

Chamber heads want action on forex woes

For mid-year budget review



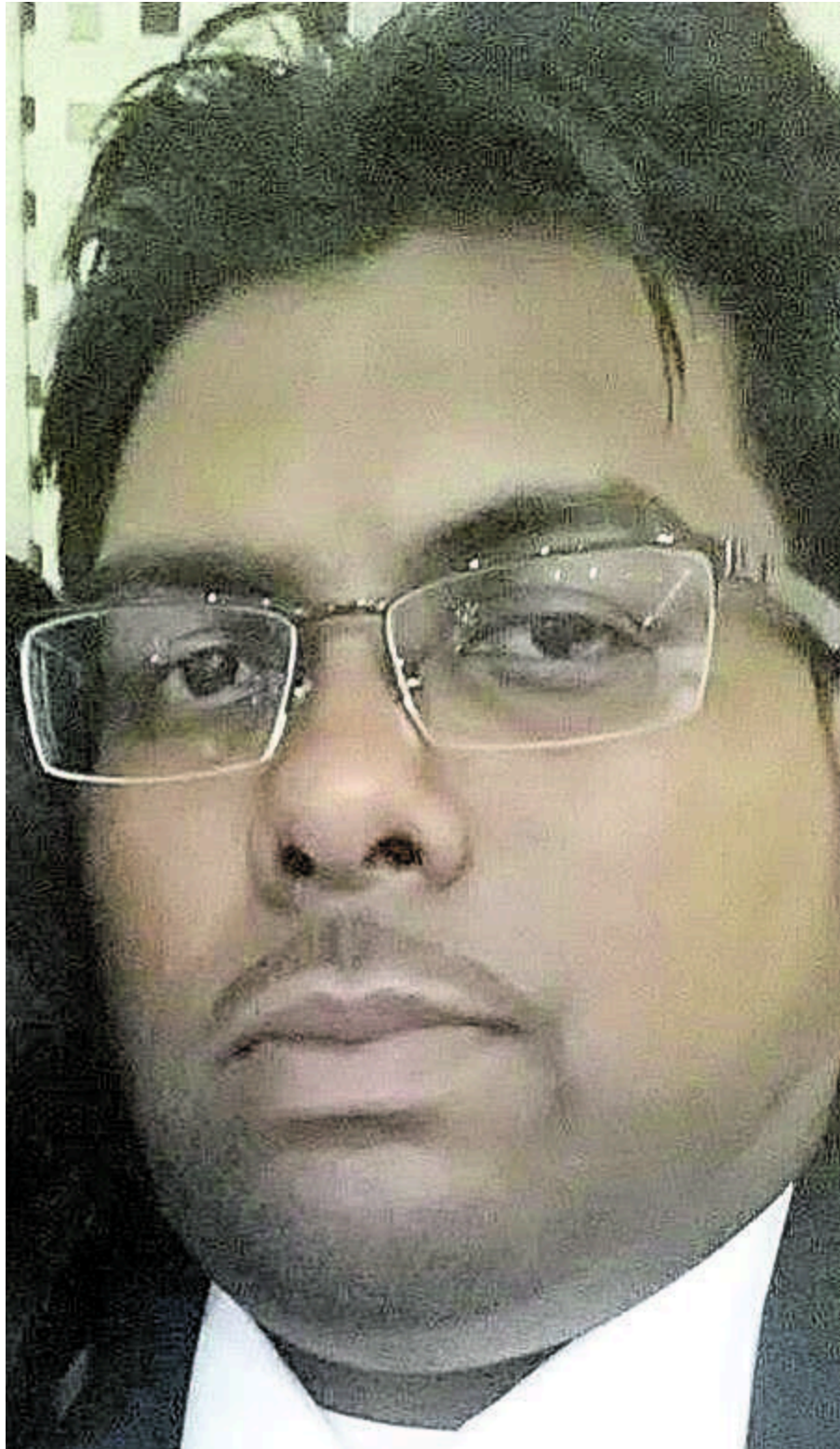
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The Greater Tunapuna Chamber of Industry and Commerce president
Ramon Gregorio



The Greater San Fernando Area Chamber of Commerce president Kiran Singh



Arima Business Association president Sudesh Ramkissoon



Couva/Point Lisas Chamber of Commerce president Deoraj Mahase

As the mid-year budget review approaches business chamber heads would like to see the foreign exchange access difficulties, ease of doing business, diversification strategies as well as crime and national security, be at the forefront.

The Business Guardian spoke to several chamber heads to get their perspective on what helped propel the economy.

President of the Greater San Fernando Chamber of Commerce Kiran Singh said it is no secret that T&T has to aggressively pursue the development of the non-energy sectors to not only sustain economic activity but to drive the Gross Domestic Product (GDP) upwards.

He outlined that the agricultural sector has to be given greater priority as the food import bill is over \$7 billion.

Singh said challenges of inadequate technological systems, aged equipment, praedial larceny and the weather affect the productivity of this sector.

“Supply chain logistics(shipping, insurance, trucking, etc) and the Ukraine-Russia war have driven up import costs. We have to increase production and make our produce attractive to the buying public,” he stated.

Also, Singh said the marine sector has not been developed to the capacity for which it can perform more positively to generate forex, as the cruise ship industry, yachties, and ship and boat repair can all contribute to foreign earnings in the short term.

“Outdated systems, if digitised, can reduce the dreaded processing times the yachties encounter when entering our waters.

Our natural harbours provide a haven for many seafarers. We need to capitalise on this. The La Brea Dry Dock Facility can be developed for berthing and ship repair.

This will create employment and revenue for the southwestern peninsula,” he said.

Singh pointed out that the Prime Minister’s announcement that the Debe Campus of the UWI will open is a positive move in the direction of private sector investment in the offering of the many services (food, janitorial, security, maintenance, landscaping, etc) that are required to operate that campus.

He noted that T&T has to keep pace with the world and digitisation must be a top priority in improving the country’s ease of doing business ranking.

“From registering a new business to filing tax returns, annual returns, national insurance, opening bank accounts, access to financing and customs requirements are just some of the issues businesses face daily,” Singh said.

As it pertains to the reopening of the defunct Petrotrin refinery, the chamber head said whoever is chosen will not be able to restart it at the push of a button.

“Several months will pass before we can benefit from its revenue. The short-term benefits will be employment creation and the re-activation of downstream industries. We support this initiative.”

He said following the mid-year budget presentation, the chamber will be requesting a meeting with the Minister of Finance at his earliest convenience, to discuss economic issues.

President of the Greater Tunapuna Chamber Ramon Gregorio, said the forex situation remains an issue and the chamber advocates for increased transparency in the allocation system, wider participation of exporters in the forex market, incentives to grow non-energy exports, such as agriculture, tech, and manufacturing as well as a managed float system with clearer rules that could help build confidence.

Gregorio outlined that in India, reforms were made to increase access to forex for legitimate business use. At the same time, liberalising parts of the capital account and encouraging export-oriented industries, as well as similar diversification in Trinidad, could ease foreign exchange demand.

In terms of the crime situation, he said the business confidence of small and medium enterprises (SMEs) and retail operators in high-risk areas is being eroded.

He said the chamber recommends community policing models, surveillance infrastructure investment and judicial reform to speed up case backlogs.

Gregorio indicated that the chamber has been engaging members by collaborating and partnering with law enforcement via Eagle Eye Technology for real-time crime detection and response.

With the government announcing that this country is in a deficit, he said in order to keep the country afloat it can improve tax compliance through digitisation, prioritise capital spending with high multiplier effects, leverage public-private partnerships (PPPs) to reduce state expenditure, support local enterprise development to reduce import dependency.

He highlighted that Greece and Portugal, during their deficit periods, prioritised spending reforms, efficient tax collection, and EU-aligned digitisation to stabilise their economies without extreme austerity.

Also giving his views Arima Business Association President Sudesh Ramkissoon said the crime situation would be a major concern for the business community and what can be a beneficial plan.

From an Arima standpoint, Ramkissoon said the association would love to see some government offices come to the Arima Borough to help boost commercial activity.

As it relates to the deficit, he said this deficit has increased significantly over the last 10 years, due to increased borrowings and deferred loan payments.

“The present government, I hope, will have plans to boost national production and hopefully decrease unemployment. I do hope that some form of foreign direct investment takes place and maybe offers on the international markets the empty spaces at our eTeck parks. These facilities are ready to be utilised and would greatly boost our GDP. It may also be of benefit if any local manufacturers are offered attractive terms to invest locally and help bolster and increase exports. The restarting of the refinery would also see some positive benefit as local employment would be increased along with an injection of US dollars back into the system,” Ramkissoon detailed.

The president of the Couva/Point Lisas Chamber of Commerce Deoraj Mahase said some of the things that the chamber would like to see addressed are crime prevention and improved policing including faster solving of cases, improved incentives that can boost investments from local and international organisations which can enhance training and job opportunities which increasing revenue and forex earnings, custom and Excise reform including statutory bodies and other affiliated Governmental bodies which can translate into more ease of doing business.

Also, he said digitalisation across all sectors, decentralisation of various Governmental services, a more data-driven approach towards managing the economy and consider measure to address the road network in the short, medium and long term.

Asked what more can be done to assist SMEs, Mahase said to increase private sector investment, particularly in the area of manufacturing for export, all importation of manufacturing equipment should be given a 150 per cent allowance (wear and tear) for the next two years and for any new manufacturing company where no more that 40 per cent of the product is made assembled outside of Trinidad and Tobago, that company is given a tax rate of 15 per cent for its first three years of operations.

What are some of the things the government should do to help diversify the economy as the energy projects will take another two years to bring results?

On what the government should do to help diversify the economy, Mahase pointed to expanding the role of agriculture for which some initiatives have already begun, but not just traditional approaches but a more modern concept for the entire are. That would translate into export-driven crops for forex earnings, seek to collaborate with non-traditional external markets for both imports and exports, import substitution where possible.

Further, he noted the green energy projects to save domestic power consumption and divert it towards the business or manufacturing sector and significantly seek to invest and expand the shipping and logistics industry as revenue-earning centre which will also earn forex.

Mahase added that the chamber will be seeking to meet with key ministers, not just the finance minister, on their recommendations.