

As Stork T&T considers shutdown...

389 jobs at risk

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STORK Technical Services T& T Ltd has informed staff that, due to a 'bleak future financial outlook', it is considering a phased shutdown of its operations, beginning this month and to be completed by the end of the year, potentially leaving 389 employees without jobs.

Stork said this action became necessary due to total losses of \$84.1 million since 2020, and unsuccessful attempts to sell the company.

On Thursday, Stork sent a letter to 'All Employees, not covered under the OWTU bargaining unit agreement', inviting them to engage in consultation for the potential closure of the company.

That consultation took place in the form of a town hall meeting yesterday.

According to a letter from Stork's country manager Rubby Vidal Arizabaleta, the continued losses, including those up to July this year, are 'not sustainable'.

'The cumulative and ongoing losses that the company is suffering have resulted in and continue to result in a severe and irrecoverable shortfall in liquidity. In the seven months YTD July 2024, the Fluor Group has been obliged to provide aggregate external cash funding of \$77,361,093 by way of a loan of \$36,565,293 (in February 2024) and a recapitalisation of the company of \$40,795,800 (in July 2024),' it stated.

'In addition, based on the current forecast of ongoing losses into the foreseeable months it is anticipated that the company will require a further capital injection of approximately \$44,000,000 in September/October 2024 in order to maintain sufficient liquidity in the company to meet its ongoing obligations,' the letter stated.

Vidal Arizabaleta said having regard to this, the future viability had to be carefully considered.

'Taking all the relevant factors into account, including the compounding losses over the past years, aggregating to \$84,108,065 and the bleak future financial outlook, a phased closing down of the company's entire operations is being considered and a plan in relation to this possibility has been developed,' it stated.

'The plan contemplates the phased closing down of the company's operations in Trinidad and Tobago. In this regard, you are hereby formally advised of the possible closure of the Company's operations, and the concomitant possibility of a phased reduction in the Company's workforce toward to this eventual possible closure,' the letter stated.

On March 1, 2016, Fluor Enterprise Inc acquired, from the UK-based private equity firm Arle Capital Partners, the global Stork Group (including Stork Technical Services T& T Ltd).

No buyers interested

By 2021 Fluor, as part of its 'new strategic direction' decided to exit maintenance services in the Oil, Gas & Chemicals market and to divest the global Stork Group.

Initially, Stork planned a 'One Stork Sale,' but finding it unfeasible, they opted instead to divest the regional components of the global business.

However, this strategy has not been successful for Stork T& T, and 'currently no serious interest has been identified nor expected to become a reality.'

The letter stated that since 2017/2018, Stork Trinidad & Tobago's engineering capabilities have not differentiated the company in a way that benefited from market growth or outperformed competitors.

'During the sale process of the LATAM business (of which Stork Trinidad & Tobago initially was part), large engineering project(s), which to date have incurred (and still incur) substantial losses (see table below for BP Ocelot project losses), have led to a carve out of Stork Trinidad & Tobago from the sale of Stork LATAM,' it stated.

The letter stated that the lack of financial results at Stork Trinidad & Tobago has led to multiple retrenchment processes over the years, but that these measures have not had a substantial effect on stabilising or improving financial performance.

'Market development in the core maintenance business in Trinidad & Tobago is under severe pressure from a volume, pricing and competition point of view. This has led and without action from the company, will continue to lead to negative financial results, as the available contracts to bid on have reduced significantly, the margins for which these get awarded have declined significantly and competition in the market is fierce,' it stated.

Stork stated that so far it has met its financial obligations to employees and creditors by substantial cash injections from its shareholder.

'The shareholder is considering, given its strategic rationale for the shareholder's wider global business as defined in 2021, the lack of solid divestment perspective for its T& T business, the multi-year substantial negative performance and the lack of substantial market growth in Trinidad & Tobago, closing Stork Trinidad & Tobago, with a finalisation date of December 31st 2024,' it stated.

Stork T& T stated that given that the proposed course of action by the company is a complete closure of its business, 'strictly speaking as a matter of law', it is not obliged to pay any severance to the employees.

'However, as a gesture of good faith, the company will pay to each employee, an ex gratia payment, equivalent to the sum that they would have received in a retrenchment, under section 18(3) of the Retrenchment and Severance Benefits Act,' it stated.

An e-mail was sent to Vidal Arizabaleta for further clarification on the situation, but up to press time, no response was forthcoming.

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ESCALATING CRISIS': Newly appointed chief executive officer of the T& T Chamber of Industry and Commerce Vashti Guyadeen.

immediate

action'

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THE Trinidad and Tobago Chamber of Industry and Commerce (T& T Chamber) has expressed 'deep concern' over rising crime and its impact on businesses, as the Owner Dealers Association (ODA) has warned that 24-hour-service gas station operations may soon become a thing of the past.

In a statement on Thursday, the Chamber noted 'the alarming rise in crime and its significant impact on the business community, particularly in relation to 24-hour service stations and the potential threat to night-time economic activities'.

The Chamber said the media statement issued by the ODA 'underscores the crippling effects of crime on the operational safety and sustainability of service stations, which provide essential services to the public'.

The Chaguanas Chamber of Commerce has also called for collaborative talks and efforts among stakeholders in the business community with the Trinidad and Tobago Police Service (TTPS) but expressed 'disappointment' with the ODA's decision to restrict opening hours.

Various sectors affected

'Despite a notable shift toward cashless transactions-accounting for over 80% of sales-the growing fear of crime has led to self-imposed curfews among both staff and customers, reducing sales and increasing the threat of 24-hour-station closures,' the Chaguanas Chamber stated, adding that it 'recognises that the rise in criminal activity is not only affecting service stations but also businesses across various sectors'.

'Reduced customer foot traffic, rising operational costs due to increased security measures, and the general sense of insecurity are stifling the business environment and deterring both local and foreign investment,' the Chamber said.

The release added: 'We stand in solidarity with the ODA in their call for a more strategic and aggressive approach from the Ministry of National Security to restore confidence among businesses and the public.'

The T& T Chamber stated that 'the situation requires immediate and tangible action', including enhanced policing.

It said there was a need for 'more visible and frequent police patrols, particularly at key commercial hubs, to deter criminal elements and ensure the safety of employees and customers'.

The Chamber also called for 'data sharing', saying there was a 'need for a formal mechanism to share critical information about criminal activities and trends with businesses so that they can better protect their assets and employees'.

'The TT Chamber further urges the Government to take decisive steps to address this escalating crisis which will worsen as we lead up to the festival season of Divali and Christmas,' the release said.

'The high crime rate is undermining national economic development and threatening the viability of businesses.'

The Chamber also stated that 'we recognise that crime is a complex issue that cannot be resolved by law enforcement alone'.

'As a business support organisation focused on fostering a thriving business environment, the T& T Chamber remains dedicated to collaborating with the Government, law enforcement agencies, and other stakeholders,' it said.

'Together, we aim to develop and implement viable recommendations and meaningful solutions that will restore safety and security throughout Trinidad and Tobago.'

Trump hush money case...

Judge postpones sentencing until after election

NEW YORK

A JUDGE has agreed to postpone Donald Trump's sentencing in his New York hush money case until after the November election.

Judge Juan M Merchan said in his decision yesterday that he wanted to avoid any perception that the sentence was intended to tilt the scales in the presidential campaign. The judge delayed Trump's sentencing until November 26.

Earlier in the day, Trump spoke before television cameras yesterday following a court appearance and brought up a string of past allegations of other acts of sexual misconduct, lashing out at the women who came forward. Although billed as a news conference, the former president took no questions.

Meanwhile, Vice-President Kamala Harris largely stayed out of the public eye, preparing in private with her advisers in Pittsburgh for next week's debate with Trump. Her campaign announced yesterday that it raised US\$361 million from nearly three million donors in her first full month as a candidate.

Dick Cheney will back Kamala Harris, daughter says Former vice-president Dick Cheney, a lifelong Republican, will vote for Kamala Harris for president, his daughter former US Rep Liz Cheney said yesterday.

Liz Cheney, who herself endorsed Harris on Thursday, made the announcement when asked by Mark Leibovich of The Atlantic magazine during an onstage interview at The Texas Tribune Festival in Austin.

'Dick Cheney will be voting for Kamala Harris,' Liz Cheney said to audience cheers during the interview at The Texas Tribune Festival in Austin.

'Wow,' Leibovich replied. Like his daughter, Dick Cheney has been an outspoken critic of former president Donald Trump, notably during Liz Cheney's ill-fated re-election campaign in 2022.

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The increase in the deposit insurance coverage limit from \$125,000 to \$200,000 will provide a further level of protection for people who deposit their savings in financial institutions.

This according to Minister of Finance Colm Imbert, who advised in a media release yesterday that on August 28 he signed both the Central Bank (Deposit Insurance) Order, 2024, and the Central Bank (Deposit Insurance Coverage Limited) Order, 2024, which were both published on August 29 as Legal Notice Nos 159 and 160 of 2024, respectively.

Both orders will take legal effect on October 1 and are based on careful consideration of funding reviews and assessments, international best practice, and consultations with the Central Bank of Trinidad and Tobago and financial sector stakeholders, the statement said.