

## **Address for the Honourable Minister of Energy and Energy Industries Stuart Young – Launch of EITI Report**

Salutations: Good morning

- Mr. Gregory McGuire, Chair of the TTEITI Steering Committee
- Ms Sandra Fraser, Permanent Secretary (Acting), MEEI
- Ms Wendy Patterson, Chair of the Board of Inland Revenue
- Leaders of all the upstream oil and gas and mining companies participating in EITI reporting
- Civil society organization leaders
- Other Government officials
- Members of the media
- Ladies and gentlemen

It is my pleasure to launch this seventh Trinidad and Tobago EITI report as my first official act as Minister. The EITI as the name suggests focuses on transparency and accountability in how a country manages its oil, gas or mineral resources. I want to be explicitly clear and say that this initiative is in sync with the Government's own principles and policies. Openness, clarity, honesty. These are words we live by, especially as it relates to the energy sector.

Government's commitment to transparency is well documented. There has been a consistency in our candidness. We not only support the EITI. But we also laid the Gas Master Plan in Parliament and for the first time citizens had access to that level of detail into our energy sector policy. At the Spotlight on Energy series, we highlighted the country's energy sector challenges and gave a lucid overview of how this Government plans to deal with these setbacks decisively. Even our Roadmap to Recovery policy publicly documents how Government plans to kick start our economic revival from the Covid-19 crisis.

All these examples demonstrate that transparency, accountability and good governance are more than clichéd watch words for us. These principles have in fact risen to the top of the agenda for this Government. All of our plans and policies are open to public scrutiny. Therefore, when I look at the principles of the EITI there is a clear alignment with Government's actions and policies.

### **Key Findings of Report**

This latest EITI Report reconciles payments made by oil, gas and mining companies against Government receipts. The report confirms the decline in Government revenue from the energy sector, a downward trend that has impacted us all. I am also heartened that the TTEITI Steering Committee has agreed to include unaudited/ unreconciled information for fiscal 2019 and 2020 in this report despite the reconciliation being for 2018. It is always best to have an up to date picture.

The report highlights that oil and gas revenue declined by 54 percent primarily because of royalties declining by 46 percent from 3.4 billion in 2019 to 1.7 billion in 2020. The share of profit the country earned from production sharing contracts also slid by 20 percent from \$2.2 billion in 2019 to \$1.8 billion in 2020. These details demonstrate the precarious financial position we are in and the benefits of independently verifying what we earn from the extractive sectors.

In this report, for 2018, there was a small \$24 million difference between what companies declared as paid and what Government declared as received and this can be attributed by the EITI Auditor/Administrator to foreign exchange differences and timing differences. This independent verification is very important, as in other countries their EITI reports reveal that millions have gone missing and can't be accounted for. Thankfully, in T&T, we can account for any differences between company payments and Government receipts.

In 2018, for the fifth year running NGC is the largest taxpayer, contributing \$2.055 billion to Government revenue. They are followed by the BPTT with payments of \$1.675 billion and EOG Resources with payments of \$1.050 billion. In 2018, Shell paid \$656 million while Perenco paid \$654 million, Petrotrin paid \$489 million and closing out the leading contributors, BHP paid \$387 million.

This report not only highlights payments but also acts a health check and provides the Government with recommendations on how to improve its revenue collection, data management and audit and assurance systems. These are recommendations we plan to implement in the short to medium term.

I want to reiterate that these oil, gas and quarrying revenue figures are more than simple numbers but they have meaning in the context of our economic recovery. This revenue helps support those most affected by the pandemic: the patients in

our hospitals, the unemployed and those in need of other social service support. There is a direct link between these services and the revenue reconciled and verified in these EITI reports.

## **Conclusion**

I want to reiterate that this Government's support of the EITI is a manifestation of our unequivocal commitment to delivering transparency and good governance to the people of Trinidad and Tobago. We take this commitment and responsibility seriously. As a Government, we are committed to holding firm to the principles of transparency, frank dialogue and sharing data on our extractive sectors with citizens. Our support of the EITI is proof of this. As I launch this report, I reaffirm Government's duty to be a steward of our natural resource wealth and give citizens a guarantee that we will evolve the narrative from transparency to continued accountable and sustainable revenue management. I thank you.