

**Feature Address by the Honourable Minister of Energy and Energy
Industries Nicole Olivierre**

TTEITI Sangre Grande Regional Outreach Event

Introduction

It gives me great pleasure to be here today for this TTEITI outreach event in Sangre Grande. I recall in September, last year, giving my maiden speech as Minister at the launch of the latest Extractive Industries Transparency Initiative (EITI) report. I promised then to visit communities and help spread the word on the benefits of the EITI and I am therefore heartened and honoured to address you today in Sangre Grande.

Last September, I stated that the Government will always remain committed to transparency and sound governance of our extractive sectors and by supporting EITI implementation we are living up to our word. We will throw our support behind any initiative that strengthens transparency around energy and mining revenues in the country. And, the EITI, is the global gold standard for resource revenue transparency.

Our EITI Reports help unearth critical information on taxes paid by extractive companies that were not previously available in the public domain. It also offers valuable contextual information on our extractive sectors and helps citizens to better understand these sectors that are the cornerstone of our national economy.

The EITI Report provides a pillar for a detailed level of revenue scrutiny and importantly also shows that Government, companies and civil society can work together towards a common cause – in this case, transparency around just how much we receive from companies operating in the extractive sectors whether oil, gas or mining.

Given the precipitous decline in the price of energy commodities, keeping an eye on revenue from the extractive sectors is an important and necessary exercise. For the people of Sangre Grande and environs, and, by environs I include Valencia and Toco and other towns in the North East, the mining sector is the most visible extractive sector. I don't want us to lose sight of the positive impact of mining on national development as aggregate mined a few miles from here is used for construction works and other infrastructure projects throughout Trinidad and Tobago.

But we must also be mindful of the need to strike a balance and ensure that best practices in rehabilitation and environmental management are the norm and that value is created in a socially and environmentally sustainable way from our finite mineral resources. We must ask ourselves if we are benefitting as much as we should from this extraction. Here is where regulation comes in.

As noted earlier, the recent Minerals Act Regulations give my Ministry greater powers to oversee the mining sector and ensure that companies pay their just due, comply with our environmental laws and appoint competent staff. Having structured regulatory oversight of the mining sector could only benefit the country and by extension residents of our North Eastern communities, especially as it relates to generating revenue from the sector, and the extractive companies themselves.

Revenue Generation

It is front page news that we are living in challenging economic times. The Government must therefore be vigilant in ensuring we capture all of the financial benefits from the mining sector. When I look at the revenue numbers on the mining sector contribution to State revenue, I ask myself, if what we get is fair and equitable? And, is there room for us to improve revenue collection?

A review of the figures shows that, in the last decade between 2003 and 2015, Government has collected only \$18.5 million in royalties. This is clearly inadequate given the scale of the mining sector and the 2014 Green Paper on Minerals Policy alluded to the under-reporting of production and royalty payments from the sector.

The paper revealed that between 2001 and 2013 only 10 percent of the royalties due were collected. The report said and I quote, “This represents a loss of revenue to the State of approximately TT \$120 million in royalty payments, and does not include the loss of revenue from royalties for production not accounted for and from illegal mining (quarrying) as well as revenues from other sources such as: Taxes, Business Levy and Green Fund Levy over the period 2001 to 2013.”

As citizens, you will agree with me that this is not good enough. We must reverse this trend in the mining sector and quickly; especially given the details on our financial position laid bare by the Minister of Finance two weeks ago during the mid-year review of the economy.

Now that the Ministry is armed with new regulations, we must find the means and the strength to apply these regulations; continue to clamp down on illegal quarrying and ensure that we get our just revenues from the 42 licensed operators in the sector. We would be cheating the citizens and the government by allowing business as usual and not trying to progressively monitor this important sector and force compliance. Together, we have to get it done.

The EITI offers many good models for us to adopt or adapt in adding another layer of audit and assurance to reporting on our mining sector revenues. For instance, when we look at the example of Ghana, we see the influence of the EITI in inspiring several policy reforms. The Ghana EITI Report recommended the review of the fiscal regime under which the mining industry operates and the development of guidelines for the utilisation of mineral royalties at the sub-national level. Ghana's Parliament subsequently approved land reform for the sector and changes to the royalty rates and capital allowance recovery regime. In fact, during the EITI Global Conference in Peru in February 2016, Ghana was awarded the EITI Chair's Award for these accomplishments.

As I said before, I am committed to supporting the TTEITI's work and would welcome its playing a similar role in promoting reforms in Trinidad and Tobago. I fully endorse a Pilot Study they will undertake in the near future to begin reporting on revenues from some of the larger mining companies (Asphalt and Quarries).

It is a project I will be following closely and I encourage the companies approached to give it their full support. Just as in the example of Ghana, the benefits are clear. In the long term, it is only right for us to enshrine the EITI in the legislative framework of the country and I am currently reviewing the Draft EITI Agency Bill before it goes to Cabinet and is exposed to public consultation and then to Parliament.

I pledge my support for this legislation because it would lead to better monitoring of our extractive sectors (oil, gas and mining). Mining companies need not be afraid of EITI implementation. This initiative provides extra assurance for your companies, my Ministry and the citizens of the North East and the wider citizenry. We must never look at the future with eyes of fear.

Conclusion

Looking back, this town Sangre Grande has a storied history. This town blossomed when cocoa was king; provided the link between Arima and the North East via rail in 1897 and even benefitted from the opening of the air-base in Cumuto during World War II. The town has now transitioned to being a hub of activity for the services and mining sector.

It is only correct then that the areas such as Sangre Grande, Valencia and environs benefit from the aggregate that is mined and used across the nation for construction of our homes, commercial buildings and other infrastructure projects. Anything less will be a betrayal of the people of this area. My Ministry is committed to striking the correct balance; the balance between return on investment, capturing revenue due to government and driving regional growth while also protecting the environment so that future generations are left with an inheritance that is their birthright. Improved regulation of the mining sector is part of this legacy.

History records that, during the opening ceremony for the first train ride to Sangre Grande, then cocoa plantation magnate, Aucher Warner, said, “A great period of prosperity is about to dawn. For those who do not know, in a circle about me lie some of the finest cocoa plantations of this island. As a result, this place is bound to become an important inland town – a centre of commerce and labour for the whole of the north-eastern region.” Cocoa is no longer king but mining is an option that offers future prosperity to this region. By efficiently regulating the mining sector, and the three stakeholders (government, companies and citizens) working together, we hope to ensure that Mr. Warner’s vision becomes a reality today.

I thank you.