



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO  
MINISTRY OF TRADE AND INDUSTRY

# *Media Conference on Consumer Affairs Division's Communications/ Awareness Campaign*

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MINISTER'S STATEMENT

SENATOR THE HONOURABLE PAULA GOPEE-SCOON  
MINISTER OF TRADE AND INDUSTRY

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11 MARCH 2016  
LEVEL 17, NICHOLAS TOWER

Good morning.

Members of the media, I thank you for joining us this afternoon. The Ministry of Trade and Industry is pleased to present to you an update on the activities and work programme of the Consumer Affairs Division and to assure you that the Division is in a heightened state of consumer protection and advocacy.

The Consumer Affairs Division of the Ministry of Trade and Industry has a responsibility to protect the interests of consumers, and to monitor commercial activities to ensure that consumers' economic interests are protected.

To begin, allow me to introduce you to a few key members of the Consumer Affairs Team:

- Mr. Dexter Morgan, Director – Consumer Guidance and Protection
- Mrs. Bernadine Rawlins – Senior Consumer Advocate
- Mrs. Sandra Peter-Sarabjit – Senior Project Analyst
- Mrs. Feroza Matthew – Senior Research Officer

You would have noticed the high visibility of members of the Consumer Affairs Division at supermarkets and hardwares throughout the country monitoring prices and compliance with the revised V.A.T. Regime.

Additionally, consumers have been making use of the Consumer Affairs Division's hotline –800-4277- as well as an email account- 4VAT2016@gmail.com which was specially established to allow the Ministry to address consumer complaints and questions relating to the introduction of the revised VAT regime

Both these communication channels are supported by already established social media platform -our Facebook page- which facilitates continuous dialogue on V.A.T.-related matters and ongoing commercial concerns.

Through our various forms of media (telephone calls, emails and Facebook messages), we have received and promptly addressed in excess of one hundred and thirty-seven (137) formal V.A.T. concerns over the period February 04 to March 08, 2016. Consumers have been pointedly vocal, as activity on our Facebook page has increased exponentially and its reach has expanded to well over forty thousand (40,000) persons. Last week, when officers were out in Point Fortin there were about eighty thousand (80,000) hits to our Page.

Some of the more popular concerns which we have received include the failure of some businesses to properly apply the revised VAT Regime which came into effect on February 1, 2016 or adhere to good business practice including:

- Failure to identify on receipts, items which attract V.A.T. and those which do not;
- Not reducing V.A.T. from 15% to 12.5% consistent with the revised V.A.T. Regime;
- Not **correctly** applying the revised V.A.T. Regime - it has been brought to our attention that some businesses have kept the 15% V.A.T. and have added to that a 12.5% increase in their price. That is by no means acceptable.

Further, we have come to recognize that there have been inconsistencies by businesses in terms of which items are zero rated, which items have been reduced from 15% to 12.5%, and on which items V.A.T. has been introduced;

- Some businesses do not provide a proper invoice to consumers which is not good business practice and I urge consumers to insist on it.

Consistent with these complaints from consumers, from our heightened presence in the marketplace, we have observed a number of deviations from our expectations including:

- Instances where in fact prices on various items have NOT decreased, commensurate with the reduction in V.A.T. from 15% to 12.5%;
- the non-labelling of prices on products on shelves in supermarkets which causes ambiguity for consumers;
- the increase of prices on food and non-food items where V.A.T. was reduced; and
- the application of V.A.T. by merchants to items which are zero-rated.

It is also glaring that at many of our fast-food restaurants, the V.A.T. remains at 15% contrary to, and in clear defiance of, the new V.A.T. Regime.

I wish to reassure you that the complaints which we at the Division have received have been promptly addressed. We have sought to intervene in the marketplace by:

- providing consumers with factual information on the application of the new V.A.T. Regime thereby enabling them to make informed decisions.
- communicating with merchandisers as necessary on reported breaches of the revised V.A.T. Regime. Where necessary, we have referred matters to the **V.A.T. Office**.

Our message to you the consumer, is to be vigilant with your hard earned money. Shop around! Seek your own interest and monitor prices to ensure that you get the best value for money. Ensure that for food and non-food items on which V.A.T. is applicable, you are paying 12.5% and NOT 15% and that prices are not unduly inflated.

In the same vein, I wish to call on the business community to be ethical in the manner in which they conduct business in the area of pricing and the manner in which they influence consumer behaviour, especially in the areas of banded offerings, double packaging and tied selling.

We recognize that the pricing of goods and services will continue to be a sensitive issue and therefore empowerment of the citizenry is critical. To this end, the Consumer Outreach Programme conducted by the Consumer Affairs Division will continue to be an integral part of the Division's work programme.

The outcome we expect is that:

- You will be an informed consumer;
- You will understand price and pricing;
- You will have an appreciation for the value of goods and services
- You will have the power to manage your food cost in particular; and
- You can now make the best decisions based on your disposable income.

We expect to kick-off more heightened activity on World Consumer Rights Day which will be observed next week on March 15, 2016.

Beyond VAT, it is noteworthy that the wider programme of the Consumer Affairs Division involves broadening the scope of research, advocacy and monitoring activities to maximize the protection of consumers within the limitations of the current legislative framework.

In an effort to ensure that the economic interests of consumers are best protected, particularly in the current environment, clearly identified **strategic areas of work** will supplement the existing work programme of the Division. The strategic areas of work will include:

1. Price Determination; and
2. Price Monitoring

In the area of Price Determination, the Division will embark on three (3) key projects:

- The first of which is a research exercise to determine ***'Pricing from Source to Consumer'***. This project will involve a review of all the factors and costs which contribute to the final selling price of selected food items. From this we expect to derive an ***acceptable and reasonable price range*** for the selected food items. This information will be communicated to consumers.
- Secondly, a ***'Study of the price and non-price factors affecting the demand and supply of goods and services in the country'*** will be conducted. This project will enable us to better understand you the consumer in terms of, for example, what influences your purchasing decisions. Such information will assist us to design more effective policies and programmes to cater to the public's needs.
- The third project is ***'An assessment of the institutional determinants which impact prices'***. This would involve reviewing the operations of institutions in the supply chain, for example, the Port Authority and Customs and Excise Division. Such information and understanding will assist us in highlighting systemic inefficiencies in the supply chain with a view to influencing a more reasonable pricing in the marketplace.

In the second strategic area of work ***Price Monitoring***, the Division will draw on information from surveys that are routinely conducted. These are the monthly ***Retail Food Price Survey***, the monthly Poultry Survey and our quarterly Hardware Survey.

Through the monthly Retail Food Price Survey, the Division expects to encourage consumers to engage in comparative shopping. It is our intention to re-commence the publication of food prices by named supermarkets in different areas. Such information will enable consumers to compare prices among supermarkets, to determine the best value for money, where to shop, and very importantly, it can lead to more effective competition in the marketplace.

Secondly, information from our monthly ***Poultry Survey*** will be used to engage the Poultry Industry to ensure that prices are kept at a reasonable, affordable and still profitable level. The poultry industry is of particular interest to us because poultry is recognized as the meat protein that is consumed by the majority of households throughout Trinidad and Tobago. The Division will also encourage consumers in comparative shopping by publishing prices of fresh chicken sold at various poultry depots in Trinidad.

Information from the quarterly **Hardware Survey** will also be used in a publication on prices of key construction items at various hardware, electrical and plumbing outlets in Trinidad. This will enable consumers to compare prices and to shop where there is best value for money. Again, this too will encourage more effective competition in the marketplace.

### INFORMATION SHARING

The reports, survey results and other information compiled through these intervention strategies and projects will be communicated to members of the public, through our information dissemination channels.

Finally, I wish to call your attention to the particular pieces of legislation (such as the Consumer Protection and Safety Act; the Trade Description Act, the Adverse Trade Practices Order, 2000, the Sale of Goods Act, the Misrepresentation Act; the Unfair Contract Terms Act; and the Hire Purchase Act) which guide the work of the Consumer Affairs Division of the Ministry and which are undoubtedly dated and in need of urgent review.

In this regard, the MTI is in the final stages of developing a new National Consumer Policy which has among its main objectives, the establishment of a Single Harmonized Consumer Protection framework which will enshrine into law, rights of consumers and responsibilities of suppliers and address gaps in the current legislation.

This Policy, when introduced, will indeed be a landmark event, because, among other things, it considers the establishment of a Consumer Protection Tribunal. (It is envisaged that this Tribunal will have the jurisdiction to resolve consumer-related disputes up to a maximum value of two hundred and fifty thousand dollars (\$250,000.00) which should result in minor redress matters being addressed more quickly.)

Ladies and Gentlemen, we have heard the clarion cry by consumers that the Consumer Affairs Division should have more ‘teeth’. Through revised legislation, new systems and renewed vigor, the Division commits to addressing these concerns.

The Consumer Affairs Division will continue to do its part by “putting the power on the side of the consumer”...

- To know more
- To know price
- To know value

I thank you.