



Our Natural Environment: Use it or lose it

Trinidad and Tobago is a small twin island and incredibly, there are more people per square mile in Trinidad and Tobago than in the People's Republic of China. A grand total of 1,980 sq miles of land on which to squeeze in cities, industries, farms, housing, infrastructure and the natural environment. Clearly something has got to give. Environmental degradation is unavoidable in our quest to attain "developed country status" and yet ironically, development might be the best way to preserve our environment.

The man-made threats to our natural environment are many (pollution, resource exploitation and deforestation top the list) and traditionally we have focused on controlling/eliminating these threats. Environmentally minded Non-Governmental Organizations (NGO's) have been busy in this regard. For example, Nature Seekers (and several other NGOs under the Turtle Trust) look after our sea-turtles, Fishermen and Friends of our Seas (FFOS) fights for our fisheries and fisher-folk, Environment TOBAGO holds the fort on our sister isle, The Manatee Trust protects the Nariva Swamp, the South-Eastern Hunting Association (SEHA) promotes forest conservation. It is quite clear that there are many NGO's who attempt to look after our natural environment, however, what is the role of the government in this drive?

Protection of the natural environment is not the first priority for a country trying to fast track economic development and Trinidad and Tobago is not alone in this approach; it is common to many developing nations. The political will and the eco-projects that it spawns change regularly. However this does not prevent the government from taking initiatives designed to protect our natural environment. And the irony is that it might involve cutting down more than just a few trees. Modern environmental conservation cannot be limited to designating a chunk of land as 'protected' and restricting entry. Instead, the reality of the situation is that people will continue to harvest lumber in the country's protected forests and illegally hunt in the wetlands. Trash will still be thrown in our waterways and pieces of the country's already damaged coral reefs will still end up decorating someone's bookshelf.

Managing the man-made threat to the environment is ultimately about managing man himself for people are just as connected to the natural environment as some rare plant is. We need to improve the standard of living of our people because with better education, opportunities for employment and improved social amenities, there will be a different approach to the environment. Through education, people are made aware of the impact of their actions upon the environment and of the environment's impact on them while employment allows them to effect a change. It costs more to do the socially responsible action and for many (certainly for those below the poverty line), it is a cost they cannot afford. By improving food security, we reduce dependence on unsustainable hunting and inappropriate farming techniques (e.g.

slash and burn agriculture). An adequate water supply and proper sewerage treatment facilities will improve water quality in our rivers and seas and access to cheaper fuel and electricity eliminates the need to cut down trees for firewood. With improvements in our standard of living comes reductions in family sizes and child mortality rates, both of which help reduce resource consumption.

How then can a country fund these improvements in the standard of living?

Much can be said of eco-tourism and Trinidad and Tobago can boast of several riveting attractions. While politically we are a Caribbean nation, geologically we are very much South American (Trinidad and Tobago was originally part of Venezuela). This enables the country to market a wide range of South American ecosystems while at the same time being easier to access than some of the more politically/economically unstable South American neighbors. The island is small but still offers a range of terrain that many think of our country as a sort of beginners guide to the otherwise overwhelming South American continent. However development will not come solely from "green" development like eco-tourism. It simply would not generate the revenue needed and usually only the individuals/ communities involved experience any economic benefit. The sector is too minute for any significant benefits to accrue. The challenge therefore is for the government to convert our natural resources (mineral and land included) into real improvements in our standard of living and finding the right balance without wrecking the entire system.

Many of the developed nations have a deplorable track record of environmental stewardship. Vast tracts of land had been cleared, species had gone extinct and the effects of years of pollution are still very much in evidence. However as these nations developed, so too did their awareness of their natural environment and they were then able to take the steps needed to protect what was left. But most of these nations are massive with land and marine acreages many times the size of our own so even if a fair amount of their resources are destroyed there was still a lot more remaining. Unfortunately, we do not have this luxury and as time passes we lose more and more.

To make the natural environment work for Trinidad and Tobago, there has to be foresight and planning. Commendably, there are plans in the form of the National Physical Development Plan (NPDP) but, drafted in the early 1980's, it is not always followed. In lieu of an adequate plan, a cost-benefit analysis has to be conducted (and hopefully this is current practice) to weigh the detrimental effects of any decision against the potential positive impact on the quality of life.

On this road to "developed country status" it is inevitable that Trinidad and Tobago will lose some of its natural resources. How much is lost and the condition of that which survives the process depends on how well the affairs of the country's developmental plans are managed.

FINANCIAL & ECONOMIC INDICATORS

As at 22 October, 2009

| Exchange Rate/US\$ | Closing Value | Previous Week |
|--------------------|---------------|---------------|
| Yen | 91.30 | 90.55 |
| Euro | 1.50 | 1.49 |
| Jamaica | 89.19 | 88.88 |
| Guyana | 205.20 | 202.90 |

| Commodity Prices | Closing Value | Previous Week |
|--------------------------|---------------|---------------|
| Crude oil (US\$/bbl) | 81.19 | 77.58 |
| Natural Gas (US\$/mmbtu) | 4.99 | 3.86 |
| Gold (US\$/Troy Ounce) | 1,060.10 | 1,050.20 |

Eurobond Indices (As at 22-10-09)

| | |
|---|-------|
| Lehman Brothers Global Aggregate Index (Return % YTD) | 8.54 |
| JP Morgan EMBI+ (Basis points) | 306 |
| JP Morgan Central America and Caribbean Index (CACI) (YTD return %) | 34.10 |

| Policy Interest Rates (%) | Closing Value | Previous Week |
|---------------------------|---------------|---------------|
| United States | 0.12 | 0.14 |
| Euro Zone | 1.00 | 1.00 |
| Japan | 0.11 | 0.10 |
| Brazil | 8.75 | 8.75 |
| Trinidad | 6.25 | 6.25 |
| Jamaica | 12.50 | 12.50 |
| Barbados | 2.50 | 2.50 |

| Market Interest Rates (%) | Closing Value | Previous Week |
|---------------------------|---------------|---------------|
| US 90-day T-Bill | 0.05 | 0.06 |
| US 10-Yr Treasury | 3.42 | 3.46 |
| 3-month UK Libor | 0.60 | 0.57 |
| Japan 90-day T-Bill | 0.28 | 0.28 |
| Brazil 90-day T-Bill | 8.60 | 8.65 |
| TT 90-day T-Bill | 1.59 | 1.59 |
| Jamaica 90-day T-Bill | 16.39 | 16.39 |
| Barbados 90-day T-Bill | 3.51 | 3.65 |

Sources: Bloomberg, J.P. Morgan, CMMB, Central Bank of Trinidad and Tobago, Bank of Jamaica, Central Bank of Barbados, www.lehman.com

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