



On the occasion of the  
Opening Ceremony of the third Biennial International Conference  
On Business, Banking and Finance  
Wednesday May 27, 2009

- Honourable Patrick Manning, Prime Minister of the Republic of Trinidad and Tobago
- Chairperson , Professor Patrick Watson, Director – Sir Arthur Lewis Institute of Social and Economic Studies (SALISES)
- Professor Clement K. Sankat - Pro-Vice-Chancellor and Campus Principal, The University of the West Indies
- Mr. Ram Ramesh, Chief Executive Officer, CMMB
- Dr. De Lisle Worrell, Executive Director, Caribbean Centre for Money and Finance
- Other University Officials
- Captains of Industry
- Members of the Media, Distinguished ladies and gentlemen,

Good evening to you all. I have the distinct pleasure of delivering the Opening Remarks at this, the Third Biennial International Conference on Business, Banking & Finance scheduled to take place from tomorrow until Friday of this week, right here at the St. Augustine campus.

Ladies and gentlemen, without a doubt this conference comes at a time when the key economic players globally are grappling with a severe financial crisis that started in the United States in the third quarter of last year, and has since spread rapidly to other advanced economies as well as emerging countries and developing states.

Closer to home, our Caribbean neighbours who are tourism dependent have already been hit by the financial crisis. In its latest Caribbean economic outlook, the IMF stated that St. Vincent and the Grenadines was the first country in the Americas to request financial assistance under the Exogenous Shocks Facility (ESF), and this was because of the downturn in tourism income. They were followed shortly by Dominica and St. Lucia under the same programme. Lower visitor arrivals were also cited by Grenada, and they too have sought funding from the IMF under its Poverty Reduction Facility. Belize and St. Kitts and Nevis have also approached the IMF for assistance.

Of particular importance to us is one of key findings of the IMF's latest report, that is, of the top 20 tourism dependent countries in the world **10 are from the Caribbean.**

The tourism sector is not the only sector that has been adversely affected regionally. The Caribbean financial services sector has also felt the brunt of the crisis. Diane Abbott, Member of Parliament in the UK, in a guest column in the Trinidad Express on May 15<sup>th</sup> 2009 noted that, "...another big

*loser from the financial crisis could be the [Caribbean] region's financial services sector. They make a massive contribution to the economy of many Caribbean economies".* This was supported by the World Bank in its April 2009 Report, in which it was revealed that the financial services sector accounts for 45 percent of the region's Gross Domestic Product (GDP). Ms Abbot's statement was made within the context of the new global policy to close loopholes for banking secrecy and tax avoidance, on which several Caribbean countries have built a significant international financial services sector. Her article also mentions a drop in the flow of remittances, again a line of credit on which many Caribbean households exist. And of course we all know what has happened to the region's traditional commodity exports such as sugar and bananas.

Ladies and gentlemen, the importance of all of this to Trinidad & Tobago, is of course the impact on our own revenues. In an island economy where external trade is vital to economic development, the fortunes of our major trading partners affect us significantly, as we have already witnessed this year particularly in the manufacturing and construction sectors. This must be of even greater concern to us, primarily because it illustrates that most of the economies in the region continue to have all of "their eggs in one basket". Little progress has been made in fully diversifying the economies in the region, hence the reason why we at the Trinidad and Tobago Chamber are optimistic about this period in our history since it presents the best context and opportunity for serious diversification.

It is our view, given the current economic situation, that this is the ideal and opportune time to fast track the diversification of the Trinidad and Tobago economy. The Chamber therefore recently commissioned a diversification study focusing on four key sectors, namely Agriculture, Education specifically Tertiary Education, the Information, Communications, Technology (ICT) sector and Tourism, and note that we are seeing Education and ICT not just as enablers, but more importantly as industry sectors. Financial Services was omitted from the Study only because the country is already well positioned to create a financial services sector, a move which we at the Chamber definitely applaud and commend. These additional sectors have been selected because of our comparative advantage as a country in the inherent natural resources needed and the capability already built, the employment prospects and most importantly, their ability to generate significant foreign exchange earnings.

Our Study will identify certain strategies tried and tested in countries that have a proven track record in the particular sectors. Of particular interest to us were the case studies presented at the Private Sector Forum of the just concluded Fifth Summit of the Americas, where presenters from Latin America outlined steps taken by certain countries to get out of the recession of the 1980s. One such step included the development of Costa Rica's ICT sector. I am sure you will agree with me that developing our ICT infrastructure is one of the core pillars towards improving and enhancing our country's competitiveness, and I can tell you that this is one area in which the private and public sectors are collaborating very well to make this a reality.

Ladies and gentlemen, given the current economic environment it is imperative for us to work together to make diversification a reality NOW. We plan to share our Study with the Government when it is completed, and we will be broadcasting the mantra of diversification from all quarters, supported by sound rationale and empirical evidence. It is this context that I commend the organizers of this Conference and emphasize how timely and important it is to us all – the academic community, business community as well as the public sector, as we seek to explore opportunities for increasing business competitiveness with a view to developing strategies for surviving this unprecedented financial crisis. In this regard I also urge that the issue of national productivity be part of the agenda as an integral component of business competitiveness. This is another area for collaboration among all stakeholders, and the Chamber is ready and waiting to be part of the National Productivity Centre once the new Council members are named, which we hope will be very soon.

Over the next two days you will also cover over topics such as corporate governance in financial institutions, financial regulation and risk management, topics which are very relevant especially in Trinidad & Tobago where we recently witnessed the collapse of at least 3 financial institutions because of poor risk management, inadequate corporate governance and outdated financial legislation, further compounded by the effects of the global financial crisis. This impact spread throughout the region because of the regional presence of at least one of these institutions.

We also saw the impact of another failed financial institution to the economy of Antigua.

The Governor of the Central Bank of Trinidad & Tobago has stated recently that “notwithstanding the legislative and regulatory challenges, I could state emphatically that, by all international indicators, we have a robust banking system”. Notwithstanding this however, the recent crises dictate that we clearly have to upgrade our financial legislation, banking regulations and governance policies as a matter of urgency. The Chamber also calls for accountability to be a natural consequence of a stronger financial system, especially if we are positioning ourselves to be an international financial centre. It is only through a demonstrated culture of action and accountability, will we convince the international financial community that we are ready for business.

We know that there will be very in-depth and far reaching discussions over the next two days, with full deliberation on these critical areas which are all part of our country’s development. We look forward eagerly to the outcome of the deliberations and trust that the recommendations will find their way into our policy and legislative agenda for further strengthening of our financial system.

Once again, congratulations to the [Caribbean Centre for Money & Finance](#); [Department of Management Studies](#); and the [Sir Arthur Lewis Institute of](#)

Social and Economic Studies for undertaking this Conference. Thank you very much ladies and gentlemen for your keen attention.