a very positive indication of the confidence of financial institutions in our country."

T&T's previous prime minister Dr Keith Rowley in June 2024, said the Government has not joined most of its regional neighbours in becoming a member of the Afreximbank, because the financial institution wanted its employees based in T&T, both local and foreign, to earn tax-free salaries.

Rowley noted that the difficulty being experienced with Afreximbank was that the bank asked for all its staff to earn tax-free salaries in this country.

"I do not know why the bank is taking that position, but that is the bank's position, that its staff, whether local or foreign, would not pay tax in the country. That has far-reaching consequences because it is against the

existing arrangements of privileges, immunities, and policies.”

On the topic of the Nigerian energy company Oando PLC, which was selected as the preferred bidder for the lease of the Pointe-a-Pierre refinery by the last administration in February, Sudarkasa, who is from South Africa, said Oando is one of the leading industrial companies in Nigeria. For the current administration to give Oando the green light, would send a huge signal to other players in the industry, other businesses on the continent that T&T and the Caribbean are open for business.

“I think it’ll have a huge impact. Oando would bring the capital needed to have the refinery up and running. I was on a panel moderating last month with the CEO of Oando, and this was at the African Export-Import Bank’s annual meeting in Abuja, and he spoke very favourably about wanting to do more in the Caribbean, and he’s an advocate.

“I know that the African Export-Import Bank supports him, and this is an example of a low-hanging fruit. I am very hopeful that the bid will move beyond the bid to actual contracts signed, actual investment flowing, and the restarting of that refinery,” the CEO disclosed.

When asked whether he remains hopeful that the Oando deal will go through, given the change in government, Sudarkasa said that he now has a better understanding of some of the impacts that a change in administration can have in this country.

Still, at the same time, he remains hopeful that when discussions turn to job creation and investment, both sides of the political aisle will recognise the value and potential in these opportunities.

“Some of the initial statements made by the Ministry of Trade and Investment right after the election, particularly around tourism, were quite encouraging. For example, there was a strong emphasis on the need to engage with West Africa. It would seem counter-intuitive to dismiss such an investment opportunity,” the CEO highlighted.

Almost two weeks ago, Energy Minister Dr Roodal Moonilal stated that the Government had met with Oando PLC and informed the company that the process is continuing now that the refinery restart committee has been appointed.

Trade barriers

In terms of practical barriers, Sudarkasa said trade agreements need to be formalised.

He pointed out that tariff-free trade under Africa's Continental Free Trade Area (AfCFTA) should ideally extend to the Caribbean, which is often referred to as the African Union's "sixth region."

"Alongside air connectivity, maritime links between West Africa and Caribbean ports are essential. Caribbean Airlines, headquartered in T&T, could play a pivotal role as a cargo hub."

Also, he indicated that trade promotion policies need revitalisation.

Further, Sudarkasa said past government programmes that subsidised trade missions or international exhibitions should be reintroduced, especially given the high costs of exploring West African markets.

Additionally, he noted that tourism presents a high-potential growth area, particularly during peak cultural events like Carnival or Emancipation celebrations.

He said that, as it stands, trade between T&T and Africa is led by petrochemicals, some machinery, and agricultural goods.

In 2022, exports reached approximately US\$336 million, largely driven by fertiliser shipments to South Africa. However, services and tourism are areas with untapped potential, as highlighted by an International Trade Centre study."

"The agricultural sector, too, has promise. Collaboration with countries like Nigeria on cassava production or value-added food products could open new markets. A regional base in T&T could support broader Caribbean and South American trade links," he mentioned.

Looking ahead, the CEO stated that there's a clear need for structured, sustained engagement, and the creation of a T&T-Africa Chamber of Commerce could connect businesses, organise trade missions, host webinars, and conduct vital market research.

He outlined that this could also facilitate summer internships for university students and support diaspora engagement to help foster cultural and commercial ties.

“Building a proper trade ecosystem requires understanding cultural contexts, nurturing trust, and identifying partners on both sides. With improved infrastructure, air routes, trade protocols, financial instruments, and active youth involvement, these relationships can grow stronger and more mutually beneficial,” the CEO emphasised.

Forex crunch

Currency and foreign exchange remain a significant challenge, and Sudarkasa said that, like the Caribbean, many African nations face difficulties due to reliance on the US dollar.

However, he said Afreximbank’s Pan-African Payment and Settlement System allows for direct local currency transactions across the continent, and a similar system could benefit the Caribbean, potentially leveraging digital currency solutions.

While much of global trade is still dollar-based, Sudarkasa noted that the next two to five years could bring structural changes, and institutions like Afreximbank are pushing for a more autonomous regional trading environment, something this country should strategically position itself to benefit from.

In summary, he added, while progress has been made, the next step is about action, and building commercial bridges between the Caribbean and Africa requires vision, coordination, and sustained investment from governments, businesses, and communities alike.