



**Employers' Consultative Association  
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**PRESS RELEASE: ECA'S INITIAL REACTION TO 2024-25 NATIONAL BUDGET  
PRESENTATION**

**[ARANGUEZ, 1 October 2024] —**

The Employers' Consultative Association of Trinidad and Tobago (ECA) remains encouraged by the apparent developmental approach to this year's National Budget presentation. With a theme focused on "*Forging Pathways to Prosperity*", in our view, the presentation reflected a modest and measured attempt at **fostering continued economic recovery and promoting sustainability**, while addressing some immediate concerns in various sectors. Through continued investments in education, sustainability, agriculture, and providing financial relief to businesses, this budget is a step in the right direction with signals of developing the resilience of the economy and the capability of our people. However, the success of these measures will largely depend on effective implementation and ongoing dialogue among stakeholders.

Following a preliminary review, the ECA is pleased to share its initial reactions to yesterday's national budget presentation for the fiscal year, 2024-25.



- **VAT Bonds and Refunds:** The allocation of interest-bearing VAT bonds and the commitment to pay SMEs in cash by December 31, 2024, represents a significant step towards addressing this long-outstanding issue and alleviating ongoing liquidity challenges faced by many businesses, particularly for small and medium enterprises.
- **Tax Amnesty:** The introduction of a tax and NIS amnesty is a welcomed initiative pending the imminent operationalisation of the T&T Revenue Authority (TTRA). Given some of the residual impacts of the COVID-19 pandemic and other local and international developments attendant to the cost of doing business, this amnesty can assist in mitigating the cost of resolving any compliance issues. In this regard, the ECA strongly encourages employers to take advantage of this window to ensure that any outstanding statutory obligations can be settled.
- **Minimum Wage Increase for Public Sector Employees:** We are heartened by the Minister's acknowledgement of the real and potential impacts on businesses, particularly MSMEs, as well on the wider society of further increases at this time in the national minimum wage. This is consistent with the ECA's position that minimum wage setting must always be a balanced approach that considers the broader implications, economic and otherwise, for both employers and employees. Notwithstanding, the decision to increase minimum wages of government employees to \$22.50 per hour is commendable in a continued attempt to balance the needs of some lower wage earners against the economic realities already being felt and national realities before us.
- **Public Sector Wage Negotiations:** The intention to commence negotiations for public sector wages (covering the period from January 2020 to 2022) is a positive development and we encourage both sides to ensure that a good faith approach is always adopted for these negotiations. Moreover, a concerted effort must be made to improve the timeliness of public sector



negotiations to allow the State to consider all relevant factors in context, and to ensure that where negotiated and agreed, employees can enjoy wage increases when they are due.

- **Support for Agriculture:** We support the commitment to clarifying any ambiguities and making agriculture a fully tax-free industry and believe this will encourage growth in this vital sector, particularly as we seek to continue addressing long-term food security, the cost of food imports and ongoing diversification efforts.

## WHAT WAS MISSING

- **Supporting Labour Institutions and Labour Reform:** We had hoped to see a recognition of the need to maintain labour laws that are current, fit-for-purpose and relevant to the needs of today's workplace, and a subsequent proposal outlining a clear timeline for reviewing and updating key labour laws, as well as resource allocation and the capacity development of institutions vital to our industrial relations system. We hope that the Minister of Labour will speak to these issues and clarify the way forward in his contribution to the Budget debate.

## WHAT ARE OUR CONCERNS

**Crime:** We are aware of the sensitive nature of this topic, particularly in the context of revealing initiatives and strategies in a budget presentation. However, given the escalating crime rates affecting both businesses and citizens, and the fervent national outcry for effective solutions in respect of prevention and reduction strategies and detection rates, we are concerned that there was little to reassure citizens on this issue. In this regard, we urge those tasked with maintaining the safety and security of our citizens to ensure that the citizens receive value for money and that they are responsible and accountable with the scarce resources being allocated. The



ECA remains committed to collaborating on this issue as we seek to enhance the capacity and efficiency of protective services, address the root causes of crime at a community level, and restore public confidence in our enforcement and protective agencies.

**Education:** Allocating resources to education is always a wise investment, as it builds human capital and is a critical driver for reducing poverty and inequality. However, we are deeply concerned that the fiscal measures highlight a more troubling underlying issue—there remains a significant deficit in numeracy and literacy skills within our population. This is an alarming indicator that requires further insights and data transparency, allowing all stakeholders to better understand the depth of the problem and collaborate on potential solutions.

In an increasingly technological world, such skill deficits put us at risk of falling behind in the global race for development. Education must not only prepare individuals for the transition into the workforce but also adapt quickly to the ongoing transformations in the world of work. Failure to address these challenges can severely limit our future economic potential.

Notwithstanding, we expect that much more detail on specific allocations, programmes and initiatives will be made available in the coming weeks as the budget debate ensues and supporting documents are released. In this regard, we will continue to examine these developments and elaborate further as more information is shared.

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