
MEDIA RELEASE

October 7, 2019

FOR IMMEDIATE RELEASE

A business sector perspective on the 2019/2020 budget

The Trinidad and Tobago Chamber of Industry and Commerce has mixed reactions to the 2019/2020 budget presented by the Minister of Finance today. We are happy the Minister took note of some of the initiatives we had recommended.

However, there were a number of recurring items from previous budgets, such as the Revenue Authority, which reflects the implementation challenges. Based on the lost tax revenue we believe the administration must find a way to broaden the tax net with the current infrastructure, if the Revenue Authority is not implemented in 2020.

The efforts to allow for more active participation by the private sector in the development of the Industrial parks and the tax credit for market development to build the next tier of exporters are welcome initiatives. Registered farmers too, will be glad for the incentives which were identified.

The various housing programmes, once properly administered, can have a significant impact to accelerate access to home ownership, benefit small contractors, generate construction activity, create additional employment and perhaps even have an impact upon crime.

While we are heartened by the Minister's attempt to deal with lower income earners, we are concerned about the potential impact upon the cost of living and our competitiveness. We however welcome the several improvements to the social safety net which the Minister outlined for the most vulnerable in society.

The decisions with regard to Styrofoam use and single use plastics, as well phasing out incandescent light bulbs speaks to our commitments to the United Nations 2030 Sustainable Development Goals, to which Trinidad is signatory.

The Chamber is pleased that the Minister has committed to restore the VAT compliance system as originally intended. Our interpretation is that from this point on, as the Act stipulates, payment of refunds will be made within a six-month period from the date of filing, failing which interest of 1% per month will be applied.

While we recognise the Minister's attempt to deal with the issues of VAT refund arrears, we have some concerns:

- The amount of the bond does not address the full arrears.
- While it provides a tradable instrument, we are concerned that the interest rate is not in keeping with market rates and would translate to a significant shortfall for businesses owed;
- There is no clarity as to how the interest due on overdue balances will be dealt with.

The Minister referred to various international sources as a basis for the oil and gas prices on which the budget is predicated. Given the volatility of the market, we would have preferred a more conservative approach. We however also recognise that the investment tax credit being offered to the energy sector should assist with increasing investment and ultimately, output.

The thrust to boost Tobago's tourism through identifying a new operator for the Magdalena, the addition of two ferries and the construction of the new airport terminal, along with various initiatives should augur well once implemented. We were however disappointed that no mention was made of the revocation of the Legal Notice which brought into force the land licensing regime in Tobago.

Crime continues to be a major deterrent to business activity and profitability in Trinidad and Tobago and we have noted the investment in national security. We now look forward to a concomitant impact upon the murder rate as we go forward into 2020.

Over the next two weeks the budget will be debated and we look forward to more details emerging. We remain committed to working collaboratively with Government and other stakeholders.

-END-

For media enquiries, please contact:

Rachel Stampfli

Manager, Operations Unit

Phone: 637-6966 Ext. 1222

Email: rstampfli@chamber.org.tt

FROM THE MARKETING AND COMMUNICATIONS DEPARTMENT