

ABSTRACT

THE MACROECONOMICS OF WIDENING NATURAL GAS UTILIZATION: TRINIDAD AND TOBAGO 1975-1997

SANDRA RACHA

The objective of the thesis is to examine the natural gas industry in Trinidad and Tobago within the last two decades, the strategies and policies that shape the industry, and the benefits that occurred as a result of the gas-based industrialization strategy.

The study highlights features of the global gas industry, emphasizing the prominence of natural gas in the world. Previously, usage and trade in gas was limited, new technology today however, has made trade easier. Thus, the discovery of new gas reserves, environmental concerns and new uses have had a profound effect on natural gas utilization.

Data suggest that there has been a rise in the global production and consumption. The thesis examines local and global structural and organizational changes, and presents reasons why the industry has grown within the decade.

As the oil prices fell, revenues declined. As a result, the government of Trinidad and Tobago embarked on a gas-based development strategy, with the hope of prosperity through increased income and foreign exchange.

The thesis provides an analysis of consumption, reserves, and projects, while the issues of pricing and taxation involved are discussed. The country's gas industry is discussed, and reasons are given as to why it was not fruitful. Thus, countries embarking on gas-based industrialization must consider a gas planning strategy, efficient management, as well as appropriate gas pricing and taxation policies, if they are to realize substantial benefits.

The study concludes with recommendations for a successful gas-based industry.

KEYWORDS: SANDRA RACHA; NATURAL GAS; FISCAL INCENTIVES; NATIONAL INCOME; FOREIGN EXCHANGE; GAS DEMAND; GAS SUPPLY; GAS USE; WORLD GAS; LNG; METHANOL; UREA; AMMONIA.