

# **Business heads keen to work with Howai on forex crisis**



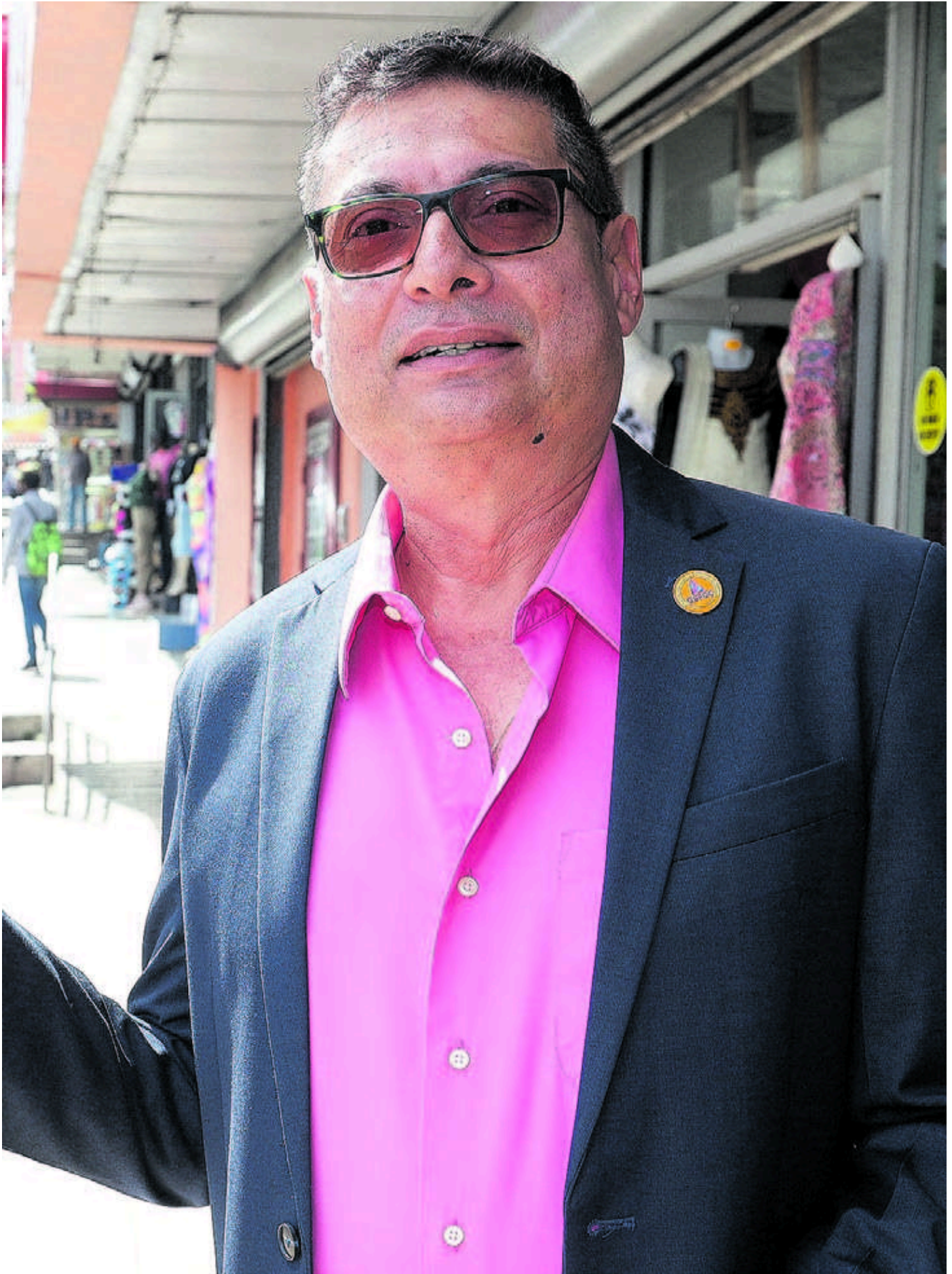


Greater Tunapuna Chamber of Industry and Commerce president Ramon Gregorio



Confederation of Regional Business Chambers chairman Vivek Charran





Greater San Fernando Chamber of Commerce president Kiran Singh

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Several business chamber heads want to see the foreign exchange crisis and other issues addressed by new Central Bank Governor Larry Howai.

Addressing Howai's appointment yesterday, Greater San Fernando Area Chamber of Commerce president Kiran Singh said he was pleased to hear that the foreign exchange issue is high on the new governor's agenda.

He noted that the business community is eager to learn how the shortage will be dealt with, especially for small and medium-sized enterprises (SMEs).

"For some time now, we have felt that the distribution has been inequitable. When we look at import-oriented organisations, some appear to have no problems with forex access while others complain bitterly about inadequate supply and reliance on the black market," Singh said.

"We understand that the governor has a smaller supply to distribute, given the heavy dependence on the sale of diminished quantities of energy products. Demand continues to outstrip supply. This country imports the majority of consumables.

Until the economy can find sustainable import substitution, the situation is likely to remain unchanged."

He said the chamber expects that the monetary policy objectives will be more clearly defined, noting they foresee a harmonious relationship with the Government because Howai was a member of Prime Minister Kamla Persad-Bissessar's last Cabinet.

Giving his perspective on the matter, Greater Tunapuna Chamber president Ramon Gregorio outlined the core expectations the chamber would like to see Governor Howai address.

Gregorio said confidence is the currency of economic resilience and one of the most pressing tasks facing Howai is restoring faith in the Central Bank's ability to guide monetary policy in a transparent, consistent, and data-driven manner. He said recent years have seen a perceived drift in clarity and communication from the bank, with businesses often uncertain about the direction of key indicators such as interest rates, inflation targets, and currency policy.

"We call on Howai to recommit the Central Bank to a clear monetary policy framework, with regular, accessible communication to the public and private sectors alike. The bank must reclaim its role as a thought leader in economic policy, issuing timely and forthright reports on economic outlooks, risks, and necessary interventions," he disclosed.

Further, Gregorio said the governor must ensure the Central Bank remains a rigorous producer of economic research and analytics, which includes restoring confidence in inflation metrics, national accounts and financial stability reports.

Confederation of Regional Business Chambers chairman Vivek Charran said the responsibility for the forex situation cannot only rest on Howai's shoulders.

"There is the aspect of what forex we have coming in now, which, at last count, it was said to be 7.9 months of import cover, right? How is that going to be distributed? But other than that, when it comes to the generation of forex, which is much more critically important, the generation of forex and forex revenues coming into the country really and truly is not up to the Central Bank

Governor,” Charran pointed out.

On the other hand, Charran said when one talks about the manufacturing sector and the foreign exchange that they earn directly as private companies, it is their own money.

“Sometimes it’s kept in T&T and other times it’s kept outside of the country. But it is not money that the Central Bank can rely upon to distribute to the commercial banks. The second thing is that when it comes to exports and manufacturing, it is a tax levied on exports that the government can collect revenues from that would be something that could go into the coffers of the Government and the Central Bank can rely upon to add to whatever revenues is coming in from the energy sector to distribute to the commercial banks,” he detailed.

Meanwhile, the T&T Chamber of Industry and Commerce continues to recognise the need for enhanced collaboration between financial regulators and the business community to strengthen foreign exchange availability, modernise payment systems, and improve access to finance for small and medium enterprises (SMEs) and emerging industries.

“We are, therefore, encouraged by Governor Howai’s strong track record of strategic thinking, stakeholder engagement, and commitment to good governance,” the chamber said in a statement.

The chamber added that it looks forward to “constructive engagement” with Howai and the Central Bank as it collectively works to ensure that monetary policy remains an enabling force for sustainable national development.

Howai took up office yesterday, with a guard of honour being presented to welcome him. He replaced former governor Dr Alvin Hilaire, who was fired by the Government earlier this week.