

Chamber proposes Chinese currency fund



Chairman of the Confederation of Regional Business Chambers Vivek Charran

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The Confederation of Regional Business Chambers (CRBC) met with Finance Minister Colm Imbert yesterday and high on the agenda was the ongoing issue of the foreign exchange shortage that is mainly affecting the SME sector.

CRBC's chairman Vivek Charran told Guardian Media that the meeting with the minister was very productive and very engaging and a diverse set of chambers were present.

He said the chamber heads expressed the challenges the SME sector faces with regards to accessing

foreign exchange.

“Generally, the discussion also went to the cut in credit card expenditures when it comes to US dollars. How that impacts the supply of forex? What was also discussed was how best the government and the Central Bank can work together with input from chambers to assist in how forex is distributed within the commercial banks,” Charran explained.

Then, he said many chamber heads indicated that this challenge will cause a domino effect as if the small businesses, especially retail businesses, do not have access to enough forex, particularly those that have financial liabilities in the bank, there can be foreclosure, which will force the establishment to close its doors.

“The banks themselves don’t see how the businesses can continue if they can’t generate enough local revenue because they can’t get forex to stock their shelves. The bank will calculate it based on their risk, which is better they foreclose on the collateral rather than continue to support a business that can’t go anywhere or can’t earn any revenue to offset their liabilities,” he detailed.

In turn, Minister Imbert told the chambers present that his ministry will be looking at how best it can create a facility, whereby the monies injected into the banking system can be used specifically among other bodies, where there can be a specific amount set aside for SMEs.

He told CRBC to write to his ministry team about the issues discussed.

Also, Charran noted the chambers suggested that when foreigners enter the country to buy things, they can be allowed to pay in the US, instead of the hassle of going to the bank and purchasing TT dollars.

Another suggestion that was put forward by the CRBC head was to work with the Chinese Embassy, to get a Chinese currency fund, that businesses can access to purchase goods from China, and ease up the burden of using US currency.

Present at the meeting were Siparia Chamber, Fyzabad Chamber, Tobago Business Chamber, Eastern, Merchant Association, T&T Retailers Association, Chaguanas Chamber, and T&T Coalition of Services (TTCSI).