



MEDIA RELEASE

FOR IMMEDIATE RELEASE

Head Office: Riverside Plaza, #3 Besson Street, Port of Spain, Trinidad and Tobago
Telephone (868) 623-6708 ext 2102 Facsimile (868) 627 – 1486

Date: June 20th, 2008

THE MINISTRY OF ENERGY AND ENERGY INDUSTRY WISHES TO CORRECT STATEMENTS MADE IN THE TRINIDAD EXPRESS NEWSPAPER ON 20TH JUNE, 2008 ON GAS SUBSIDIES IN TRINIDAD AND TOBAGO

The Petroleum Production Levy and Subsidy Act of 1974 was introduced to assist in the economic growth of Trinidad and Tobago and to protect citizens from the vagaries of crude oil price changes. The subsidy facilitated commercial development of the nation's small business, agricultural and fishing sector and provided for the subsidy of petroleum products sold on the domestic market.

The subsidy Government pays on fuels sold on the local market is related to high world oil prices. To ensure that the existing price of local fuels (gasoline, kerosene, compressed natural gas, cooking gas and diesel) remain constant, Government's current expenditure could amount to 6 billion dollars. Given the present level of economic growth in the nation and the wide disparity between economic circumstances of citizens and the levels of prevailing subsidy, the rationale for the use of the present subsidy being re-visited is to ensure how best it can be used to the benefit of specific sectors.

At present, technocrats are researching ways to best utilise the subsidy and options that can offer the same benefits of the present subsidy rather than passing it to the consumer. The Government is however mindful of the consequences both economic and social that can arise from any decision made with respect to this subsidy.

Alicia Carter-Fisher
Communications Manager

- END -