

Dragon revocation disappoints business groups



President of the Greater San Fernando Chamber of Commerce Kiran Singh

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Several chambers have expressed disappointment with the two OFAC special licences for the Dragon and Cocuina fields which have been revoked by the United States Government.

The Energy Chamber of Trinidad and Tobago, in a news release yesterday, said it was not unexpected given the previous cancellation of other general and special licences for companies working in Venezuela.

It noted that the importation of pipeline gas from Venezuela for processing and onward sales to international markets as either LNG or petrochemicals remains a significant economic opportunity for T&T.

Further, the Energy Chamber indicated that it is important that the government continues to engage actively with both the governments of the United States and Venezuela to find a mechanism to pursue this opportunity.

At the same time, the body said there are significant opportunities to develop natural gas fields

within T&T's exclusive economic zone and these must also be pursued actively and urgently.

"There are several fields, including Mento, Coconut, Ginger, and Manatee, that are currently being developed and others, including Calypso, Blackjack, and Onyx where companies are working towards taking a final investment decision. All of these opportunities should be pursued to help maintain and increase Trinidad & Tobago's upstream gas production," the chamber outlined.

President of the San Fernando Greater Chamber (SFGCC) Kiran Singh commenting on the news said it was very disconcerting.

"Our economy is energy-driven. We depend on gas exports more than oil for external revenue to meet capital and recurrent expenditure.

The petrochemical sector, while it is a significant contributor to forex generation, cannot sustain the fiscal demands of the economy. We are heavily dependent on foreign inputs for all sectors of the economy. It cannot be business as usual," Singh stated.

He stressed diversification must take centre stage and the mid-year review and the next budget must address alternative revenue-generating streams.

This is not a time to panic Singh's advice but said the government must carefully strategise a financial plan for the immediate future.