

Keeping the engine running

The unprecedented coronavirus pandemic and related health, social and economic impacts (the Great Lockdown) continue to buffet Trinidad and Tobago. One of the visible effects of the Great Lockdown here, as in other countries, is the enforced idling of much non-essential economic activity to mitigate the spread of this highly contagious and not well-understood virus.

The enhanced stay home measures anchored by public health regulations have led to many businesses closing their doors, from the pizzeria to the restaurant as well as the large commercial franchise. This narrowing of focus to ensure that essential services function means that NGC's role in "keeping the lights on" is even more critical now. We keep the economic engine running, both directly and indirectly. We impact essential businesses directly through the sale of natural gas, but we may have an even more significant impact on those businesses and activities where we do not sell natural gas. Moreover, NGC's contribution in taxes and dividends cannot be ignored, especially as this Covid-19 guava season has left its mark/stain on all sources of revenue, from tourism to tankers of oil.

Direct Impact

Firstly, NGC continues to carry out one of its main business activities – the sale of natural gas to consumers. With business continuity provisions now in place due to the pandemic, the provision of natural gas for power generation literally keeps the lights on. NGC is a core part of this process through the provision of natural gas to the Trinidad and Tobago Electricity Commission (T&TEC) for use by independent power producers to

generate electricity, then distribution by T&TEC to its residential and commercial customers. NGC is also doing its part to ensure that the production of ammonia and methanol continues to be possible at a time of cyclically low commodity prices, which has been made worse by the impact of the pandemic on global demand. By providing competitively priced natural gas, NGC serves a key role in the viability of the local light industrial and commercial sector (LIC) to ensure that those businesses deemed essential, remain able to produce goods and services, including some supplies needed by frontline forces battling the coronavirus. These companies will also play a vital role in the eventual resumption of full economic activity after Covid-19.

NGC has also maintained its commitment to its initiatives related to optimal energy use and energy efficiency. The sale of compressed natural gas (CNG) to the local transport sector continues uninterrupted, and this is even more crucial for individuals and businesses that may be currently impacted by reduced income. Behind the scenes, other energy efficiency initiatives continue to be pursued by NGC to optimise use of the natural gas molecules sold by the company.

Regarding health services delivery, NGC plays an understated yet pivotal role in both the private and public sectors. For example, facilities of the North Central Regional Health Authority (NCRHA) at the Mount Hope Medical Sciences Complex and the Couva Multipurpose Hospital (used as a dedicated coronavirus treatment facility) remain central to the provision of health services in Trinidad and Tobago.

Indirect impact

Indirectly, NGC has also been playing a fundamental role in the provision of a reliable supply of natural gas for electricity generation. Without electricity, essential services will grind to a halt, including public utilities (water and telecommunications, including broadband), the agricultural sector, the non-gas using manufacturing sector, distribution, and government services. In this new era of physical distancing and social contact, without reliable electricity,



NGC employees maintain social distancing on the job

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telecommunications and broadband internet services will be unable to facilitate minimal contact online services such as shopping, education, entertainment, the provision of government services, including Judiciary functions, (just to name a few).

Two areas where NGC has had an ongoing impact on national life are the sale of cooking gas and the operation of port facilities. Firstly, as of late 2018, all residential and commercial cooking gas sold in Trinidad and Tobago has been sourced from Phoenix Park Gas Processors Limited, a member of The NGC Group. In this time of enforced home cooking, the importance of the reliable availability of cooking gas not subject to the uncertainties of international supply chains cannot be underestimated. Finally, NGC, through National Energy, operates port, tug and berthing facilities at Point Lisas for petrochemical users. Though not traditionally considered, these activities do impact on everyday life in Trinidad and Tobago.

Revenue generation

Even during the Great Lockdown, both the State and private companies continue to operate, even if it is in a limited capacity. The State needs to be able to rely on taxes collected to finance core

operations (even if only partly) as well as any support measures needed due to job loss and overall economic and social dislocations caused by the pandemic.

In this global guava season, The NGC Group continues to play its part as a critical element of the energy sector. Through its operations and revenue generation activities, and as an entity 100% owned by Corporation Sole (the State as business owner), NGC pays taxes, which are then used by the State to finance its activities, which includes the development of Trinidad and Tobago. As one of the most profitable corporate entities in the Corporation Sole portfolio, NGC also generates dividends paid to its shareholder. These taxes and dividends will be used to pay salaries, procure goods and services (education, health, public order and safety, infrastructure – roads, waterways, drains and bridges), transfers, subsidies and capital expenditure. By being a net contributor to the Treasury in good years and not-so-good years, NGC continues its contribution to national development.

Even in this time of constrained revenue and income, NGC continues to actively seek opportunities to grow its business and increase its revenues. The strategy incorporates initiatives to develop the energy business by acquiring new businesses along the value chain and expanding its portfolio to include services such as technical advisory services to other companies and countries.

In conclusion, without NGC, the economy's engine room would be more discordant and much less efficient. With external conditions being what they are and the impact that these conditions are having on all businesses, NGC will continue to do its part to ensure that our engine room continues to run.

AT THE FOREFRONT OF *Energy*