The One for you for 175 years.

1992
Acquired the National Commercial Bank of Grenada Limited (NCB)

1994
Purchased 23% shareholding in the Bank of Commerce Trinidad and Tobago Limited.

1997
Acquired a 51% shareholding in National Bank of Industry and Commerce Limited (NBIC) in Guyana.

2002
Opened representative office in Cuba.

2003
Acquired 57% shareholding in Barbados National Bank Inc. (BNB)

2006
Acquired Dextra Bank and Trust Company in the Cayman Islands.

Republic Bank has successfully built a solid network across Trinidad and Tobago, Grenada, Guyana, Barbados and the Cayman Islands through a succession of acquisitions and mergers. This strategy has served to advance the Bank’s vision to be the Caribbean’s financial institution of choice.
Trinidad and Tobago is at a crossroads. Our petroleum sector needs to be reinvented both from the point of view of the oil industry and preparing the gas industry for this new world. We have to change the way we do business in Trinidad.

I do not believe Trinidad’s fiscal regime is competitive enough: we still need to come up to par with Colombia, Brazil and West Africa. Early next year a government committee will conduct a comprehensive reform of the fiscal regime for the energy sector. In the meantime, we are encouraging exploration.

For the latest deepwater bidding round, we made a number of changes to the fiscal regime. First, we increased the rate of cost recovery to 80% (the recovery rate was 60% in prior rounds). Second, we repurposed all the 3D seismic data that we held for deep water. Third, we marketed the bidding rounds very differently, attending many international conferences. We also presented a smaller number of blocks: only six blocks as compared to 11 deepwater blocks in previous rounds. Other factors in the success of the round included the opening up of the Guyana basin, which contributed to greater prospects for Trinidad.

There will also be a land-based bid round launched in January, spearheaded by Petrotrin and supported by the Ministry of Energy. We went on a road show in Calgary to promote this bid round, because we believe smaller companies are the best fit for land in Trinidad; Trinidad is ideal for small- to medium-sized companies. In March 2013, we want to launch another deep water round with six new blocks, and three companies have already shown interest. Deep water is still in the exploration phase. Exploration took place on our continental slope in 2002, which proved the existence of a working hydrocarbons system but did not find commercial quantities of oil and natural gas. However, things will have changed a lot since 2002 and the technology has taken new leaps. With a new fiscal regime, new technology, and greater processing, we believe Trinidad’s deep water holds great potential.

The success of the latest bidding round and the interest we are already seeing in the upcoming bidding rounds shows that many companies have now realized Trinidad is a good place to do business, due to our stable political situation and ability to speak English. Companies like BP have had a good experience in Trinidad over the last 50 years. The largest investment in the history of the Caribbean is Atlantic LNG: it has over $5 billion worth of foreign investment coming into Trinidad. That project spanned the period 1995 to 2006, during which we had three different governments in Trinidad, which speaks volumes about our political stability. This project remains the lowest cost per ton of LNG in the world today, which has made Trinidad very competitive in global markets. Nonetheless, we must accept that there are challenges to overcome. As minister, I would like to reinvent the entire energy sector, which includes the oil industry, deepwater exploration and the downstream industry. Furthermore, I am pushing for the internationalization of Trinidad’s energy sector, using the NGC as a vehicle to take the Trinidad and Tobago name abroad.
**A Powerhouse in Miniature**

They call me Mr Fete, since I born I never miss one yet

**Reinvention on the Islands**

Next day if we head still hurt, we still going to work

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**Exclusive articles from industry insiders, with Krishna Persad, President of the Geological Society of Trinidad and Tobago, discussing the islands’ remaining hydrocarbon potential.**

**BP Trinidad and Tobago talks about the importance of Trinidad and Tobago to their global operations, the Energy Chamber discusses international investment, and Ernst & Young explain the business environment.**

**GBR’s own researchers provide their insights into the market, with analysis of the effect of US Shale Gas on Trinidad and Tobago’s industry and the challenges facing Point Lisas.**

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24. Interview with Ernst & Young Caribbean

25. Interview with Mair & Company

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**GBR’s own researchers provide their insights into the market, with analysis of the effect of US Shale Gas on Trinidad and Tobago’s industry and the challenges facing Point Lisas.**

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86. Interview with Tidewater Marine International Inc WILLIAM EYRES, AREA MANAGER – CARIBBEAN & ANDEAN REGION
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The Financial Sector
I’ll spend this cash probably, if you could loose it we could lose it on the floor

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This research has been conducted by Caroline Stern, Maher Tariq Ali, Ramzy Bamieh and Chloe Dusser | Edited by Barnaby Fletcher
A Global Business Reports Publication | For more information, contact info@gbreports.com or follow us on Twitter @GBReports.com
Incentivizing oil and gas exploration in Trinidad and Tobago is being done in the context of declining oil production. The need to take initiatives to arrest that decline and increase production is extremely important. The most recent deepwater bid round is a part of that effort, but it will be several years before production begins on those assets. This is precisely why we are promoting the onshore bid round; it can have an immediate effect on oil production. Being onshore and in the middle of oil country, both the risk and timeline for seeing results are significantly lowered. The revitalization and rejuvenation of Trinidad and Tobago’s mature oilfields will result in increased production almost immediately.

- Wilson Lalla,
Consultant and architect of the 2013 onshore bidding round
An Introduction to Trinidad and Tobago

A brief overview of the country and economy

The twin island republic of Trinidad and Tobago has undergone tumultuous economic times since its independence from British rule in 1962. GDP growth jumped mainly between 1% and 5% for the first decade of the newly sovereign nation, before war in the Middle East caused oil prices to dramatically rise, providing a boon for Trinidad and Tobago’s at that time small hydrocarbon industry and pushing Trinidad and Tobago’s economic growth to a 1980 peak of 10.39%. This peak proved to be at the edge of a cliff however. As oil prices fell so did Trinidad and Tobago’s rapid rate of growth and in 1983 the nation’s economy contracted by 9.2%; it was not until 1990 that the country returned to growth. Yet the harshness of this lesson was not lost on successive governments, who increasingly sought to diversify the economy and move away from the volatility of crude oil dependency. The success they have made in this regard is obvious; the 14 years of uninterrupted economic growth between 1994 and 2008 was the second longest such period in Trinidad and Tobago’s post-independence history and peaked at 14.43% growth in 2003. As a result, Trinidad and Tobago is one of the most prosperous countries in the Caribbean, with its GDP-per-capita of $20,000 the fourth highest in the Latin America and Caribbean region. An average economic growth of over 8% between 2000 and 2007 was significantly higher than the regional average (3.7%) and has kept unemployment down to 5.5%, one of the lowest rates in the region. Sound financial policies have kept the public debt to 38.8% of GDP and the budget deficit to 1.2% of GDP. Although oil and gas still accounts for around 40% of GDP and 80% of exports, other sectors are growing. Playing to existing strengths, the downstream chemical industry (discussed in the special section on Point Lisas, pages 52 to 59) is remarkably well developed for a small nation and increasingly a gas economy rather than an oil economy is emerging. Tourism attracts between 400,000 and 500,000 visitors a year and accounts for 10.9% of GDP. And Trinidad and Tobago is one of the Caribbean’s leading financial sectors, providing 12% of the country’s GDP and governed by transparent and effective regulations by the Central Bank of Trinidad and Tobago. The Trinidad and Tobago Stock Exchange is the largest stock exchange in the Caribbean region, with a market capitalization of $14.721 billion.

None of this protected the country fully against the recent global economic crisis, from which the country has still not recovered. Three years of recession are expected to end in 2012, yet the predicted growth of just 1% hardly marks a return to a vibrant economy. Strong oil prices in 2010 and 2011 have been mitigated by a delay in the resumption of oil production by BHP Billiton and temporary delays at BP’s natural gas production facilities, and this has had a direct knock-on effect on downstream manufacturing. Despite this, Trinidad and Tobago still retains a strong reputation as an investment site and is continuing to provide a diversified and stable economic base; characterized by successful development of the downstream industry, growing tourism sector and an enviable position as one of the Caribbean’s leading financial centres. A growing trade surplus will also help an economic recovery that, although slow, should be fairly steady. •
### Factsheet

**Trinidad and Tobago at a Glance**

Source: CIA World Factbook

- **Population:** 1,227,383
  (July 2012 estimate)
- **Capital:** Port of Spain
- **Head of Government:** Prime Minister Kamla Persad-Bissessar
- **Currency:** Trinidad and Tobago Dollar (TTD)
- **GDP:** $22.22 billion (2011 estimate)
- **Growth Rate:** -1.5% (2011 estimate)
- **GDP per Capita:** $20,000 (2011 estimate)
- **Economic sector breakdown:** agriculture: 0.3%, industry: 58.6%, services: 41.1% (2011 estimate)
- **Exports:** $13.02 billion (2011): petroleum and petroleum products, liquefied natural gas, methanol, ammonia, urea, steel products, beverages, cereal and cereal products, sugar, cocoa, coffee, citrus fruit, vegetables, flowers
- **Imports:** $9.552 billion (2011): mineral fuels, lubricants, machinery, transportation equipment, manufactured goods, food, chemicals, live animals
- **Major Trade Partners:** US, Spain, Brazil

### Population and Workforce Information

Source: CIA World Factbook, NRC

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- **Major Trade Partners:** US, Spain, Brazil

### GDP Growth Rate

2011

Source: World Bank

- **GDP:** 1.4%

### Petroleum Sector Breakdown 2011

Source: Central Statistical Office

- **TOTAL:** DTT 38,281.4 million
  - Exploration and Production: DTT 20,322.1 million
  - Refining (including Atlantic LNG): DTT 11,548.7 million
  - Petrochemicals: DTT 4,252.1 million
  - Service Contractors: DTT 232.4 million
  - Distribution: DTT 1,886.2 million
  - Asphalt Production: DTT 39.9 million

### Economic Profiles of CARICOM Countries

Source: CIA World Factbook

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<thead>
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<th>Country</th>
<th>GDP per Capita (US Dollars)</th>
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<td>Barbados</td>
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<td>Antigua and Barbuda</td>
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<td>Trinidad and Tobago</td>
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<td>Argentina</td>
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<td>Panama</td>
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Interview with Senator the Honourable Kevin C Ramnarine

MINISTER FOR ENERGY AND ENERGY INDUSTRIES

Regarding the overhaul of the fiscal regime, what needs to change in order to make Trinidad more competitive?

The fiscal regime cannot be considered solely as a mechanism to collect money; it must meet the objectives of the country, for example through fashioning the fiscal regime around CSR or local content. Many global reports have ranked Trinidad in the top quartile in terms of highest government take in the world. I would like Trinidad to be competitive but still have a fair return to the state. Moving forward, we will be reexamining taxation, production sharing agreements, etc., to see how we can best reach that balance. Production sharing contracts have evolved significantly in Trinidad; in the 1970s, the government take was based on level of production, and in the 1990s we introduced a matrix based on production level and price. Today, we also need to consider costs; costs in the industry began to increase dramatically around 2005, concurrently with the demand for steel in China. Costs are a major factor with regard to the competitiveness of the environment. The costs to produce natural gas are the same as to the costs to produce a barrel of oil, but gas is much less valuable; Trinidad of course has become predominately a gas-based economy.

With the recent shale gas discoveries in the US, there have been moves to diversify Trinidad’s export markets. Which international destinations have become attractive to Trinidad?

In 2009, 80% of our gas was being exported to the US, and 20% was going elsewhere. Today, we export about 19% of our gas to the US as LNG, and the remainder goes mainly to Latin America, including Chile and Argentina. We also send cargoes into Europe and Asia, where prices are sometimes three to six times higher than in North America. The cargoes have been diverted away from the US as we are now seeing that the US is poised to become the largest exporter of LNG in the world. Canada is also preparing to become an exporter of LNG. The global gas market is shifting; supply is shifting westward, and demand is shifting eastward. However, we believe the demand for LNG will always outstrip supply, and that our cargoes will continue to find a buyer on the global market.

Point Lisas is Trinidad’s great success story, and we have seen discussions to develop the estate even further downstream, into manufacturing. Could you elaborate on the future plans for the estate?

The strategy for Point Lisas will be based on two main pillars. The first pillar is energy efficiency; in particular, upgrading many of the old plants, which will begin in 2013. Second, we are supporting projects further down the value chain: taking existing ammonia and ethanol production and going further downstream into new industries. A third aspect is using new gas to transition to methanol and, again, go further downstream. Point Lisas still has room for expansion, in particular in the north and south, but we are also looking at Union Estate in La Brea, which was developed by the previous government and was supposed to have been the site of the smelter but is currently vacant.

Examining the pioneering NGC model, how do you think the structure might change, making sure that the supply is guaranteed for a fair amount of risk?

The NGC model has worked very well since its inception in 1975, and has made the NGC the most valuable company in the Caribbean with assets close to $6 billion, healthy profits and constant dividends. I have questioned the relevance of the NGC model moving forward, as it was premised on a world in which the US was in decline with regard to gas. We are reconsidering the model by which the NGC acts as the sole monopoly on natural gas. Deviation away from this model has already begun; there are a couple of hybrid (or back-to-back) contracts, where the customer has a direct relationship with the upstream supplier. A big policy question for 2013 is how the NGC can mitigate movements between the increasing cost of buying natural gas, while companies on the estate continue to demand lower prices.

We have also seen a move towards local infrastructure, including the Eastern Caribbean pipeline and smaller CNG projects. What would the impact of these projects be for Trinidad?

These projects are all very small: the gas fill project is a small-scale LNG project that would not require more than 70 million standard cubic feet of gas. The LNG market in the first decade of the 21st century focused on size; larger ships and trains; whereas now there is an emerging market for smaller countries that need smaller ships and trains. Small countries have both market and geographical constraints. There is also a CNG project plan for Trinidad and Tobago, which is centered on Centrica’s development of block 22. The CNG facilities will supply CNG to consumers in the Caribbean, and most likely a significant amount of the gas will go to Puerto Rico. In the last six to seven years, all the islands in the Caribbean have paid a lot of attention to balance of payments with regard to the cost of purchasing oil for power generation and transportation. All the islands in the Caribbean use fuel oil-fired or diesel-fired power stations, which are both more expensive and less clean than gas. There is a desire in the Caribbean to convert to natural gas-fired power. It has happened in the Dominican Republic and in Puerto Rico, but it has not yet happened in the rest of the English-speaking Caribbean. The only supply in close proximity to many of the Caribbean countries is Trinidad, because Venezuela has not developed a gas export industry yet. The supply side is also beginning take hold in Trinidad.

Point Lisas is also preparing to become an exporter of LNG. All the islands in the Caribbean use fuel oil for power generation and transportation. Point Lisas still has room for expansion, in particular in the north and south, but we are also looking at Union Estate in La Brea, which was developed by the previous government and was supposed to have been the site of the smelter but is currently vacant.

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