



ADDRESS BY
SENATOR THE HONOURABLE CONRAD ENILL
MINISTER OF ENERGY AND ENERGY INDUSTRIES

At the Signing Ceremony of the
ALUTRINT/Votorantim Project Agreement

Hyatt Hotel
4th December 2009

-Thank you Madam Chair;

-My Cabinet Colleagues;

The Honourable Fitzgerald Jeffrey, Member of
Parliament for La Brea;

- His Excellency Yang Youming, Chinese
Ambassador to Trinidad and Tobago;

-His Excellency Louiz Fernando de Athayde
(Atayede), Brazilian Ambassador to Trinidad
and Tobago;

-Mr. Leroy Mayers, Permanent Secretary in the
Ministry of Energy and Energy Industries and

the Permanent Secretaries of the Ministries of Foreign Affairs and Finance;

-Senior Government Officials

-Mr. Marco Palmeiri, Head of the Aluminium Business and other senior officials of Votorantim Metais;

-Members of the Board of Directors of Alutrint,

-Mr. Philip Julien, Chief Executive Officer of Alutrint and the Management and Staff of Alutrint;

-Captains of Industry;

-Specially invited guests;

-Members of the Media;

-Ladies and Gentlemen; Good Morning.

On behalf of the Government of Trinidad and Tobago, welcome to our guests especially our special guests from the Federative Republic of Brazil as well as representatives of the Votorantim Group.

The Votorantim Group, I am advised supports the creation of economical, environmental and social value through responsible business

conduct; and maintains solid and efficient policies of environment monitoring and preservation, following the most modern and rigorous international practices. Clearly these principles are very consistent with that of the government as we embark on sustainable development mindful of our environmental challenges.

The Government is pursuing objectives to expand the economy and to produce value in projects beyond simply the generation and sale of primary products; and the establishment of

our Integrated Aluminium Complex meets this requirement.

Ladies and gentlemen, the Votorantim Group will become an equity investor in ALUTRINT and will thus aid in the establishment of our Integrated Aluminium Complex.

As the Government of Trinidad and Tobago continues to take appropriate measures towards the achievement of our Vision 2020 objectives, I wish to also acknowledge the role of the Government of China in facilitating the

financing arrangements for this project all intended to bring positive benefits to the people of Trinidad and Tobago.

This Government is laying a foundation for sustainable expansion of our industrial sector that will contribute to the attainment of our vision of becoming a developed nation by the year 2020.

This ceremony today comes at a time where from all indications the volatility that has typified the global markets to date has stabilized, and

there is optimism so that this project can be advanced.

For the past few months, the indicators suggest that the aluminium industry is gradually improving. Aluminium, like many such metals – is a cyclical industry, and we are investing when the industry is in a relatively low cost entry environment.

We are aware that this industry is:

- Relatively young with opportunities for continued growth. Global capacity was

1,000 MT in 1900 and 32 million MT in 2000. It has quickly become the world's second most used metal;

- It is a major creator of jobs. In the United States the aluminium industry accounts for 150,000 jobs, Europe, 235,000 and Brazil, 51,000 jobs;

- It is a significant factor in many economies. It accounts for 2% of Norway's GNP, 1% of

Brazil's GDP and is the second largest export of Australia;

- It is one of the easiest primary materials for generating downstream products and an essential material for the developed and developing world. Its uses extend to the aircraft, aerospace, packaging and electrical wire industries.

But all of this is also supported by appropriate studies and therefore the Feasibility Study concluded that the Alutrint Project is technically feasible, economically viable and environmentally compliant.

An Environmental Impact Assessment Study (EIA) was commissioned by Alutrint in July 2005. A copy was submitted to the EMA in January 2006, and the submissions are available for public review. The essential conclusions of the EIA are:

- All potential major impacts of the Project will be mitigated at the design engineering stage through the application of best available pollution prevention and control technology (BACT) that meets the US/EPA, World Bank, WHO and local Standards and guidelines.
- There are positive benefits of the project to the local and national communities.
- The Project can achieve a sustainable balance between built development, people and the environment

- The China-based technology to be used in the smelter is deemed to be compliant with all relevant environmental regulations and guidelines.

The project was granted a CEC by the EMA in April 2007, which was challenged in our courts and therefore this matter is currently to be determined.

Alutrint has signed a Technical Agreement with The China National Machinery & Equipment Import & Export Corporation (CMEC), for the

provision of the design and engineering of the smelter component of the project. China has significant experience in aluminium smelting and is now the world leader in primary aluminium production with total output moving from 4.3 million tonnes per annum (mtpa) in 2002 to 13 mtpa in 2008. As of the end of October 2009, China had produced 10.3 million tonnes of aluminium for the year to date.

In addition, a Technical Development Centre with an investment will be established in

Trinidad to fully develop new aluminium technology for wheels and parts for the automotive industry. The Alutrint Aluminum Complex will create employment opportunities for the nationals of Trinidad and Tobago that are based on technology-driven industries.

This Aluminum Complex offers not only more employment opportunities than the traditional primary gas processing industries, it also offers more opportunities for highly skilled operations in the high-tech downstream facilities.

This project also brings a range of benefits to Trinidad and Tobago including:

- Development of an area of the country that needs support
- Technology and Knowledge Transfer into Trinidad from China (smelter) Direct employment– over 800
- Indirect employment - over 2000 - in areas such as ports, transportation, machine, fabrication and motor shops, guard services and others

- Increase in foreign exchange earnings as a result of export of downstream product with added-value
- Expectation of taxes on profits – no tax holiday
- A chance for private enterprise downstream projects – 5,000 tons of aluminium per year to be sold to local entrepreneurs
- Development of the technical skills of citizens of Trinidad and Tobago through extensive training programs, at similar facilities abroad and locally, utilizing existing

technical schools and training programs, along with on the job training.

- Establish Trinidad & Tobago as an important transformation centre for aluminum.
- Opportunity for Trinidad and Tobago to develop skills and technology in the aluminium conversion industry
- Give benefits to Trinidad and Tobago from more than \$300M/yr of high tech and high value added exports.

- Potential for Trinidad to become involved in the marketing component of the aluminium downstream products.
- Potential for Trinidad to bring value to CARICOM, by the opportunity for trade of raw material from one country (e.g. Alumina from Jamaica) for finished product from another (aluminium from Trinidad)

Notwithstanding those facts, opposing views from varying quarters have filled the public space: from interest groups with differing views on industrial development; to other political

factions seeking to capitalise on the mis-information/mis-reporting of the issue; or those who are simply weary of change.

Two weeks ago, I met with a small group who had two major concerns:

1. Whether the project was economically viable; and
2. Whether the State was meeting its obligation to the residents of the area who are being relocated in order to facilitate the construction and operation of the plant.

The financial evaluation of the project as has been stated before was based on:

- An investment cost of US\$540,000, inclusive of the cost of the smelter of US\$440,000 and ancillary costs of US\$100,000
- A capacity of 125,000 metric tonnes per annum
- Revenue based on sales of primary products
- Favourable loan financing

- Competitively priced inputs such as alumina and power

Given the above indicators the project shows the following base results:

- A net profit of 20 percent
- An internal rate of 14.20 per cent
- A loan repayment period of 8.07 years

The Government has done its due diligence and has determined that the project offers a number of present and future benefits both in

terms of revenue generation and in terms of its offerings for the development of new entrepreneurial ventures and a cadre of professionals and technicians with new skill sets.

The Minister of Energy has made available to the public the work done by a few distinguished citizens.

Aluminium Smelting, Health, Environmental and Engineering Perspectives-edited by Mukesh Khare (**ca-hare**), Clement K. Sankat (**san-cat**),

Gyan (**guy-an**) S. Shrivastava (**Shree-va-stava**) and C. Venkobachar (**Ven-co-ba-char**) accept the challenge of doing some work on this industry

I wish to quote from the foreword of this book by Dr. Tewarie who made the following comments, and I quote:

“Some time ago, in response to the establishment of an anti-smelter camp outside the southern gate of the university, the Honourable Prime Minister indicated that the

university ought to provide light rather than heat on the subject of smelters. At that time I publicly expressed my support for his position on the role of the university as a place of light but I also took the opportunity to point out that the university must also be a place for the freedom of expression of views. I want to reinforce this position as we go more deeply into the symposium during the course of today. All presenters must be free to express their views and no matter how heated the discussion, when the smoke clears, we should be able to discern some light. In other words, it is my hope that

this symposium will add significant value to the debate”.

On the issue of the State’s obligations to the residents being relocated in order to facilitate the project; I have been made aware of some of the outstanding issues and we are taking appropriate steps to deal with their concerns.

Ladies and Gentlemen, Trinidad and Tobago is at the beginning of an incredible chapter in the history of the country. It is a chapter that the Government has long envisaged, but is only

possible because of the clear and decisive leadership from the Government. We have been out front, fully supporting the development of our natural resources, but we cannot achieve success by ourselves. We need to build a partnership between the government and industry to ensure that this development is successful for all.

The Trinidad and Tobago energy sector, certainly now and for foreseeable future remains the main driver of our development

objectives, accounting as it did for just about 57.8% of national revenues in 2008.

New downstream natural gas based projects and a revitalised metals industry are just some of the initiatives being explored to promote the creation of long-term quality jobs and new business and manufacturing opportunities in our economy as we seek to position ourselves as an exporter of higher value energy-based products and services.

We expect that the Alutrint Aluminium Plant will be one of this country's major economic ventures. The partners in this project have indicated that they will place heavy emphasis on the safety of the project employees and minimizing the project's impact on the environment. They have also committed to close collaboration with the local community regarding the construction. In addition, completion on time and within budget will be heavily emphasized.

Ladies and Gentlemen, I thank you.

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