

Attzs: Economy needs to reset



Economist Dr Marlene Attzs

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Development economist Dr Marlene Attzs is advising the new government to focus on three main issues to reset the economy and achieve economic growth.

Firstly, she said, this must include restoring fiscal discipline.

“The government has to manage its expenditures given the decline in revenue from our main source, the energy sector. So closing that fiscal gap is going to be of primary importance,” she

explained to Guardian Media Ltd yesterday.

Complementing that, Attzs said there must be an aggressive timeline and purposeful policy to diversify the economy beyond oil and gas. “And the two main political parties have articulated their plans in terms of the economic diversification, but I would want to suggest this is urgent,” she emphasised.

Thirdly, Attzs said that all of the “pain points” associated with doing business—from the onerous, cumbersome bureaucratic processes to the forex challenges—must be addressed to encourage private sector investment and business development, so the private sector could comfortably contribute to economic growth in the country.

“Overall, economic growth will not depend simply on policy announcements but there must be decisive, credible action moving forward to rebuild confidence in the country and to unlock the potential that there is to allow us to achieve economic growth from the non-energy sectors,” Attzs said. In looking at the country’s economic growth, economist Dr Vaalmikki Arjoon said this has been suboptimal, remaining below two per cent in the last three years.

He said this demands a relentless diversification push from the incoming government, together with strategies to boost household spending and private sector investment both by local and foreign entities, which is more important given the uncertain geopolitical environment.

“This involves removing the litany of obstacles to doing business to make the private sector more competitive, such as improving port operations and mitigating customs delays; allow pre-arrival clearance of imports where businesses can upload their trade documents online before the cargo reaches the port together with prioritising trusted and compliant businesses for faster customs clearance which can lower rent and demurrage charges.

“In fact, certain sectors, such as manufacturers should have a single-window customs process, with a guaranteed 24-hour clearance,” Arjoon explained.

He also noted that the new administration should also consider lifting the low-value import duty threshold (the maximum shipment value below which incoming goods are exempt from import duties) which could clear customs through a simplified, faster process. “This can lower business costs for MSMEs, enable e-payment services for all government services, taxes and NIS; digitise and streamline the approval process for construction where WASA, fire services and town and country approvals are handled simultaneously and digitally; settle VAT refunds at the earliest while establishing a statutory 60-day payment window,” Arjoon suggested.

Meanwhile, Chaguanas Chamber of Industry and Commerce president Baldath Maharaj called for investment in manufacturing, technology, agriculture and services which he said is critical to create new jobs and drive sustainable growth.

Crime and security, he added, must be tackled head-on.

“A safer environment will ensure confidence among investors and entrepreneurs. We also need better foreign exchange management with policies that encourage investment, support exporters and make access to foreign exchange more predictable,” Maharaj added.