

1<sup>st</sup> Place Winner

Energy Sector CSR Coordinating Task Force Schools' Essay Competition

ISAIAH MATAMORO

LOWER SIX

MIRACLE MINISTRIES PENTECOSTAL HIGH SCHOOL

**TOPIC: THE ROLE OF THE STATE ENERGY SECTOR IN NATION DEVELOPMENT**

The state energy sector refers to companies in the energy sector which are owned by the government of Trinidad and Tobago. These companies are involved in oil and gas exploration, production, processing and its utilization as a fuel or feedstock. These operations can be broadly classified into the upstream, midstream and downstream sectors. The National Gas Company of Trinidad and Tobago Limited (NGC), National Energy Corporation(NEC), Petrotrin, the Trinidad and Tobago National Petroleum Marketing Company Limited and Lake Asphalt Company of Trinidad and Tobago (1978) Limited are all government owned and thus form the state energy sector of Trinidad and Tobago.

The success of this country's energy sector is based upon a rich history which has magnified the minute twin island republic of Trinidad and Tobago as a competitive contender in the world's oil and gas market. Today, the country's oil and gas industry has expanded its borders, celebrating its centennial anniversary in the oil industry .Trinidad and Tobago ranks 7th globally as an exporter of LNG (Liquefied Natural Gas), is home to the largest LNG and methanol plant, is one of the leading exporters of methanol and ammonia from a single site and has the largest natural gas pipeline in the western hemisphere. Trinidad and Tobago has helped to revitalize the natural gas industry when in 1999, the first LNG plant in over 30 years in the western hemisphere was constructed in Trinidad. Development of the Point Lisas Industrial Estate by the state under the leadership of the then Prime Minister, Dr. Eric Williams during the "Petrodollar boom" period, 1973-1975 facilitated these outstanding accomplishments by this small developing country. Such global renown and status stimulates a sense of national pride and promotes Trinidad as a rapidly developing state.

Trinidad and Tobago's economy revolves around the energy sector which contributes to over 35% to the country's gross domestic product annually. The country's treasury has had a steady inflow of revenue from state energy company through taxes, dividends and royalties. Having state-owned companies in the energy sector, ensures that the economic benefit gained when the country's natural resources are exploited, stays in the country and trickles down to the widest cross-section on the population. Citizens today can enjoy a wide spectrum of educational programme such as the GATE (Government Assisted tertiary Education) and OJT (On-the-job-training) which has kept afloat because of petrodollars. Citizens also benefits from free public health services, schools, essential services and subsidiaries which have also been made possible by the revenues paid by the state energy companies. Government's increased expenditure into physical infrastructure of the nation has also created a multiplier effect, stimulating other sectors such as the construction and housing industry creating thousands of jobs in the process.

The state energy sector in itself has created a wide array of job opportunities in the development of the upstream, midstream and downstream sectors. Job opportunities have constantly been on the incline as a result of this development of the state energy sector over its years of existence. Growth areas include gas well services, project management, estate and marine operation and management, plant and pipeline construction, plant maintenance and operations, gas pricing and sales negotiation, marketing, market research, corporate law and environment, health and safety. The existence of these skilled jobs provide a stimulus for young nationals to study and become qualified to fill these positions in the energy sector, thus impacting positively on the nation's youth.

State companies have increased the awareness of school children, of the energy sector through activities such as the NGC's Gas Rush and NEC's essay writing competition. Such activities provide students with valuable insight into the working of the energy sector, thus opening new career options to secondary school children. It also provides a forum for the development of public speaking skills and self-confidence in young people.

Specific policies such as the NGC's policy decision on new capital investment projects, seeks to shift away from primary natural gas-based production towards activities in the entire value chain. All new capital investment projects in the natural gas sector have been required to include a value added element for processing into a higher value product. Such policies create a higher number of permanent and construction jobs and a greater scope and level of skill for specialty industries. The state energy sector therefore provides greater job security, diverse careers and qualified nationals who are competent to work and provide expertise anywhere in the world. It contributes to a greater degree of intellectual capacity and affords nationals the prospect of a better standard of living, thus driving nation development.

Petrotrin's Corporate Community Relations policy, seeks to establish the company as a preferred neighbour in the community. Fostering and maintaining cohesive, mutualistic relationships in the community by providing assistance for socio-economic programmes such as cultural and sporting activities. Petrotrin is the main sponsor of the southern games which attract thousands of athletes annually. They also sponsor community tournaments in several communities such as Marabella, Point Fortin and Fyzabad. Culturally, Petrotrin sponsors competitions and groups in the following local arts of steel pan, calypso, tassa, classical Indian music and parang.

Fossil fuels are the driving force behind almost every comfort of modern life. The only source of power generation in Trinidad and Tobago is fossil fuels. Fuel for our modes of transportation is also fossil fuels. However, oil and gas exploration, production and utilization of derivative products always impacts negatively on the environment. In order to ensure that nationals enjoy the benefits of fossil fuels, yet mitigate negative impacts on the environment, state companies have implemented policies and measures to strike a balance between oil and gas exploration and extraction, and maintenance of the ecological integrity of the environment. Environmental projects and initiatives of state-owned energy companies include NGC's No Net Loss Policy, a reforestation programme which seeks to replace trees which were cleared for pipeline construction projects. The use of advance technology and methods has helped to mitigate the impacts caused by exploration activity. These technologies and methods include includes

horizontal and directional drilling , movable drilling rigs, smaller slimhole drilling rigs, satellites, global positioning systems, remote sensing devices, and 3D and 4D seismic technologies. The company also implemented a rigs to reefs program. This creates artificial habitats for marine life by the toppling of unwanted rigs which in about six months become covered with barnacles, coral, sponges, clams, and other sea creatures.

Environmental awareness is also stimulated by state owned companies who encourage citizens to foster green lifestyles which would help to preserve and conserve our natural environment to ensure that future generations benefit from services provided by the environment such as flood control, air quality regulation, water purification and food supply. NGC has an active environmental club, the Eco Phoenix Club which stimulates environmental awareness of employees and their families. Internal activities of the club include the recycling of plastics, glass and toner cartridges at the workplace. Other activities include tree planting exercises, eco hikes and eco tours. Such activities help to produce a nation which is clean, green, safe and serene.

Petrotrin provides support to various environmental projects including the Wild Fowl Trust, a wild life sanctuary located in close proximity to the oil refinery at Point-a-Pierre. Petrotrin also incorporates within the company's operations, environmental programmes such as the rearing of different species of fish in its reservoirs.

With climate change and ozone depletion as hot topics in the world's forum, environmental sensitivity must be a prioritized agenda in the development of any nation. Environmental initiatives by state energy enterprises, educate the public, make informed decisions, reduce the concentration of greenhouse gas in the atmosphere and maintain wildlife habitats, hence ensuring that Trinidad and Tobago can boast of having one of the richest biodiversities in the Caribbean.

In conclusion, it must be reiterated that the state's involvement in the energy sector has positively impacted on the nation and its development. It ensures that the wealth gained from the exploitation of our natural resources is enjoyed by nationals through the essential services that are provided by the government, free of cost to the public. It stimulates the higher

education of the nation's youth, provides jobs and at the same time, promotes good environmental stewardship. State energy companies uphold their social responsibility to nation development, while at the same time, balancing their own need to be financially viable.

REFERENCES:

[www.petrotrin.com](http://www.petrotrin.com)

<http://www.energy.gov.tt>

National Gas Company of Trinidad and Tobago. NGC Gas Rush, Natural Gas Facts Booklets, 2010.