

ADDRESS BY

THE HON. KENNETH VALLEY  
MINISTER OF TRADE & INDUSTRY  
MINISTER IN THE MINISTRY OF FINANCE

AT THE VISIT OF THE  
SOUTH AFRICAN TRADE MISSION

4:30 PM,  
FRIDAY 19<sup>TH</sup> AUGUST, 2005

TRINIDAD AND TOBAGO  
CHAMBER OF COMMERCE BUILDING  
COLUMBUS CIRCLE  
WESTMOORINGS

Senator Knowlson Gift, Minister of Foreign Affairs; His Excellency Thanduyise Chiliza, High Commissioner for South Africa; Members of the South African Delegation; Mr. Garvin Francis-Lau, Acting President, TIDCO; Representatives of the local business community; Members of the Media; Distinguished Guests; Ladies and Gentlemen.

It is a special pleasure for me to welcome our dear friends from the beautiful country of South Africa, in particular because we seem to be on the same wave-length in terms of our desire to build business linkages. As you know, Trinidad and Tobago only recently established an embassy in South Africa which will focus on a number of relationship building strategies, including the promotion of trade and investment between our countries.

I am truly impressed that a delegation from South Africa should arrive in this country so quickly, basically on the heels of this Trinidad and Tobago initiative. I commend this proactive approach which demonstrates the fact that the relationship between this country and South Africa has already begun to deepen, and that we both perceive

significant opportunities for conducting business and investment.

I know that as any sharp investment team, you would have done your research on Trinidad and Tobago. Be that as it may, however, just permit me to divulge a few facts with regard to our economic situation. Trinidad and Tobago has seen 10 years of consecutive economic growth, low inflation and falling unemployment. We have received the greatest levels of foreign direct investment in the region and to maintain this momentum, we are committed to creating the right enabling environment for business to grow and flourish.

Along with positioning our country as the hub of the region and creating expanded market access opportunities through strategic trade agreements, we are pursuing a number of activities to support business and investment. These include:-

- Institutional reform involving key trade and investment-related organization such as the Bureau of Standards, CARIRI, and the Customs and Excise Division;

- Developing a number of new industrial estates amidst the energy cluster in the Central and South of the country;
- Enacting legislation concerning Competition Policy and Investment Promotion,
- Development of an export strategy; and
- Developing the Wallerfield Industrial and Technology Park, which will be a nexus for research, innovation and light manufacturing, particularly with respect to ICT.

We recognize that while the majority of our revenue comes from the energy sector, this is not an inexhaustible resource. Consequently we have committed to diversifying our economy, to ensure sustained growth and development over the long term.

In this regard, the Prime Minister's Standing Committee on Business Development has appointed teams comprising public and private sector stakeholders to study specific non-energy industries and prepare strategic plans to position them for global competitiveness. The industries are:

- Yachting
- Merchant Marine

- Music and Entertainment
- Film
- Printing and Packaging
- Food and Beverage
- Fish and Fish Processing and
- Information and Communications Technology

These Strategic Plans have now been completed, and the proposals for the Film and the Yachting Industries have been accepted by Cabinet and are now being implemented. The other Plans are currently before the Standing Committee.

We invite you to explore these and other opportunities with us as we pursue mutual goals of economic growth and development, utilizing the model of South-South co-operation.

Ladies and Gentlemen, with a population of over 40 million; an advanced industrial infrastructure base; and well-developed business and financial institutions, South Africa, more than many of our other trading partners, might just well present the best conditions for our manufacturers and

service providers to deploy innovative marketing strategies and exploit particular niche markets.

So far, Trinidad and Tobago's trade with South Africa however has been mostly one-way, with imports far outpacing exports. In 2004 we exported a total of TT\$1.96 million in goods to South Africa and imported TT\$35.8 million. What is encouraging is the wide range of goods which we export, including construction materials, pigeon peas, personal care products, e.g. lipstick, shampoos and powder, and of course, aromatic bitters. This process which signals the potential for even further market expansion.

While penetrating the market is the first task for our local companies, their second task will be to expand their presence throughout the country; and thirdly, move into nearby territories where demand conditions maybe compatible. This would include South Africa's neighbors - Botswana, Namibia, Mozambique, Zimbabwe, Swaziland and Lesotho. Apart from the local market base, business and tourism travelers in these countries number in the millions and present manufacturers with an additional market.

This underscores the fact that in order to exploit successfully any linkages that we may create, transport and rapid access to markets are critical factors. As I indicated before, Trinidad and Tobago, due to our ideal geographic location, has positioned itself as the business, commercial, manufacturing and transshipment hub of the region.

To support this policy, as part of CARICOM, we have negotiated a number of bilateral agreements with neighboring countries such as Colombia, Cuba, Venezuela, the Dominican Republic and Costa Rica. We have also initiated talks with MERCOSUR, with the aim of entering into bilateral negotiations in 2006.

A critical component of our policy is the Spanish as the First Foreign Language Program, a program designed to ensure that major sections of the population are capable of communicating in Spanish by the year 2020. This will provide prospective investors with a workforce that can effectively transact business in the two major languages of the region.

We are aware that South Africa is also negotiating a Free Trade Agreement with MERCOSUR and we would like to suggest that you consider Trinidad and Tobago in the same light.

Both our countries are involved in crucial negotiations at the major multilateral negotiating fora, that is the African/Caribbean/Pacific-European Union and the World Trade Organisation, and as we all know, in this dynamic setting, cooperation among countries provides a degree of assurance that, as far as possible, decisions taken are not detrimental to the wide range of developmental objectives. In fact, one of the reasons for participating in the negotiations at the WTO is to ensure that whatever rules are crafted takes into consideration the level of development and size of economies in the region.

We recognize that South Africa is an economic powerhouse, with a gross domestic product (GDP) four times that of its neighbors, and comprising 25% of the entire GDP of Africa. There is a degree of responsibility that goes with this achievement, which parallels Trinidad and Tobago's economic position within the region.

As members of CARICOM, we are driving the development of the CSME, the CARICOM Single Market and Economy, which envisions a single economic space within the CARICOM sub-region. In addition, we have initiated the Caribbean Trade Support Programme (CTSP), a US \$16 million fund designed to assist regional businesses to build their competitiveness and technological capability.

In a similar vein, South Africa's involvement in the African continent spans a range of activities with similar socioeconomic objectives, which include infrastructure and logistics (roads, ports, etc.); ICT; water and waste management; transportation; mining; construction; and agribusiness.

I must add that many of these activities would be welcomed in this region because they encompass an important part of the holistic development of any nation.

Ladies and Gentlemen, Trinidad and Tobago is open for business. We welcome initiatives that seek to expand trade and investment activities, whether private sector or

government driven. On this occasion, it appears to be a combination of both.

To our South African friends, welcome once again to our slice of paradise -Trinidad and Tobago. By now I am sure that you have been fully exposed to the special warmth and hospitality that characterizes our people. I truly hope that during your brief stay with us, you have the opportunity to explore our country further, and glimpse our unique culture, history and society, and of course, initiate critical business alliances.

I thank you.