

# Economist defends T&T following Gonsalves' comments



Prime Minister Dr Ralph Gonsalves, addressing OECS Assembly on June 17. CMC PHOTO

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Following sharp criticism from St Vincent and the Grenadines Prime Minister Dr Ralph Gonsalves over the use of the TT dollar in regional trade, economist Professor Roger Hosein has maintained that his comments were understandable but unfortunate.

Last month, at the opening ceremony of the 77th Organisation of Eastern Caribbean States (OECS) Meeting, newly appointed OECS chairman Dr Gonsalves condemned T&T's failure to settle a "miserly" US\$4 million debt owed to his country for agricultural goods. Gonsalves said the proposal he got from Port-of-Spain is that the receivable should be paid in TTD—currency he says has no value outside of T&T.

He added that it might as well be compared to "Monopoly money," if brought to St Vincent and the Grenadines.

"This injustice has caused material difficulties to farmers and agri-traders in my country. Our country pays T&T annually in excess of US\$65million. We (are) paying hard foreign currency for visible exports from Trinidad, mainly petroleum products and manufactured goods ... this is absolutely unfair and ridiculous," Dr Gonsalves said. While Professor Hosein acknowledged that T&T's foreign exchange shortage is a serious concern for the nation and the local SME sector, he pushed back on any characterisation of the TTD as worthless.

"It's unfortunate, the use of the term Monopoly money. We are not in that terrible position. But from the perspective of the home countries, like St Vincent, the money has no value. So you can kind of sympathise with why they may be thinking that way. But our money is not Monopoly money," Hosein said while appearing on CNC3's The Morning Brew programme on yesterday.

He says while the foreign exchange problem will continue for the next three to five years, T&T maintains a strong per capita GDP and remains a leading energy producer in the region.

“We are still a strong player. But we have a lot of groundwork to do to fix the structure of production, structure of employment and structure of exports.”

Hosein also echoed calls for the development of a broader regional payments system—specifically the proposed Caricom Payments and Settlement System, to offer an “intra-Caricom alternative” for countries struggling with access to foreign exchange.

His comments follow news that the central banks of Barbados and The Bahamas have successfully executed a cross-border transaction directly using their local currencies, eliminating the need for a third-party currency like the US dollar.