

Privatisation in the Electricity Industry in Trinidad: Alice Through the Looking Glass

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Abstract

The Government of Trinidad and Tobago, when faced with the request to guarantee a loan for the Trinidad and Tobago Electricity Commission, T&TEC (a wholly Government-owned public utility), to purchase new generation, was not in a position to do so. This was because of the magnitude of its foreign debt at the time and the advice of the World Bank/IMF in concert with the multi-lateral organisations' support for liberalisation and privatisation of utilities in the developing world. Hence, the Government decided to approach the foreign private sector with the hope of attracting the capital to enhance the generation and to partially divest the assets of T&TEC. This brought into being an intriguing interplay of politics, economics, corporate finance and the regulation of an engineering-based industry which is discussed in the following paper.