

Becoming skilful sailors



WE have arrived at an inflective juncture in global history where several things are happening at once. A global health crisis has forced the world to disarticulate and retreat behind physical and legislated borders. Global production and economic activity have stalled as a result, disrupting supply chains and driving fuel demand and prices sharply down. On the margins of this crisis, oil giants are revving to flood global markets with cheap supply, wresting profits and market share from their competitors in the process.

As an energy producer coming into this precarious scenario with challenges of our own, Trinidad and Tobago can understandably be anxious about the future. However, if there is one thing we have learnt well from more than a century in the energy business, it is how to weather cycles of change. In fact, we will find that in those times of challenge there are more opportunities for growth. After all, as the proverb goes, calm seas do not make skilful sailors.

So how can we grow from the challenges now before us?

The first thing we can do is use the opportunity to build our digital culture. Well before COVID-19 took the stage, the NGC Group had been preparing to operate in a business landscape presided over by technology. Critical functions had been brought online in the areas of enterprise management, procurement, Geospatial Information Services and communications. Still, many processes that could have been automated continued offline. Now compelled to use the digital tools available, including some we may never have had cause to use before, we may find we can work more efficiently and productively with technology. This is true not just for the NGC Group, but across other sectors. Many retailers are now introducing online shopping and delivery services, both of which can significantly improve the country's service sector and build our collective competitiveness post-COVID-19.

From a human resource standpoint, we should use this opportunity and available technology to learn how to work from home with the same or even greater levels of efficiency. Telecommuting has long been touted as a tool to help mitigate climate change and promote work-life balance. Coming out of this crisis, our companies should be better prepared and more willing to start integrating this practice into operations.

The second thing we can look to do is leverage our strengths. To speak first of the NGC Group experience, we have been working for some years to capture



Beachfield facility

synergies across our member companies in areas such as supply chain management, ICT and communications. In this period of pronounced challenge, we have seen new strengths emerge that we intend to capitalise in order to grow our capability set moving forward.

At a more granular level, we are seeing ingenuity at all levels of our organisations as employees and teams find innovative ways to deliver on important work processes. We are immensely grateful for their efforts, and excited about what we can achieve if we harness that same energy and resourcefulness on the other side of this crisis.

At the country level, we should also be looking to turn our strengths to economic advantage. For more than a hundred years, oil and (later) gas have been Trinidad and Tobago's bread and butter. As prices of these and associated commodities plunge, and as the future increasingly favours cleaner fuels, we must mobilise other sources of income. What does a centenarian in energy have to offer in this new age? The answer is a wealth of expertise.

We are a mature hydrocarbon province, but many new players are entering the game that will have need of expert guidance. These include new producers (in Africa, Guyana and potentially Grenada), as well as new consumers across the Caribbean, as islands look to transition from oil to natural gas.

and slowed global trade. If this disruption continues much longer, it could impact availability of critical imports such as food and pharmaceuticals.

What this means is that diversification into areas such as food production is no longer a pre-emptive strike, but has become imperative to our survival. Even if the current situation normalises without impacting our ability to feed ourselves, it highlights the risk that exists, and we must take note. Both public and private sector investment is needed to build our self-sufficiency in agriculture, food processing, storage, and logistics in the first instance. With enough local capacity, this could even be built into an export industry supplying regional markets.

Perhaps our greatest opportunity for growth lies in inter- and intra-sectoral collaboration. There is no doubt that the confluence of challenges that we face as a nation can only be overcome with collaboration. Today more than ever we can appreciate the symbiotic relationships in our economy, and how reduced capacity in one sector can have knock-on effects on others. Businesses across the board are granting concessions to customers, especially lending institutions, whose reprieves will go a long way to help customers who find themselves under financial strain.

Why these gestures of support? Altruism aside, businesses recognise that an economy functions optimally when all participants are able to contribute. If the productivity of any sector falters, so does its purchasing power. The reverse is also true - if we can raise productivity through greater collaboration within and between sectors, we can build a stronger economy.

The relationships brokered during this period will set a precedent for future partnerships. Companies will learn how they can support one another for mutual benefit, and strategic advantages of collaboration will become evident. In the energy sector, collaboration can take the shape of infrastructure sharing, joint venture investments, open channels of communication around work programmes, and collective efforts to build our entire value chain. In the manufacturing sector, small and micro enterprises can pool resources to access credit or share logistical resources. If we carry the current cooperative spirit through to the future, we may find we are able to achieve much more together.

John F. Kennedy famously pointed out that the Chinese word for crisis is composed of two characters - one represents danger and the other, opportunity. As a country, we need to approach this crisis with eyes and minds open to possibilities for growth. We must not just survive this experience, but emerge as skilful sailors.

It is a point of pride that Trinidad and Tobago's world-scale oil, gas and petrochemical industries are almost completely staffed and run by locals. This speaks to our knowledge and capacity at all levels of the respective value chains. Importantly, we have also spent years refining legislature and policies to incubate and grow these industries. The NGC Group has already started exploring avenues to take this intellectual property to market in collaboration with other local stakeholders. Now that we have done, we can teach.

This crisis can also help accelerate our process of diversification. For many years, diversification has been a frustrated effort, as attempts to grow alternative sectors failed to produce sustainable economic impact. Perhaps one of the reasons is that the energy sector was healthy enough to carry most of the country's breadwinning burden.

Today we are faced with two threats to our status quo. Firstly, we are earning less from our staple exports, with revenues to take a greater hit due to developments in the oil market. Secondly, even if we can still earn to cover our import bill, COVID-19 has disrupted supply chains

AT THE FOREFRONT OF *Energy*