

## **Minutes of the Cross Party Group on The Caribbean**

**Meeting date:** Wednesday 27<sup>th</sup> March at 1pm Committee Room 1

**Attendees:** Margaret Mitchell MSP; Linda Fabiani MSP; Kathryn Wane, Parliamentary Researcher to Margaret Mitchell MSP; Professor Geoff Palmer; Victoria Lee; Robin Lee; Carol Anderson, The Business PR; Graham Campbell, African Caribbean Network; William Frame; Daren Gilbert, Manager UK Sales for Virgin Atlantic; Raymond McErlaine, Sales Executive Scotland & N. Ireland for Virgin Atlantic; Ian Gittens; Paulette Simpson, Senior Manager Corporate Affairs Jamaica National Building Society; Laurence Jones, European Regional Manager, Jampro; Beverly Johnson, Managing Director JLB International; Janice Hogarth, Secretary of the Scottish Passenger Association; Michael Kane, Chief Executive Officer, Isocom Engineering; David Williamson, Deputy Director Americas, Scottish Whisky Association; Siobhan Paterson Policy Support Manager Americas and Caribbean, Scottish Whisky Association; Duncan Turnbull, Terry Foods; Matthew J. Stewart, Office of Michael Matheson MSP; Caroline Donaldson, Barrhead Travel; Lou Prendergast, West End Arts; H.E. Ms Aloun Ndombet-Assamba (High Commissioner for Jamaica); H.E. Dr. Ernest Hilaire (High Commissioner for St. Lucia); H.E Ms. Francine Baron (High Commissioner for Dominica); H.E. Mr. Garvin Nicholas (High Commissioner for Trinidad and Tobago); HE Dr. Carl B. W. Roberts (High Commissioner for Antigua and Barbuda)

**Apologies:** HE Hugh Anthony Arthur, Barbados; HE Mr Eldred Bephel High Commissioner For The Commonwealth of the Bahamas; HE Ms Perla Maria Perdomo, High Commissioner for Belize; HE Dr Kevin M Isaac, High Commissioner For St Kitts; HE Ms Ruth e Rouse High Commissioner for Grenada; HE Mr Laleswar Singh, High Commissioner for Guyana; HE Mr Cenio E Lewis, High Commissioner for St Vincent and the Grenadines; David Coyne, Head of Economic Development, Development and Regeneration Services at Glasgow City Council, David Matthewson, Bibby Factors Scotland Ltd., Mark Lawson, 1<sup>st</sup> Class Media.

1. Mrs Mitchell welcomed the High Commissioners and thanked them for attending.
2. The minutes of the previous meeting were approved.
3. In regards to matters arising it was noted that at the meeting on the 18<sup>th</sup> September the suggestion of inviting the High Commissioners from the Caribbean to a meeting of the CPG had been made and that this had come to fruition!
4. Carol Anderson of The Business PR gave a short update on the progress of the Celtic Festival Barbados 2013. Overall she stated that passenger numbers to Barbados were up by 9%. She commented on the international interest in the festival highlighting participants and visitors from Canada. The BBC has also expressed an interest in the festival and is looking to film a programme about the event in 2014. There was also discussion of the big events taking place in Scotland in 2014 (Homecoming, World Pipe Band Championships, Ryder Cup and Commonwealth Games) and how best to promote those in the Caribbean.
5. The representatives from Virgin Atlantic took the opportunity to speak about their new short haul operations out of Edinburgh, in particular the hop to London. In regards to direct flights from Scotland to the Caribbean, Virgin commented that in

order to make a flight viable there would have to be demonstrable demand for such a service. The main issue identified with flights to the Caribbean was Air Passenger Duty, which is due to increase this in 2013/14. These taxes affect travellers in both directions. The comment was made the APD has from the UK perspective effectively made the Caribbean a 'luxury' destination as due to taxes only business and first class passengers could afford tickets. The back of the plane is increasingly hard to fill. As APD is a reserved issue it was decided that Margaret would write in her capacity as Convener of the CPG to the relevant Caribbean All Party Groups at Westminster to highlight the day's discussion and to see what action they had taken in regards to APD.

6. Time was then given to each High Commissioner to speak about the islands they represented and their particular areas of interest.
  - The High Commissioner for Antigua & Barbuda emphasised that tourism is the main industry on the islands but also referenced agriculture and renewable energy. He spoke about various attractions including the islands beaches, 'Nelsons Dockyard' and sugar plantations and mills that have been restored. The islands are also a top wedding and honeymoon destination [note: husbands not provided]. Also spoke about the Antigua Sailing Week 2013 which will take place in May 2013. Possible links with the Recreational Boating and Marine Tourism CPG? Commented that Scotland is a growth market.
  - The High Commissioner for Jamaica spoke about the commercial opportunities in Jamaica, emphasising that Jamaica is: 'open for business' Representatives from the Jamaica Promotions Corporation (Jampro) were also present the meeting and the Commissioner invited them to speak about their operations. They discussed their meetings the previous day in Glasgow where a memorandum was signed with the Glasgow Chamber of Commerce and about their aim to have a 'Jamaica House' at the Commonwealth Games. The Commissioner also highlighted the commercial ties that had existed between Scotland and Jamaica since 2000. Other industries highlighted were IT, call centres and the oil and gas sector. She also stressed the big Jamaican holiday resorts and their Influence on tourism i.e. Negril, Montego Bay, and Ocho Rios,
  - The High Commissioner for Dominica emphasised that they were not the Dominican Republic with which the island is often confused. Although the main economic driver used to be agriculture the island now specialised in eco-tourism capitalising in their unique black beaches (the result of volcanic activity) and the mountains. The government has given generous incentive packages for investment in eco-tourism. This they believe is their niche market, however, they do not have an international airport so the island is only accessed through local transport links. The island also has a developing geothermal energy industry, with a new power plant due for completion in 2015. They are looking to export this clean, cheap energy resource.
  - The High Commissioner for Trinidad and Tobago emphasised that the Caribbean is a very diverse group of islands and that this had been brought out in the discussions so far. The economy in Trinidad is similar to that in Scotland, the main economic driver is the oil and gas industry and Trinidad is the world's largest exporter of methanol

and ammonia. Renewable energy was also discussed as was the potential for information sharing and opportunities for development with Scotland in this area. The rich culture the islands were discussed, apparently the islands celebrate every major religious holiday. The region has two universities but Tobago is more traditionally reliant on tourism to support its economy. [Note the Commissioner left a copy his notes for his presentation for the CPG's information. These are attached below).

- A very passionate overview was given by the Commissioner for St Lucia who also commented that APD prevented people of Caribbean origin living in the UK from returning to the Caribbean for special occasions. The island is split between its French and English identity. The Commissioner focused on the impact the recession has had on the island and that there is: 'poverty in paradise.' He commented that the islands had received support from Scotland and the UK and hoped that this would continue.
- 7. Michael Kane from Isocon spoke about the company's project carrying bulk whisky to Jamaica, for Distribution to the Caribbean and then returning with rum bound for distribution Europe. The SWA and Isocon were to discuss this further.
- 8. Mrs Mitchell thanked everyone for their time and efforts and highlighted the vast number of similarities between Scotland and the Caribbean and the potential for greater links not only in regards to tourism but oil and gas, renewables and business.

The date of the next meeting will be Tuesday 25<sup>th</sup> June. This meeting will incorporate the AGM.



## SPEAKING POINTS FOR

H.E. Garvin Nicholas, High Commissioner for the Republic  
of Trinidad and Tobago London

Good Afternoon Ladies and Gentlemen, it is my honour and privilege to be able to provide a brief overview of current initiatives of the Government of the Republic of Trinidad and Tobago Government and the Commercial sector which could impact relations with Scotland and present opportunities for further synergy:

### Energy and Downstream Energy Industries

Through the vision and pioneering efforts of forward-thinking individuals and national development organisations, both private and public sector, Trinidad and Tobago has grown to be the largest exporter of methanol and ammonia, and the 7th largest LNG exporter in the world. There are plans in progress to install further downstream plants and facilities in areas of Trinidad and Tobago earmarked for heavy and light industrial plants e.g. Union Industrial Estate in South Trinidad and Cove Industrial Estate in Tobago. As markets and technologies continue to evolve, we expect downstream gas based plants and facilities to be more energy efficient and would be engineered to allow for more complex products (with higher unit value) being available for off-take and sales into diverse and expanding markets.

Construction will begin in 2014 on a natural gas pipeline from Cove Eco Business and Industrial Park in southwest Tobago to islands of the southern Caribbean. The US\$300 million pipeline project will take gas from the BHP Billiton field east of Trinidad to the US\$1 billion processing plant at Cove and then on to the southern Caribbean. UK based LNG firm Gasfin Development aims to begin construction of a US\$400 million LNG plant at the La Brea Industrial Estate to supply one of its main clients, French electricity provider Electricite de France (EDF) with LNG for its Caribbean territories of Martinique and Guadeloupe.

In the 2013 Budget, there were three specific measures all aimed at increasing the competitiveness of the energy sector and stimulating exploration and drilling. That has been the policy of the Government and it has been consistent over the three budgets that have been presented. The Ministry of Energy and Energy Affairs will offer acreage in the Shallow/Average and Deep Water acreage via a round of Competitive Bidding in April, 2013. A maximum of six offshore blocks will be offered

In the 2013 Budget, there were three specific measures all aimed at increasing the competitiveness of the energy sector and stimulating exploration and drilling. That has been the policy of the Government and it has been consistent over the three budgets that have been presented. These include harmonization of supplemental petroleum tax, introduction of a special SPT rate and inclusion of a 40% uplift. Competitive bid rounds supported by improved fiscal terms, more in-depth seismic data and an aggressive marketing programme are one initiative; fiscal incentives specific to the development of new fields which are currently inactive are another. The Ministry of Energy and Energy Affairs will offer acreage in the Shallow/Average and Deep Water acreage via a round of Competitive Bidding in April, 2013. A maximum of six offshore blocks will be offered

Our exploration, however, is not confined to our deepwater resources. At present, the Ministry of Energy and Energy Affairs (MEEA) and Petrotrin are currently promoting an exploration bid round for acreage on land. The acreage to be offered promises an estimated total potential recoverable reserve of approximately half a billion barrels of oil from several

low to medium risk exploration opportunities. The Trinidad Onshore Bid Round 2013 will open in Early April and close in July 2013. The acreage is located in the prolific oil and gas province of Southern Trinidad. Three blocks of approximately 150,000 acres will be offered and the winning bidders will be issued exploration and production licenses. As such, for the fiscal period 2012/2013 a total of 19 exploration wells is expected to be drilled by various operators under PSCs and E&P's license agreements. This is a threefold increase in comparison to the six exploration wells drilled in 2011/2012.

There is considerable scope for Scottish energy companies to participate in Trinidad and Tobago's oil and gas sector.

### Clean Technology and Renewable Energy

The Government of Trinidad and Tobago has been working with multilateral agencies to promote the clean technology and renewable energy sectors. As a nation with an internationally prominent natural gas based industry and in recognition of the need to utilize cleaner energy, the focus has shifted towards the use of natural gas as the primary source to meet the growing energy demands, whilst maintaining the long-term objective of developing renewable energy sources to support heavy industrial growth and development.

The People's Partnership Government therefore announced incentives and strategies in its October 2012 Budget to expand the use of Compressed Natural Gas as a transportation fuel. This includes a comprehensive business plan to invest TT\$1.5 billion in converting gasoline vehicles to compressed natural gas over a 5 year period during which multi-fuel stations would be constructed and pipe-line infrastructure to stations installed. The target group comprises approximately 90,000 vehicles, covering diesel, maxi-taxis, gasoline taxi vehicles and private high-mileage gasoline vehicles. To support full transition to CNG the Government has begun a gradual reduction in the fuel subsidies beginning with the price of premium gasoline.

Additional measures are being considered by an inter-Ministerial team comprising the Ministry of Finance and the Economy, the Ministry of Energy and Energy Affairs and other affected Ministries. The Government is also exploring opportunities for more efficient industrial/petrochemical processes and use of combined-cycle technology in electricity generation; as well as options such as carbon capture and storage. Scotland's sound expertise in the clean-tech sector and the Scottish Government's commitment to the creation of a low carbon Scotland has translated into significant investment and great strides being made in research and development devoted to environmental technologies. We believe this offers opportunities for substantial synergies between our two countries.

Commercial initiatives are also making significant headway. The electricity sector to-date has no plans for the use of RE technologies mainly because fossil fuels are readily available at relatively low cost. There is however an opportunity for the utilization of RE for power generation in the future. The Trinidad and Tobago Electricity Company (T&TEC) demonstrated through a pilot project that SPV is cost competitive with natural gas generation in providing a limited power supply to certain remote off-grid locations. In the case of power supply to the grid, globally, the technologies that are shown to have made

the most significant advances are hydroelectricity and wind. In the local scenario, strictly on the basis of resource availability, hydroelectricity is not a practicable option; on the other hand, the cost of wind generation has been declining making this technology very competitive even with local electricity generation utilizing natural gas.

The Government is reviewing several proposals from investors interested in projects to convert 'waste to energy' which would provide an opportunity to treat with the issue of waste management in existing landfill sites. There is scope here for an investor to develop and implement a programme for waste segregation to make this option viable.

Funding has been received from the Inter-American Development Bank to help draft the plan for the establishment of a Caribbean Renewable Energy Centre, which will help spread cleaner energy principles across the Caribbean region. This presents a wonderful prospect for the 12 universities engaged in clean-tech research in Scotland to implement their models. Renewable energy initiatives are eligible for funding from the Government's Green fund and the Government seeks to establish working relationships with Renewable Energy authorities and governing bodies in other nations for mutual benefit.

The Government is currently collaborating with SiTek Ltd, a British-based firm, to conduct a feasibility study to identify Trinidad and Tobago's unique value proposition in 4 independent aspects of solar technology with a view to developing a Solar Industrial Park. The concept is to co-locate the entire solar manufacturing value chain and engage in silicon refining, float glass and coated glazing plants, aluminum extrusion and wafer-to-PV module manufacturing. The Government of Trinidad and Tobago has also recently signed an MOU with Guyana to provide support to the energy industry and renewable energy projects.

### Maritime Industries

The Government of Trinidad and Tobago has committed US\$3 billion to maritime projects aimed at creating a climate of continued trade and investment. The construction of a trans-shipment port at La Brea, South Trinidad estimated to cost US\$1.7 billion and a maintenance ship repair facility at a cost of US\$1.2 billion, just off Sea Lots at the gateway to the capital Port-of-Spain, was announced by Trade Minister, Vasant Bharath, at a conference in February 2013. Both projects are carded to begin in 2014, and will be subject to Cabinet approval in April 2013.

Trinidad and Tobago is home to 2 International Container Ports PPOS & Pt. Lisas – Installed capacity 500,000 TEUs per annum, where there is extensive land available for expansion; 1 LNG Terminal; 1 Bauxite Transshipment Facility; 1 Petrochemicals loading port; 1 petroleum terminal. The trans-shipment port at La Brea will be the newest addition to the Caribbean transshipment triangle which include our existing port of Freeport in Pt Lisas, Puerto Caucedo in the Dominican Republic, the San Juan port in the port of Kingston in Jamaica, the Cartagena port in Colombia, and the ports of Colon and Balboa in Panama. Earmarked as one of the sectors for growth by the Government, 2012 saw world dry bulk cargo leader, Oldendorff carriers investing US\$45 million in a new bulk transshipment hub at Pt Lisas, Trinidad to move iron ore from Brazil to China and the Middle East.

Scotland's long history of excellence in the marine sector could provide a key means of developing Trinidad and Tobago's burgeoning maritime sector. Areas for synergy include industry training, manufacturing, research and development, supply chain development and value added service engagement.

### Conclusion

I would like to assure you all of the Government's commitment to the support of the energy sector in general and the diversification into Clean Technology, RE and further diversification.

I thank you