



NATIONAL

Aid FOR
Trade
STRATEGY

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REPUBLIC OF TRINIDAD AND TOBAGO
MINISTRY OF TRADE
AND INDUSTRY

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Acronyms and Abbreviations

AfT	Aid for Trade
BSO	Business Support Organization
CARIBCAN	Caribbean-Canada Trade Agreement
CARICOM	Caribbean Community
CBERA	Caribbean Basin Economic Recovery Act
CBPTA	Caribbean Basin Trade Partnership Act
CARIFORUM	Caribbean Forum of African, Caribbean and Pacific States
CARIRI	Caribbean Industrial Research Institute
CFDD	Chemistry, Food and Drugs Division
CSME	CARICOM Single Market and Economy
ECBS	Enabling Competitiveness Business Strategy
EDF	European Development Fund
EPA	Economic Partnership Agreement
EU	European Union
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSP	Generalised System of Preferences
GSTP	General System of Trade Preferences
HSF	Heritage and Stabilization Fund
HACCP	Hazard Analysis Critical Control Points
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
IMF	International Monetary Fund
IPO	Intellectual Property Office
ITC	International Trade Centre
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation
MPD	Ministry of Planning and Development
MSME	Micro, Small and Medium sized Enterprises
MTPF	Medium-Term Policy Framework
MTI	Ministry of Trade and Industry
NQI	National Quality Infrastructure
PET	Polyethylene Terephthalate
PS	Permanent Secretary
PSTA	Partial Scope Trade Agreement
PLIPDECO	Point Lisas Industrial Port Development Corporation Limited
QMS	Quality Management System

SME	Small and Medium Enterprise
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
TCC	Trade Coordinating Committee
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TTBS	Trinidad and Tobago Bureau of Standards
TTCIC	Trinidad and Tobago Chamber of Commerce
TTCSI	Trinidad and Tobago Coalition of Services Industries
TTMA	Trinidad and Tobago Manufacturers' Association
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Executive Summary

Trinidad and Tobago's Aid for Trade (AfT) Strategy, 2016-2019 presents a coherent framework of trade priorities, based on stakeholders' views about the challenges they face in expanding trade. The Strategy is expected to assist donors, investors and international development partners in deciding where best to channel their resources to assist Trinidad and Tobago to further develop its trade.

In the past, the donor community has provided Trinidad and Tobago with valuable resources to support its trade. Such resources have complemented the country's own financial resources, the bulk of which was generated from its lucrative energy sector. In 2013/2014, energy revenues in Trinidad and Tobago accounted for 58 per cent of total government revenue.

In September 2014, global oil prices fell dramatically but not unexpectedly. This led to a fall in export earnings, a deterioration of fiscal balances and a reduction in the government's ability to fund key economic and trade programmes. In light of these circumstances, AfT has a valuable role to play in providing Trinidad and Tobago with much needed resources to build its supply capacities and strengthen its trade-related infrastructure.

The priorities presented in the AfT framework are organized under three pillars: *export diversification*, *competitiveness* and *trade facilitation*. Each pillar features a series of objectives and sets out priority areas and priority projects where funding is urgently needed. The priority projects represent "project ideas" at this early stage and will have to be fully developed in order to attract funding. The objectives and priority areas under each pillar are summarised below.

Export Diversification Pillar

Key objectives under this pillar are to: (a) expand 'emerging' product lines; (b) develop new export products; and (c) penetrate traditional and non-traditional markets. AfT priorities will focus on:

- Building the productive capacity of sectors targeted for diversification
- Establishing facilities to produce 'new' goods and services for export
- Building capacity for gathering and disseminating market intelligence
- Strengthening skills for trade negotiations.

Competitiveness Pillar

Key objectives under this pillar are to: (a) increase adherence to international quality standards; (b) provide increased access to finance; (c) upgrade the skills

of new and existing exporters; (d) strengthen business support organizations; and (e) develop and exploit national brands. The AfT priority areas focus on:

- Strengthening the national quality infrastructure
- Improving quality management systems in SMEs
- Establishing a financing mechanism to assist exporters access global markets
- Expanding learning opportunities for businesses
- Building the capacity of BSOs to better serve their members
- Developing and exploiting national brands

Trade Facilitation Pillar

Key objectives under this pillar are to: (a) increase the efficiency of maritime transport; (b) increase value-added services in the port environment; and (c) utilize e-commerce opportunities. The AfT priority areas focus on:

- Implementing the provisions of the WTO Trade Facilitation Agreement
- Building the capacity of the proposed Maritime Authority
- Expanding/upgrading port facilities
- Increasing the use of ICT across industries

Effective implementation will be fundamental to the success of the AfT Strategy. The implementation process will be overseen by the Trade Implementation Unit (TIU) at the Ministry of Trade and Industry (MTI) and several other parties will be involved including: beneficiaries, the TIU, the MTI, government focal points for funding agencies and donors.

A rigorous process will be established for the selection and approval of AfT projects. Project beneficiaries will be required to develop initial project outlines followed by full project proposals with clear objectives and expected impacts. If necessary, the MTI will provide assistance where project preparation skills are absent. Project selection will be made through an internal vetting process at the MTI and proposals subsequently forwarded to donors for detailed project design.

An Aid for Trade Monitoring Committee will be set up to monitor implementation of the Strategy. It will consist of donors, public sector officials and private sector members. The Committee will meet biennially to discuss inter alia implementation challenges, findings, and lessons learnt on projects. Two types of reports will be considered: project-level monitoring reports prepared by beneficiaries and AfT Strategy monitoring reports produced by the TIU.

The AfT Committee will also review project evaluations carried out by the beneficiaries, donors or the Government to assess the overall AfT Strategy performance, discuss challenges and how to meet them and offer suggestions on possible funding sources. The Committee will also discuss lessons learnt from projects implemented.

A Stakeholder Group forum will be hosted biennially to discuss broad project findings and lessons learnt on all projects. Regular dissemination of information will help to ensure that there is continued interest in the AfT Strategy.



Introduction

In recent years Trinidad and Tobago, along with the rest of the CARICOM region,¹ has devoted considerable human and financial resources to negotiating trade agreements, involving numerous countries and regions. The aim of these has been to remove barriers to trade so that goods could move more freely among the parties concerned. Currently, Trinidad and Tobago is a party to nine multilateral, regional and bilateral trade agreements. Negotiations are also underway for a trade agreement with Guatemala and El Salvador and Chile.

Despite the multitude of trade agreements in existence, a key question that is often posed in domestic fora is: why are local businesses not taking full advantage of opportunities available through the trade agreements?² Asked a different way, what are the obstacles to the development of trade?

The inability of developing countries to exploit global trading opportunities was the subject of a wide-ranging discussion in December 2005 at the World Trade Organization (WTO) Ministerial Conference in Hong Kong.³ The consensus emerging out of that discussion was that supply-related problems hindered the ability of developing countries to trade more fully – in particular, their limited supply capacities and inadequate trade-related infrastructure. In considering how best to assist countries build their capacities to trade, the idea of aid for trade (AfT) emerged.

The WTO AfT initiative aims to ensure that more resources are channelled to international trade through the provision of grants, loans, equity financing, or 'blended financing,' which is a combination of grants and non-grant financing. Implementation of the AfT initiative involves two main steps: each country sets out its trade-related needs based on existing development strategies; and donors review these needs with a view to channelling resources to meeting them.

Like many developing countries, Trinidad and Tobago faces numerous trade-related challenges in its domestic environment. During consultations for this Strategy, public and private sector officials identified several of these challenges, such as: the absence of internationally accredited testing facilities;

¹CARICOM is a regional grouping of 15 countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

²The bilateral free trade agreements have been characterized by low and declining domestic utilization rates. In 2010 they accounted for six per cent of Trinidad and Tobago's exports. See Ministry of Trade and Industry Trade Policy and Strategy, Trinidad and Tobago, 2013-2017.

³For a comprehensive overview of the early discussions and conceptual issues involved in aid for trade, see Sheila Page, *The Potential Impact of the Aid for Trade Initiative*, G-24 Discussion Paper Series, No. 45, April 2007.

inadequate financing mechanisms; a lack of relevant market intelligence; insufficient skills in export management; congestion at ports; and the absence of payment mechanisms to facilitate e-commerce.

The Trinidad and Tobago government has invested considerable resources in the past to improve the trade-enabling environment for business and support to the private sector to build its productive capacity. This was complemented by funding from a large donor community attached at Annex V, with the European Union (EU) and the Inter-American Development Bank (IDB) contributing the largest amount of resources. Section 3 provides information on key donor-funded projects for trade development.

By and large, Trinidad and Tobago's efforts to build its trade capacity were facilitated by buoyant revenues received from its lucrative energy sector. In 2013/2014, the country's exports of oil, natural gas and petrochemicals contributed 58 per cent to government revenue. In September 2014, however, Trinidad and Tobago experienced an exogenous shock to its economy when oil prices fell dramatically. "Due to the ongoing volatility of energy prices in the international markets, Mid-Year Revised projections for fiscal 2015 were predicated on an average oil price of US\$45 per barrel of crude compared to the earlier US\$80 per barrel projection stated in the 2015 budget report."⁴

"The recent 2016 budget was based on an oil price of US\$45 per barrel, however notwithstanding the predictions of international energy experts, the average oil prices for the first six month of fiscal 2016 was actually US\$37 per barrel."⁵

In light of the present circumstances, AfT has a valuable role to play in providing Trinidad and Tobago with much-needed assistance to build its supply capacities and trade-related infrastructure. In addition to technical assistance, the country needs investment to build both its emerging and traditional sectors. Target sectors for investment include clean technology, creative industries, agri-business, ICT, downstream energy, tourism and maritime industries. Investment is also needed to upgrade the country's trade-related infrastructure, particularly transportation and telecommunications, to facilitate the expansion of trade in goods and in services.

Overall, AfT could assist the country to diversify its economy and promote self-sustaining growth and development.

⁴ Source: page37, State of Economy, 2015.

⁵ Mid-Year Fiscal Review 2016. Minister of Finance, Colm Imbert,

In developing the AfT Strategy, the exercise relied on guidance provided by the IDB.⁶ The IDB is the main institutional counterpart for the WTO in Latin America and the Caribbean with respect to AfT.

The main objectives of the Strategy are two-fold:

- To identify priority areas and projects for presentation to investors and donors that are in line with its trade-related development priorities; and
- To design and implement a mechanism to execute, monitor and evaluate AfT priorities.

The methodology, which is illustrated graphically in Annex I, involved three main steps:

- a. A desk review and selection of three pillars on which to anchor the Strategy;
- b. Stakeholder consultations to identify trade-related priorities; and
- c. Consensus-building around priorities, an implementation mechanism and a monitoring and evaluation (M&E) framework.

The empirical work for the Strategy was carried out in two phases.⁷ During phase I (2011-2012), in-depth discussions were held with over 40 government departments/ agencies and private sector organizations on their AfT priority areas. A stakeholder validation workshop was subsequently held to consider these. In phase II (2014-2015), a second round of in-depth discussions was carried out to revise the initial AfT proposals. Following this, a High-Level Meeting on Aid for Trade was held in March 2015 to agree to the revised priorities, implementation process and approach to M&E.

The organization of this AfT Strategy document is as follows: section 2 briefly describes Trinidad and Tobago's trade and macro-economic environment; sections 3-5 address donor support for trade, the identification of pillars, and trade mainstreaming; sections 6-8 present Trinidad and Tobago's AfT priorities under three selected pillars; and sections 9-10 discuss the AfT implementation process and an M&E framework for the Strategy.

⁶See IDB, *Mainstreaming Aid-for-Trade: A Guide to Developing National Strategies*, 2011. <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35752088>.

⁷Phase I was funded by the IDB and phase II by the Government of Trinidad and Tobago.

2.1 Macro Environment⁸

Trinidad and Tobago has a small population of 1.3 million, land area of just about 5,000 sq. km and a per capita income of US\$ 20, 757 (est. 2016), which is among the highest in the Latin American/Caribbean (LAC) region.⁹ Central to the country's economic fortunes has been the energy sector, which consists of oil, natural gas and petrochemicals (methanol, urea and ammonia). The sector accounts for an estimated 45 per cent of GDP, 58 per cent of government revenue and 85 per cent of exports.

Trinidad and Tobago's non-energy sector is led by services (mainly distribution, finance, insurance, real estate and government), which contributes roughly 50 per cent to GDP. Manufacturing accounts for 5.0 per cent of GDP and agriculture for less than 1.0 per cent.

Up until 2008, Trinidad and Tobago enjoyed a 15-year period of positive economic growth. This included a buoyant period in 2000-2008 when energy prices soared and annual economic growth averaged 8.0 per cent. Since then, global events have led to declines in world energy prices, which have negatively impacted the domestic economy.

In 2009, the economy contracted by 3.3 per cent following the global financial crisis and decline in oil prices. There were further declines in 2010 and 2011 of 0.3 per cent and 1.2 per cent respectively. All sectors were badly hit but food and beverages, light manufacturing and construction suffered the most.

Declines in output affected exports, which fell from US\$18.7 billion in 2008 to US\$9.1 billion in 2009. Further, the central government fiscal balance declined from 7.5 percent of GDP in 2008 to -0.7 per cent in 2011; and the external current account balance fell from 30.4 per cent of GDP to 7.0 per cent over the same period. Domestic economic performance improved in 2012 and 2013, reflecting positive growth of 1.3 per cent and 2.3 per cent respectively (Table 1).

In September 2014, oil and natural gas prices fell dramatically in response to a combination of geopolitical and economic factors. This decline continued through 2015 reaching an 11-year low by December, 2015.¹⁰

In the face of these economic conditions, the IMF has projected a negative growth rate of -1.1 per cent for Trinidad and Tobago in 2016.

⁸Unless otherwise stated, all statistical data in this section are from the Central Bank of Trinidad and Tobago's online database <http://www.central-bank.org.tt/content/online-statistical-publications>

⁹International Monetary Fund, World Economic Outlook database.

¹⁰See <https://www.imf.org/external/country/TTO/index.htm>

Table 1: Selected Macro-Economic Indicators, Trinidad and Tobago, 2011-2015

Indicator	2011	2012	2013	2014	2015
Real GDP growth (%)	-0.3	1.3	2.3	-1.0	-2.1
Energy sector	-3.9	-2.8	1.3	-2.4	-4.6
Non-energy sector	3.2	2.3	2.6	0.1	-0.6
Inflation (% end of period)	5.3	7.2	5.6	8.5	1.5
Unemployment (% of labour force)	4.9	5.0	3.7	3.3	3.4*
Central government fiscal balance (% GDP)	-0.7	-1.3	-2.9	-2.6	-4.2
External current account balance (% GDP)	7.0 ^P	-10.6 ^P	12.9 ^P	1.4 ^P	-0.2 ^P
Public sector debt (% GDP)	31.2	39.4	39.1	40.9	45.4 ^P
Debt service ratio ¹¹	1.1	1.2	1.0	1.0	1.4
Net Official Reserves (US\$M) (net of HSF)	9,822	9,200	9,987	11,316	9,788.

Source: Economic Bulletin March 2016 Volume XVIII Vol.1, Central Bank of Trinidad and Tobago

Key:

P – Provisional

* - For the period of January- September, 2015

In responding to revenue concerns the “Mid-Year Revised projections for fiscal 2015 were predicated on an average oil price of US\$45 per barrel of crude compared to the earlier US\$80 per barrel projection stated in the 2015 budget report.”¹²

“The recent 2016 budget was based on an oil price of US\$45 per barrel, however notwithstanding the predictions of international energy experts, the average oil prices for the first six month of fiscal 2016 was actually US\$37 per barrel.”¹³

The government is optimistic that, despite the recent unfavourable situation, Trinidad and Tobago’s economy will rebound over the medium-term. It points to the relatively faster growth of the non-oil sector in recent years, its low public debt and healthy foreign exchange reserves.

At the end of 2014, the country’s debt servicing ratio was only 1.0 per cent, one of the lowest in the CARICOM region. Net official reserves at the end of 2014 were US\$11.3 billion, equivalent to 12.7 months of prospective imports.

The main challenge facing Trinidad and Tobago is the heavy reliance on the energy sector as reflected in the maturing of oilfields, secular decline in crude oil production since 2006 and the absence of new natural gas projects in recent years. Given these trends, future growth and employment will increasingly have to depend on expansion of the non-oil sector.

AfT could make a substantial contribution to trade development in Trinidad and Tobago by facilitating higher levels of investment in non-traditional areas, building productive capacity in emerging sectors, improving competitiveness and strengthening the country’s trading infrastructure.

¹¹Central Bank Economic Database – Central Government External Debt Service Ratio (%)

¹² Source: page37, State of Economy, 2015.

¹³Mid-Year Fiscal Review 2016. Minister of Finance, Colm Imbert,

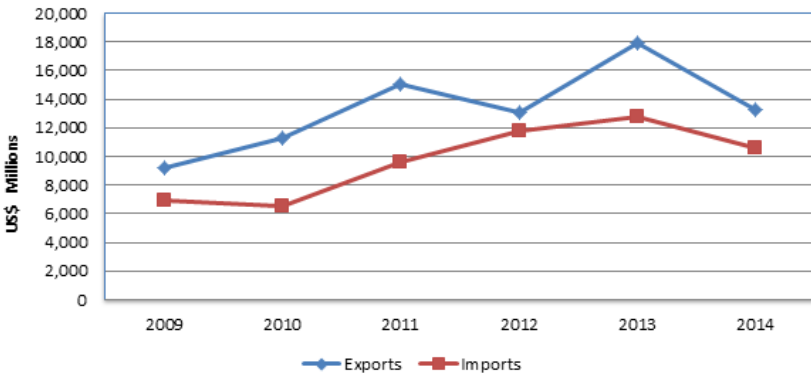
2.2 Trade Patterns

Growth and Structure of Trade

In 2001-2008, trade growth in Trinidad and Tobago was buoyant and the country generated healthy trade balances. On average, exports grew by 23.1 per cent annually over the period and imports by 15.2 per cent. Positive trade balances were also recorded, peaking at 32.2 per cent of GDP in 2013. In the 2009-2014 period, however, export growth was volatile, reflecting the impact of oil price declines.

Fig. 1 shows sharp declines in export growth in 2012 and in 2014 – by 15 per cent and 35 per cent respectively. In 2012, maintenance operations in the energy sector affected both crude oil production and refinery output while in 2014 the decline was influenced by the dramatic fall in world oil prices in September 2014.

Figure 1: Total Exports and Imports, Trinidad and Tobago, 2009-2014



Source: MTI

Regarding the structure of trade, Trinidad and Tobago's exports and imports are both highly concentrated in the energy sector. In 2013, energy exports accounted for 85 per cent of total exports and energy imports for 55 per cent of total imports. (Table 2)

Table 2: Structure of Trade, Trinidad and Tobago, 2013

Category	Exports	Category	Imports
	Share of Total		Share of Total
TOTAL	100%	Total	100%
Energy	85%	Energy	55%
Non-Energy of which:	15%	Non-Energy of which:	45%
<i>Iron and steel</i>	59.9%	<i>Machinery</i>	25.7%
<i>Beverages</i>	5.7%	<i>Vehicles</i>	13.6%
<i>Paper manufactures</i>	3.7%	<i>Iron ore, slag, ash</i>	14.5%
<i>Cereal, flour, milk preparations and products</i>	3.0%	<i>Electrical, electronic equipment</i>	8.4%

Source: International Trade Center (ITC)

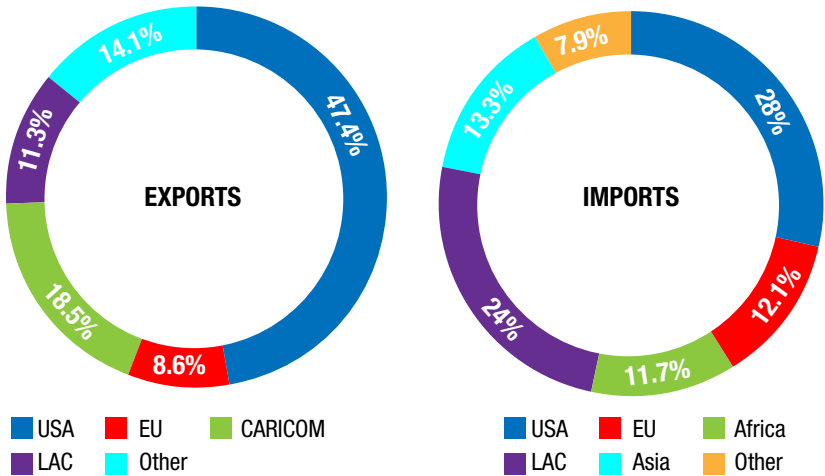
Almost 60 per cent of Trinidad and Tobago's non-energy exports are in iron and steel products and another 12 per cent in beverages, paper manufactures and cereal, flour, milk preparations and products. On the import side, the distributions across major non-energy categories are: machinery (25.4%), vehicles (13.6%), iron ore, slag and ash (14.5%) and electrical and electronic equipment (8.4%).

Main trading partners

The bulk of Trinidad and Tobago's exports go to the USA and the majority of its imports also come from that country. Figure 2 shows that in 2010, exports to the USA accounted for 47.4 per cent of total exports, most of which consisted of oil, gas and petrochemicals. The percentage share on the import side was less at 28 per cent.

CARICOM was the second largest export market (18.5%) followed by Latin and Central America (11.3%) and the EU (8.6%). In terms of imports, the picture is more diversified. Latin and Central America accounted for 24 per cent of the total, Asia for 13.3 per cent and Africa for 11.7 per cent.

Figure 2: Trinidad and Tobago's Trade by Main Origin and Destination, 2010



2.3 Trade policy and institutions

Trinidad and Tobago has updated its Trade Policy and Strategy and set as its goal: “to ensure that the benefits of international trade contribute to the socio-economic development of Trinidad and Tobago.”¹⁴

Over the next four years, the Government will focus its attention on meeting the following objectives:

- a. Expand market access for Trinidad and Tobago’s goods and services globally and regionally;
- b. Safeguard sensitive productive sectors;
- c. Increase export capacity and competitiveness of value-added goods and services in the energy and non-energy sectors;
- d. Improve the business and trade-enabling environment;
- e. Strengthen the institutional framework for trade;
- f. Mobilize resources to finance the needs of the trade and trade-related sectors;
- g. Deepen regional and hemispheric integration and cooperation as a means of increasing leverage when dealing with the international community; and
- h. Mainstream trade policy into the wider macro-economic and development policy- setting.

Trinidad and Tobago’s Trade Policy and Strategy 2013 – 2017, identifies the “Development of an Aid for Trade Strategy”, as a specific activity under Development Objective 6 and 8. It also recognizes the cross-cutting nature of trade and highlights the Government’s intention to improve relevant cross-agency linkages and ensure that the responsibilities of each agency are clearly delineated.

There are many institutions involved in trade policy formulation and implementation in Trinidad and Tobago. At the apex is the MTI, which has overall responsibility for formulating and implementing Trinidad and Tobago’s trade policy. It is also responsible for negotiating and implementing commitments under trade agreements and fostering commercial relations with trading partners, including trade promotion.

The MTI relies on critical input from the Technical Coordinating Committee (TCC). The TCC provides assistance in the development of negotiating positions for regional, bilateral and multilateral trade agreements.

¹⁴See MTI, Trade Policy and Strategy, Trinidad and Tobago, 2013-2017.

Other Ministries with substantive roles in trade development and implementation are:

- Ministry of Planning and Development (MPD), responsible for setting priorities for economic and trade diversification;
- Ministry of Finance, responsible for the application of tariffs, taxation and fiscal incentives;
- Ministry of Agriculture, Land and Fisheries, responsible for agricultural policy and for issuing sanitary and phytosanitary permits;
- Ministry of Health, which monitors the importation of food, cosmetics and drugs; and
- Ministry of Works and Transport, responsible for port operations and port logistics;
- Ministry of Education, responsible for technology and educational services.

2.4 Regional integration

Trinidad and Tobago is a founding member of CARICOM, created by the Treaty of Chaguaramas in 1973. This Treaty was revised in 2001 with the addition of nine protocols covering areas such as trade policy, services, consumer protection, competition policy, transport policy, and agricultural policy. The Revised Treaty forms the legal basis for establishment of the CARICOM Single Market and Economy (CSME).

The CSME, a regional trade and economic integration regime, aims to integrate the 15 CARICOM member states into a single economic entity. It consists of the Single Market and the Single Economy. The Single Market, which Trinidad and Tobago joined in 2006, allows for the freedom of labour, goods, services, capital, and the right of establishment. The Single Economy involves the harmonization of economic, investment, fiscal and monetary policies, and is still to be implemented.

As one of the most developed countries in CARICOM, Trinidad and Tobago plays a critical role in the Region as a supplier of goods and services, an investor, and provider of employment opportunities. Trinidad and Tobago accounts for approximately 80 per cent of intra-CARICOM goods exports. It is also a major supplier of goods to Jamaica, Guyana, Barbados and the OECS.

Many large firms from Trinidad and Tobago have invested heavily throughout the Region, particularly in areas such as banking and insurance. The Caribbean Industrial Research Institute (CARIRI), located in Trinidad and Tobago, provides valuable laboratory testing services to CARICOM exporters. In the context of the Single Market and Economy, Trinidad and Tobago offers numerous employment opportunities for workers who are eligible to move freely across the region. Further, its national airline, Caribbean Airlines, facilitates tourism and regional business.

2.5 Trade agreements and investment treaties¹⁵

Trinidad and Tobago is a signatory to nine multilateral, regional and bilateral *trade agreements*, most of which were negotiated within the context of its membership in CARICOM (Table 3). It is also a party to a non-reciprocal trading arrangement concluded by the USA.

In January 1995, Trinidad and Tobago became a member of the WTO, binding it to commitments made in respect of the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Services (GATS) and the Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Trinidad and Tobago has preferential access to the US market under the Caribbean Basin Initiative, which is the trade component of the Caribbean Basin Economic Recovery Act (CBERA) signed in January 1984. The WTO General Council, by decision dated 5 May 2015 approved the request by the United States to extend the waiver to its Caribbean Basin Economic Recovery Act to December 31 2019. The CBI grants duty-free access to the US market subject to rules of origin. In 2000, existing trade preferences were expanded through the US-Caribbean Basin Trade Partnership Act (CBPTA). The most recent development in trade relations with the USA is the signing of the CARICOM-United States Trade and Investment Framework Agreement in March 2013. This Agreement supersedes the previous United States-CARICOM Council on Trade and Investment signed in July 1991.

In 2008, Trinidad and Tobago signed its most comprehensive trade agreement to date – the CARIFORUM-EU Economic Partnership Agreement (EPA).¹⁶ The EPA removes tariffs and quotas on CARIFORUM exports. It provides for cooperation in areas such as services, investment, and intellectual property, and has a development chapter outlining the scope and cooperation priorities.

The CARIFORUM (Caribbean Community and Dominican Republic) European Community Economic Partnership Agreement Act No. 9 of 2013 was assented to by the Trinidad and Tobago Parliament on July 17, 2013.

¹⁵ Excluding CARICOM and related agreements, which were mentioned in sub-section 2.4.

¹⁶ CARIFORUM includes CARICOM and the Dominican Republic.

As a member of CARICOM, Trinidad and Tobago has bilateral trade agreements with Venezuela, Colombia, Dominican Republic, Costa Rica and Cuba. These provide market access for specific goods either through one-way preferential agreements or the mutual granting of tariff concessions. Some agreements include provisions other than market access e.g. trade promotion, services, tourism, investment, and intellectual property rights.

In recent years, Trinidad and Tobago has conducted trade negotiations within a national framework with three Central American countries. This resulted in the signing of a partial scope trade agreement (PSTA) with Panama in October 2013. The Agreement provides market access to Panama for 230 products from Trinidad and Tobago and reduces tariffs on 248 products from Panama. Trade agreements with Guatemala and El Salvador are to be concluded soon. Currently, discussion in furtherance of an Agreement with Chile is ongoing.

Aside from the trade agreements above, Trinidad and Tobago's products are eligible for the Generalized System of Preferences (GSP) schemes of Australia, Canada, the EU, Japan, New Zealand, Russia and Switzerland. The country has also ratified the Global System of Trade Preferences (GSTP) and grants tariff preferences on selected products.

On the investment front, Trinidad and Tobago has entered into *bilateral investment treaties* with Canada, China, Cuba, France, Germany, Mexico, South Korea, Spain, Switzerland, the UK and the USA. These treaties provide for national treatment and have dispute settlement procedures.

Table 3: Trinidad and Tobago's Trade Agreements in Force as at May 2016

Name of Trade Agreement	Type/ Date signed	Countries involved
CARIBCAN *	Bilateral: 28th November 1986	Commonwealth Caribbean and Canada
Agreement Between CARICOM and the Government of the Republic of Venezuela on Trade and Investment	Bilateral: 13th October 1992	CARICOM and Venezuela
Agreement on Trade, Economic and Technical Cooperation between CARICOM and the Government of the Republic of Colombia	Bilateral: 24th July 1994	CARICOM and Colombia
World Trade Organization **	Multilateral: 1st January 1995	CARICOM and WTO members
CARICOM-Dominican Republic Agreement Free Trade Agreement	Bilateral: 22nd August 1998	CARICOM and DR
United States-Caribbean Basin Trade Partnership Act (CBTPA) *	Bilateral: 1st October, 2000	Caribbean and USA
Caribbean Basin Economic Recovery Act (CBERA)	January 1984	Caribbean and USA
Trade and Economic Co-operation Agreement between CARICOM and the Government of the Republic of Cuba	Bilateral: 5th July 2000	CARICOM and Cuba
CARICOM - Costa Rica Free Trade Agreement	Bilateral: 9th March 2004	CARICOM and Costa Rica
CARIFORUM-EU Economic Partnership Agreement	Regional: 30th October 2008	CARIFORUM and EU
Partial Scope Agreement between Trinidad and Tobago and Panama	Bilateral: 3rd October 2013	Trinidad and Tobago and Panama

Source: MTI

* Non-reciprocal trading arrangement.

** On 1 January, 1995 the WTO replaced the General Agreement on Tariffs and Trade (GATT) as the organization overseeing the multilateral trading system. Trinidad and Tobago had been a member of GATT since 23 October 1962



Donor Support for Trade

Challenges in assembling Aft Data

Trinidad and Tobago receives financial and technical support for trade from numerous bilateral, regional, and multilateral agencies. However, comprehensive information on such assistance is not available since the country does not have a central repository for aid information and Aft projects are not documented separately from “aid for development” ones. While the MPD is the focal point for aid provided to Trinidad and Tobago by most funding agencies, other line ministries also serve as focal points. The main focal points and agencies are as follows:

Ministry of Planning and Development	IDB, EU, Caribbean Development Bank, United Nations, All bilateral technical co-operation agreements
Ministry of Finance	World Bank, CAF
Ministry of the Attorney General and Legal Affairs:	World Intellectual Property Organization (WIPO)
Ministry of Trade and Industry	WTO, UNCTAD

In compiling Aft information for this Strategy, the MTI requested data from both focal points and beneficiaries. Focal points were unable to provide detailed aid information, which would have allowed the separation of Aft projects from “aid for development” ones. Beneficiaries also provided little information. Many stated that they did not receive much in the way of external resources for trade and, when they did, support was mainly in the form of in-kind assistance, involving no cash transfers.

In light of the gaps in aid data, the creation of an aid data base for Trinidad and Tobago has been deemed an area of critical importance. Currently, the MPD is developing a tool, Cognos Express (CX), to help streamline the analysis and reporting process in the management of the Public Sector Investment Programme by leveraging the reporting and analytic capabilities of CX. Analysis will include aggregation of all allocated funds for all ministries, project statuses, as well as projected future funding.

The first phase of the development of the CX database was completed in April 2015. The system would allow for the input of data remotely by line ministries such as the Ministry of Works and Transport, Ministry of Agriculture, Land and Fisheries and the MTI. It will also facilitate the creation of varying views or reports to assist in data analysis from a policy, output or outcome perspective.

The MPD is currently reviewing the successes and issues experienced in the first phase of development of the Cognos database to refine the system to produce the required reports. The system will ensure that all relevant data is captured. This, in turn, will facilitate the compilation of AfT data by the MTI.

Main donors and selected programmes/ projects on AfT

According to the MPD records, the EU is the largest donor of AfT in Trinidad and Tobago, followed by the IDB. There are many other Donor Agencies that also provide resources for trade, a list of these Agencies are attached at Appendix I.

EU resources consist largely of grant funding, available through various bilateral and regional programmes. Four of the key, on-going programmes under the 10th European Development Fund (EDF) are listed below:

- **2011-2016:** “Enabling Competitive Business”, a bilateral programme under the 10th European Development Fund (EDF) to address some of the key challenges that hinder the ability of Trinidad and Tobago’s businesses and by extension the economy to compete globally. (16.3 million Euros)
- **2012 -2016:** The Technical Barriers to Trade component of the 10th European Development Fund - Caribbean Regional Indicative Programme (EDF-CRIP) (7.8 million Euros)
- **2014-present:** “Sanitary and Phytosanitary (SPS) Measures”, a Regional Indicative Programme designed to strengthen the legal framework governing SPS standards applied in the region (11.7 million Euros)
- **2014 to 2017:** ‘10th European Development Fund (EDF) Project for Capacity Building Within the Caribbean Forum of the African, Caribbean and Pacific Group of States (CARIFORUM) in the Areas of Competition, Public Procurement and Customs and Trade Facilitation in Support of the Implementation of the CARIFORUM-EU EPA. (3,099,915 Euros).

Trinidad and Tobago also benefits from the TradeCom programme, an ACP Group Programme financed by the EDF providing assistance for the formulation of trade policies, and the negotiation and implementation of trade agreements.

Table 4 shows details of five EU projects under the “Enabling Competitive Business” programme along with four others financed by the IDB. AfT resources from both the EU and IDB have been particularly valuable in helping Trinidad and Tobago to diversify its economy, build firms’ competitiveness, and improve its trade enabling environment.

Table 4: Major AfT Projects Implemented since 2010

Source of funding	Brief project description	Amount	Project executing agency	Duration
EU: "Enabling Competitive Business" programme under the 10th EDF	Enhancements to the Single Electronic Window	769,200 euros	MTI	2013-2014
	Capacity-building for food and beverage companies to increase compliance with the US Food Safety Modernization Act	326,474 euros	exporTT	2013-2016
	Tobago Good Foods Project: development of local foods for the hotel sector	267,604 euros	EuroChamTT	2014-2016
	Establishment of a Centre for Enterprise Development: a business incubator programme	266,666 euros	CARIRI	2014-2016
	Pan We are the World: A movie on the history of the steelpan in Trinidad and Tobago	126,666 euros	Caribbean Music Group Limited	2013-2014
IDB	Global Services Offshoring Promotion Program	US\$ 18,000,000	MPD	2015-2019
	Improving the performance of SMEs through the application of ICT	US\$ 709,284	CARIRI	2011-2015
	ICT Innovations for development of the masquerade industry	US\$ 337,650	TTCSI	2010-2015
	Increasing competitiveness through business analytics	US\$ 260,000	Arthur Lok Jack Graduate School of Business	2013-2014

Investment

Trinidad and Tobago is one of the most thriving islands in terms of export levels, education levels and all round development and growth. Trinidad and Tobago, given its current stable economy views itself as not only recipients of aid but also trade partners. The Government therefore encourages investment to build up trade capacity and recognises that a possible solution is a package of investment in which aid might play a catalysing role.

Improving and facilitating the synergy between aid and trade with private sector development at the interface has many advantages. This benefits both people and the environment, creates employment opportunities, and makes the transfer of knowledge and skills possible.

According to the World Bank, Trinidad and Tobago, even though it is not a large island, still produces a high level of income and GDP. It has one of the highest per capita incomes in the Caribbean and Latin America, high levels of natural resources and a highly educated, English-speaking workforce.

The stock of natural resources and educated workforce allows Trinidad and Tobago to have an efficient level of production which positively affects its level of exports and thus the amount of foreign exchange flowing into its economy.

Trinidad and Tobago is currently finalizing its National Investment Promotion Strategy which outlines specific targets for encouraging investments in the economy. Some of these targets include: targeting of companies/investors that are net earners of foreign exchange, focusing on green and sustainable investment and encouraging investments into the specific competitive/priority sectors highlighted by the Government for diversification. The aim of the strategy is to improve the investment environment and ensure that State Agencies and Ministries collaborate together in an efficient manner to promote Trinidad and Tobago as a destination for investment. Some of the objectives include to: create a synergetic relationship between State entities that directly and indirectly influence investment promotion and reduce wastage of resources caused by duplication of work by State entities.

Trinidad and Tobago also has a wholly owned state enterprise known as invesTT which is the country's National Investment Promotion Agency. This agency is responsible for specific tasks including: investor sourcing, investor facilitation and investor aftercare.

Increased investments will lead to a strengthening of the Aid for Trade programme thereby putting Trinidad and Tobago in a better place on the competitive world market for exports.



Mainstreaming Trade into Development Plans

Trade mainstreaming is a complex process which requires co-ordination at many levels: policy, operational and international co-operation. Among these, the policy level is the most important. If a country's national development strategy clearly sets out the role of trade, then trade co-ordination is facilitated at the operational level. This also assists aid donors in targeting development assistance.

Upon appointment of the new Government in September 2015, Cabinet approved the manifesto as the Government's Policy Framework. It highlights the Government of the Republic of Trinidad and Tobago's (GORTT's) development priorities for the next five (5) years. The key objectives of the Government's economic policy include:

- Macroeconomic stability, strong institutions and investor confidence;
- Sustainable growth and diversification; and
- Job creation and promotion of social justice.

The Trade and Industry section pays particular attention to the development of trade. The Government's framework is focused on rebuilding growth and sustaining the manufacturing sector of Trinidad and Tobago. Some of the main initiatives are to ensure appropriate strategies are developed in partnership with local manufacturers to create and sustain a more enabling environment to facilitate increased global competitiveness of local businesses; to address challenges such as shortages of skilled labour, difficulties in obtaining foreign exchange, reduction of bureaucracy, speedy processing of customs documentation, trade liberalisation and other regulatory issues affecting competitiveness and the ease of doing business; assist manufacturers to gain entry into Latin American, Canada, USA and UK Markets.

Key trade-related priority sectors in the Government Framework 2016 include:

- Agriculture and Agro-processing
- Maritime Services – Shipbuilding, ship repair, dry-docking and yachting services
- Fishing and Fish Processing
- Aviation Services – aircraft maintenance and repair
- The Creative Industries – Film, music, entertainment, fashion and design
- Financial Services – Making Trinidad and Tobago a regional financial centre
- Software Design and Applications – making Trinidad and Tobago a technology and innovation centre.

The Trade Policy and Strategy, Trinidad and Tobago, was developed for the period 2013-2017. The goal of this Trade Policy and Strategy is to ensure that the benefits of international trade contribute to the country's socio-economic development by expanding and diversifying production, exports of goods and services, and markets. The Ministry of Trade and Industry is currently preparing to engage in the development of an updated Trade Policy and Strategy for the period, 2018 – 2022.

At the sector level, the Government has produced several strategic plans to guide the development of industries targeted for export diversification. These cover food and beverages, fish and fish processing, and merchant marine. Several of these plans are being updated.

Other on-going planning and policy exercises include the development of Strategic Plans for the Music Industry, Film Industry, Maritime Sector and Yachting Sector, the development of Policies for Special Economic Zones and Services. The MTI is also developing a National Export Strategy and the MPD is currently finalizing a National Innovation Policy. A Strategic Plan for the Fashion Sector has been completed.

This AFT Strategy outlines priority areas and projects that are in line with Government's plans and policies. It will thereby assist donors in targeting trade-related assistance to Trinidad and Tobago. Mainstreaming, however, is a process that typically takes place over a period of time. As Trinidad and Tobago continues to develop and revise its policies and strategies, it will become easier for the country to achieve full trade mainstreaming.

The Three AfT Pillars

In its response to the *2011 WTO-OECD Partner Country Questionnaire on Aid for Trade*,¹⁷ Trinidad and Tobago identified its top priority areas based on the main trade challenges facing the country. These were:

- Export Diversification;
- Competitiveness; and
- Trade Facilitation.

In recent years, the Government has taken steps to improve the trade-enabling environment. The effects of these improvements are reflected in the results of the World Bank's *2015 Doing Business Survey*, which ranks economies on their ease of doing business from 1 to 189.

Table 5: Key Results of Global Surveys

	2015 (as found in the WB Report)	2015 (Change in WB'S Methodology)	2016
Ease of Doing Business Rank	79	85	88
Trading Across Borders Rank	76	115	114
Time to export: Border compliance	11 days	60 hours	60 hours
Time to export: Documentary compliance		32 hours	32 hours
Time to import: Border compliance	14 days	78 hours	78 hours
Time to import: Documentary compliance		44 hours	44 hours
Cost to export: border compliance (US\$/container)	843	549	549
Cost to export: Documentary compliance		250	250
Cost to import: Border compliance (US\$/container)	1260	635	635
Cost to import: Documentary compliance		250	250
Global Competitiveness Rank	89	-	89

Source: World Economic Forum, *The Global Competitiveness Report, 2015*; World Bank, *Doing Business 2014 and 2015*.

¹⁷ In monitoring progress and results of AfT in 2011, the WTO circulated a self-assessment questionnaire to partner countries, donor countries, providers of South-South co-operation, multilateral agencies and regional economic communities. The priorities listed on the questionnaire included trade policy analysis, negotiations and implementation; WTO accession costs; network infrastructure (power, water, telecoms); other transport; cross-border infrastructure; value chains; adjustment costs; and regional integration.

Trinidad and Tobago's overall rank in the Doing Business fell three (3) spots from the 85th position (out of 189 countries) to the 88th position (out of 189 countries). Specifically, the "Trading Across Borders" indicator, which measures the time and cost associated with the logistical process of trading goods, improved by one spot - from the 115th position (out of 189 countries) to the 114th position (out of 189 countries). Additionally, there were no changes to the individual components of this indicator, i.e. the time and costs required to import and export. With respect to competitiveness, the Global Competitiveness survey, conducted by the World Economic Forum, shows that Trinidad and Tobago maintained its position of 89. It should be noted however, that the number of countries covered in the 2015 GCI report was 144 while the number of countries covered by the 2016 Report fell to 140.

Clearly, there is still significant work to be done in respect of increasing export diversification, building competitiveness and improving trade facilitation. As a result, stakeholders re-affirmed the continued relevance of the three AfT priority areas listed above at a High-Level Meeting on AfT in April 2015.

The three pillars are broad and closely related to each other. For example, in order to diversify exports successfully, firms must be competitive; and, by reducing transaction costs trade facilitation has a positive impact on competitiveness. Notwithstanding the close connection among the pillars, stakeholders agreed that the pillars chosen provided a convenient way of conceptualising and categorising AfT needs. Furthermore, it should be noted that innovation is closely integrated into each of the pillars. Innovation plays a very important role within the economy of Trinidad and Tobago as it results in both economic growth and development. Trinidad and Tobago is very interested in making innovation a priority and as a result of this a National Innovation Policy is currently being finalized. The policy is aimed at creating an institutional environment with the requisite infrastructure to encourage interaction among enterprises and strengthening this country's technological research and innovation capacities by stimulating private investments.

Stakeholders agreed that *export diversification* should be seen from two perspectives: extending the range of goods and services, and expanding markets.

Competitiveness is a complex phenomenon which is influenced by numerous factors: the institutional environment and infrastructure; macro-economic environment; health status of the workforce; higher education and training; efficiency of goods, labour and financial markets; technological readiness;

market size; business sophistication; and innovation.¹⁸ The intent was that the AfT Strategy would focus on those elements with a direct link to trade and those considered to be the most important by stakeholders.

Trade facilitation will be considered in its broad rather than narrow context. That is, it will include both business facilitation and trade facilitation, and involve issues relating to the physical movement of consignments (transport and transit); import and export procedures and requirements; payments and other financial requirements that affect the cross-border movement of goods; and electronic facilities.

The three AfT pillars are discussed in detail in sections 6-8. Each pillar features:

- Key objectives;
- Priority areas; and
- Priority projects.

The key objectives under each pillar reflect their intended achievements. For example, in pursuing export diversification, the intention is to (a) expand 'new' product lines; (b) generate 'new' export products; and (c) penetrate traditional and non-traditional markets.

The priority areas address critical trade challenges facing the private sector and priority projects express urgent needs where donors could make a substantial contribution. These priorities were put forward by public and private sector stakeholders.

It should be emphasized that at this time, the priority projects represent project ideas which will have to be developed fully for presentation to donors. This is discussed further in section 9 on Implementation.

Overall, the AfT framework is designed to accommodate additional priority areas and priority projects as time progresses or as circumstances change.

¹⁸ See World Economic Forum, The Global Competitiveness Report 2015 for a discussion of these factors.



AfT Priorities: Export Diversification

This section outlines Trinidad and Tobago's AfT priorities under the export diversification pillar (Box 1). Further details are contained in Annex 2.

Box 1: Export Diversification

Expand 'emerging' product lines

- i. Build productive capacity of sectors targeted for diversification

Priority projects:

- Establishment of a fashion production cooperative
- Value chain study of the music industry
- Conduct of a technology audit for the film industry
- Development of the Maritime Sector

Develop new export products

- ii. Establish facilities to produce 'new' goods and services for export

Priority projects:

- A solar technology park to produce large-scale solar panels
- A polyethylene terephthalate (PET) plastic waste management facility

Penetrate traditional and non-traditional markets

- iii. Build capacity for gathering and disseminating market intelligence

Priority projects:

- Training and capacity building in international trade and export promotion for trade facilitation offices/ commercial attachés at embassies/ BSOs
- Establishment of a transport and logistics database

- iv. Strengthen skills for trade negotiations

Priority project:

- Training and capacity building for public and private sector officials in trade negotiations, analysis and information dissemination

In drawing up AfT priorities relating to export diversification, the AfT Strategy was guided by advice provided by the Chairman of Trinidad and Tobago's WTO Trade Policy Review in March 2012. In his closing remarks, the Chairman advised that Trinidad and Tobago's export diversification challenge should be viewed from the perspective of sectors as well as of markets.¹⁹ This perspective is reflected in the three priority areas and four priority projects shown in Box 1.

¹⁹ See WTO, "Concluding Remarks by the Chairperson," Trade Policy Review: Trinidad and Tobago, 7 and 9 March 2012 at http://www.wto.org/english/tratop_e/tp_r_e/tp360_crc_e.htm.

6.1. Expand 'emerging' product lines

i. Build the productive capacity of sectors targeted for diversification

The sectors earmarked for diversification in Trinidad and Tobago are outlined in its Government Framework as follows:

- Maritime Services – Shipbuilding, ship repair, dry-docking, yachting services and marinas, transshipment, cold stacking, bunkering, port development, special economic zones, maritime logistics and open ship registry;
- Agriculture and Agro-processing;
- Fishing and Fish Processing;
- Aviation Services – aircraft maintenance and repair;
- The Creative Industries – Film, music, entertainment, fashion and design;
- Financial Services – Making Trinidad and Tobago a regional financial centre; and
- Software Design and Applications – making Trinidad and Tobago a technology and innovation centre.

Over the past few years, businesses operating in the above sectors have taken action on various fronts to expand their production levels, increase their competitiveness and develop exports. Some have succeeded in penetrating global markets but most have not developed significant exports or even moved beyond the domestic market.

A major obstacle to export development has been a lack of productive capacity within firms, particularly SMEs.

Many businesses do not have sufficient productive resources – particularly skilled labour, financial and physical capital – to produce at the scale, price and quality demanded in global markets. Others lack entrepreneurial capabilities or have not forged production linkages through avenues such as clustering, outsourcing, and participation in global value chains. There are several existing institutions and state agencies that currently assist in addressing these weaknesses

The three priority projects shown in Box 1 under “building productive capacity” are in the creative industries grouping. Each is described briefly below.

Establishment of a fashion production cooperative

A Strategic Plan for the Fashion Industry²⁰ has been completed, setting out several proposals for development of the industry. Among them, stakeholders pointed to the need for establishment of a fashion production cooperative as one of the most important.

²⁰ Consultancy for the Development of a Strategic Plan for the Fashion industry of Trinidad and Tobago, March 2015.

Fashion apparel designers would like to scale up their design and distribution operations to meet burgeoning demand. However, they are constrained by the bottlenecks that exist in garment production as a result of skill shortages, poor work ethic and low productivity. Fashion industry members believe that these bottlenecks could be removed by bringing together the most talented and skilled personnel in the industry under a fashion production cooperative. Such an initiative will require technical advice for setting up the cooperative, physical space to locate it and equipment for start-up.

A modern, well-organized garment production facility is likely to attract talented workers, facilitate higher levels of production and lead to the production of better quality garments. This will be of tremendous benefit to fashion designers in expanding their product lines.

Value chain study of the music industry

Trinidad and Tobago's music industry consists of a rich compilation of varying musical traditions but there is limited, organized information on it. In its present form, the industry is characterized by a heavy and diverse upstream - that is, it is focused on production. The lucrative downstream possibilities - distribution and export - remain largely untapped.

Stakeholders believe that there is tremendous potential for exploiting the many revenue streams associated with the music industry. They have recommended the conduct of a value chain study of the industry as their priority project. This will complement the Strategic Plan for the Music Industry which has recently been commissioned.

A value chain study will examine the various unexploited or undervalued elements of the value chain that could be developed for revenue generation and the export of services.

Conduct of a technology audit for the film industry

As Trinidad and Tobago seeks to become a favoured destination for international film productions and an exporter of indigenous films, it must have suitable modern equipment and technologies at its disposal. There must also be trained personnel to utilize them. The global revolution in technology has created a complex array of new standards and methods, expanding the options for the production and distribution of film and television properties. These standards co-exist with traditional ones that are rooted in film's history. The challenge is to maintain the flexibility to live in both worlds.

There is no available inventory of equipment and technologies used in the film industry in Trinidad and Tobago. Yet in the recent past international

producers have had to temporarily import important pieces of equipment - often at significant cost - to support project implementation. A study is urgently needed to examine the types of technologies in use in the film industry against international standards and determine what is required.

6.2. Develop new export products

ii. Establish facilities to produce 'new' goods and services for export

The Government has a keen interest in developing entirely new products for export in addition to expanding the existing product portfolio. It is targeting sectors such as environmental goods and services and downstream energy products that are in demand globally. These industries have the potential to generate substantial export earnings and have the most favourable, quantitative impact on the trade balance.

The establishment of new industries will require large amounts of investment, substantial technical assistance and sustained effort over a period of time. Work has already begun on the two priority projects, which are mentioned below. AFT could provide complementary resources to spur their development.

A solar technology park to produce large-scale solar panels

A feasibility study of a solar technology park in Trinidad and Tobago was conducted. This study showed that the country could benefit from an ultra-low cost of production, and preferential or duty-free access to markets covering around 1 billion persons.

The solar technology park project intends to co-locate four plants producing the following products:

- polysilicon;
- metallurgical silicon;
- float glass; and
- solar photovoltaics.

A polyethylene terephthalate (PET) plastic waste management facility to produce clean flakes, fibre and packaging products

There are several small plastic recycling operations in Trinidad and Tobago that collect post-consumer bottles and ship them overseas for processing. In further developing the waste management industry, the government intends to establish a PET Plastic Waste Management Facility. This facility is expected to utilize post-consumer bottle-feed stock to produce clean flakes, fibre and packaging products.

6.3. Penetrate traditional and non-traditional markets

iii. Build capacity for gathering and disseminating market intelligence

The Government has adopted a two-pronged approach to exploiting global markets which features:

- Continued exploitation of traditional markets in Europe, North America and CARICOM; and
- A vigorous drive to penetrate markets in the South, particularly in Latin America and Asia.
- In order to successfully penetrate the above markets, exporters need timely and comprehensive market intelligence.

Market intelligence has gained increasing attention in recent years, particularly in light of new trade agreements and the opening up of non-traditional markets. For example, many businesses were keen to exploit new opportunities in Europe, following the signing of the CARIFORUM-EU EPA, but they soon realized that they had limited knowledge on the non-traditional European markets.

In Latin and Central America, a key issue is the prevalence of tariff and non-tariff barriers, especially technical barriers to trade (TBTs), and sanitary and phytosanitary (SPS) measures. In order to enter those markets, businesses need detailed information on legal and administrative procedures, and complex documentation requirements. They also need to be familiar with the business culture and languages (Spanish and Portuguese).

Both the Government and the donor community have assisted businesses in acquiring market intelligence over the past few years. ExpOrTT has launched numerous market surveys and hosted trade missions to key markets in Europe and in Latin and Central America. TradeCom also provided financing to the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) in 2012 for a 10-day trade mission to Europe. Much more is needed to address on-going needs for market intelligence.

Training and capacity building in international trade and export promotion for trade facilitation offices/high commissions abroad/BSOs

Several stakeholders, including the Trinidad and Tobago Manufacturers' Association (TTMA), have consistently highlighted the role of trade facilitation offices and high commissions abroad in generating critical market intelligence for businesses. These offices have a valuable role to play in helping businesses to assess the business and economic environment in foreign markets, build valuable contacts and understand the culture. The TTMA has indicated that its staff could benefit from short-term attachments to high commissions abroad or to trade facilitation offices. This would allow them maximum exposure to markets where goods are traded and help them to target trade and investment opportunities for businesses.

The priority AfT project is for training and in such areas as gathering, analysing and disseminating market intelligence, building networks and understanding cultural influences in business relationships. Target groups could include staff at trade facilitation offices, high commissions abroad and BSOs.

Establishment of a transport and logistics database

One type of market intelligence that is not always readily available to exporters is logistics information. Such information is important for helping businesses calculate the costs and, hence, viability of shipping to particular markets. Without full data on all logistics suppliers, exporters have to make decisions with imperfect information.

Stakeholders have proposed a priority project for the establishment of a transport and logistics database which will list all providers on specific shipping routes. Information will include estimated shipping costs, shipping schedules and supplier ratings. Such information will allow exporters to easily determine which provider is the best for a particular shipment and how to price shipments.

The database could also provide opportunities for consolidating shipments. This would be of particular benefit to smaller exporters who could submit their pending shipments and have them viewed and consolidated by shipping companies.

iv. Strengthen skills for trade negotiations

Training for public and private sector officials in trade negotiations, analysis and information dissemination

Given the increasing emphasis on bilateral and regional trade agreements, there is a need for trade negotiators to be properly and continuously trained in the conduct and analysis of trade negotiations. Both public and private sector officials currently provide input into trade negotiations. These two groups should therefore be targeted for training.

The priority project proposed is for training in trade analysis and negotiations as well as, in the dissemination of information on trade agreements. Trade negotiations usually involve lengthy, protracted debates on complex issues. Once agreements are made, the contents of the agreements need to be clearly communicated to businesses. Training on communications strategies and techniques should therefore be an important component.

This section outlines Trinidad and Tobago's AfT priorities under the Competitiveness pillar (Box 2). Further details are contained in Annex 3.

Box 2: Competitiveness

Increase adherence to international quality standards

i. Strengthen the national quality infrastructure (NQI)

Priority projects:

- Development and implementation of a National Quality Policy
- Establishment/ upgrade of public and private testing facilities, particularly for food products

ii. Improve quality management systems (QMS) in SMEs

Priority projects:

- Development and implementation of QMS in selected food sectors
- Trinidad and Tobago Tourism Industry Certification Programme

Provide increased access to finance

iii. Establish a financing mechanism to assist exporters access global markets

Priority project:

- Creation and operation of an Export Market Access Fund

Upgrade the skills of new and existing exporters

iv. Expand learning opportunities for businesses

Priority projects:

- Training/ coaching and mentoring for new exporters
- The service training attitude and respect (STAR) programme
- The small tourism enterprises project (STEP)

Strengthen business support organizations (BSOs)

v. Build the capacity of BSOs to better serve their members

Priority project:

- A programme of institutional-strengthening for the TTMA

Develop and exploit national brands

vi. Identify, use and manage intellectual property (IP)

Priority project:

- The identification of IP and development of business strategies in selected enterprises

As noted in section 5, action has been taken on several fronts to improve the country's competitiveness through building a supportive enabling environment for business. In 2011, it established a Council for Competitiveness and Innovation. The Council is an advisory board to MPD, charged with the responsibility for significantly improving the country's global competitiveness and fostering innovation as key drivers of a diversified knowledge-based economy.

Other actions targeted at developing an enabling competitive environment included the establishment of a range of policies, institutions and tools to build a competitiveness-supporting environment. Among these policies are a trade policy, a business incubation policy for enterprise development and a medium and small enterprise (MSE) policy. Key institutions include the creation of facilitative legal framework for MSEs, a Trade Implementation Unit and an Economic Development Board. Regarding tools, the main ones are a Fair Share Programme, strategic plans for priority sectors and a national export strategy.

As pointed out earlier, competitiveness has many dimensions and needs to be addressed at both the country and firm level. Box 2 shows six AFT priority areas and seven priority projects that embrace these dimensions.

7.1. Increase adherence to international quality standards

i. Strengthen the national quality infrastructure (NQI)

Trinidad and Tobago's emphasis should be on delivering products and services that differentiate themselves in the world market place on the basis of quality, value and innovation rather than on price alone. Despite this, Trinidad and Tobago has not yet acted to develop a comprehensive national quality infrastructure (NQI).

An NQI relates to all aspects of metrology, standardization, testing, quality management, certification and accreditation. It includes both public and private institutions and the regulatory framework within which they operate.

The AFT priority project is for the development and implementation of a National Quality Policy to address all aspects of Trinidad and Tobago's NQI.

Development and implementation of a National Quality Policy

During the consultations, businesses complained bitterly about quality-related problems: the poor state of the country's public laboratory infrastructure (particularly for food, beverages and pharmaceuticals), outdated legislation, inadequate enforcement, lack of awareness of standards and the high costs of certification and accreditation. Business faced challenges in meeting stringent quality standards abroad and in competing with poor-quality imported products on the local market, which they felt was not adequately monitored by local authorities.

The quality field is a complex one, involving highly technical, legal and regulatory issues. Addressing the problems of the business community will require a comprehensive approach to strengthen the entire NQI. Key components of this project include:

- An in-depth assessment of the NQI environment covering the state of existing laboratories and metrology and certification systems;

- An analysis of available NQI models and recommendations for building an NQI to include the MSTQ framework, governance structures, legislative frameworks and financing; and
- The setting up of NQI institutions and legislative structures to include a National Quality Council, a nation-wide awareness campaign on quality and legislation and technical regulations.

Establishment/ upgrade of public and private testing facilities, particularly for food products

There are only a few internationally-accredited laboratories in Trinidad and Tobago to test and verify the quality of food and other non-energy products destined for export. As a result, exporters have to outsource their product testing, which can be very expensive or they have to export their goods without the required certificates.

A recent United Nations Industrial Development Organization (UNIDO) report on Trinidad and Tobago revealed that in 2006-2010 the rate of food rejections in the US market averaged 20 per \$1 million of exports.²¹ The main products involved were fish and fishery products, and fruits and vegetables. Among the reasons for rejections were bacterial contamination, lack of hygienic condition/controls and the presence of contaminants.

As standards in developed countries become more stringent and inspections more frequent, exporting to developed country markets will become more difficult.

The priority AfT project proposed by stakeholders will involve:

- Diagnostic work on existing testing facilities
- Conduct of tests to determine the level of toxicity in root crops and the level of contamination in fish exports
- Upgrading of laboratories to achieve international accreditation.

ii. Improve quality management systems (QMS) in SMEs

The importance of quality standards is well-understood by most businesses. But some SMEs are not fully aware of the international quality standards that their products must meet; and many complain about the lack of resources to implement QMS in their organizations.

The most well-known standard is ISO 9001, which applies to the management of quality in organizations. But there are many others such as ISO/IEC 17025, which deals with laboratory accreditation and ISO 22000, which refers to the food management safety system. Voluntary standards are also becoming more common.

²¹ UNIDO, "Trade Standards Compliance Footprint – 2012, Import Rejection Analysis: Trinidad and Tobago," 2012.

The Trinidad and Tobago Bureau of Standards (TTBS) and other institutions have been providing SMEs and other businesses with training and technical advice to help them implement QMS in their organisations. One methodology currently being used is CALIDENA,²² which seeks to identify and promote practical activities to strengthen the quality infrastructure for a value chain. The value chain approach has been extremely successful in Central America and was also successfully used in the poultry industry in Trinidad and Tobago.

Development and implementation of QMS in selected food sectors

Stakeholders have requested urgent assistance in developing QMS in industries producing both raw and processed foods. This includes training, technical advice and financial resources for the purchase of equipment and upgrading facilities. Priority industries are:

- Cocoa
- Seafood
- Aquaculture
- Agro-processed products

CFDD has also expressed a need for the training and re-training of HACCP auditors, particularly in the area of HACCP Plans and Systems and as applied to fish and fishery products.

Trinidad and Tobago Tourism Industry Certification (TTTIC) programme

The Trinidad and Tobago Tourism Industry Certification (TTTIC) programme is a national tourism certification programme designed to ensure that operators and service providers in the tourism industry conform to national standards of quality in their operations. TTTIC is a voluntary programme which is audited by the Trinidad and Tobago Bureau of Standards. These audits are based on national standards which are produced by the TTBS with stakeholder input. Currently, there are eleven (11) national standards for tourism services and operations which provides minimum requirements for operators and service proprietors in meeting the level of service acceptable to the international tourist trade.

7.2 Provide increased access to finance

iii. Establish a financing mechanism to assist exporters access global markets

Other than quality, lack of finance was the most frequently-mentioned obstacle to the development of exports. Stakeholders described major difficulties in funding their trade promotion activities and, in general, obtaining finance for export development. At present, some companies/organisations obtain government assistance to participate in trade shows and host trade missions but such funding tends to be limited and given in response to ad hoc requests. This makes it difficult for them to engage in medium-term export planning.

²² The word CALIDENA comes from a combination of the Spanish words "calidad" for quality and "dena" for chain.

In light of this, stakeholders expressed a need for access to a continuous source of funding to support their trade promotion and other export development activities.

Creation and operation of an Export Market Access Fund

In view of the large number of organisations requesting access to a continuous source of funding for export development, the idea of an Export Market Access Fund emerged. Such a fund would provide matching grants to businesses for activities such as market research, attendance at trade shows, sponsorship at workshops, and acquisition of equipment to support quality enhancements. The World Bank had set up an Export Market Access Fund in Tunisia, which was deemed to be an AFT success story.²³

The Export Market Access Fund (FAMEX) was formed in April, 2000. The Fund aimed to target individual firms to build their capacity to enter international markets and compete effectively. With assistance from the World Bank, the Tunisian Export Promotion Center (CEPEX) set up the USD\$10 million fund, FAMEX. The Fund was run by private management consisting international and local experts.²⁴ CEPEX is an export promotion agency which falls under the purview of the Ministry of Trade and Crafts in Tunisia similar to that of exporTT in Trinidad and Tobago.

Core components of the priority project would include a survey of the financial needs of new exporters to determine the size of the fund and possible levels of assistance; development of evaluation criteria for accessing the fund, including risk assessment; and a comprehensive support programme for companies accessing the fund.

One advantage of setting up an Export Market Access Fund in Trinidad and Tobago with clear evaluation criteria is that it would assist the country in evaluating the impacts of assistance given to businesses, particularly in respect of trade promotion activities.

7.3 Upgrade the skills of new and existing exporters

iv Expand learning opportunities for businesses

During consultations, several highly successful business owners pointed to the excellent products offered by SMEs but mentioned that some lacked basic business management skills and/or did not have confidence to enter global markets. In meeting these challenges, both government and private sector associations have launched major training programmes to upgrade the skills of SMEs. One such programme is ProNet, a practical skills training programme facilitated by the TTMA.

ProNet was developed by the Caribbean Export Development Agency in partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). It offers nine modules covering topics such as business strategy, quality

²³See World Bank, WTO and OECD, Export Development Project: Tunisia. Aid-for-Trade Case Story - World. Accessed at <http://www.oecd.org/aidfortrade/47811690.pdf>.

²⁴Breaking into New Markets: Emerging Lessons for Export Diversification. Newfarmer et al, 2009

management, production management, information and knowledge management and export marketing. In 2012-2014, the TTMA successfully organised six workshops for SMEs at which 150 persons became certified in different areas.

Training/ coaching and mentoring for SMEs

The priority project proposed by stakeholders will include two types of capacity-building activities:

- Training in business and export management for SMEs. This component will provide for broad-based training and also include support for the TTMA to train approximately 100 SMEs over the next three years using the ProNet model.
- A coaching and mentoring programme for new and emerging exporters.

Comprehensive needs analyses will have to be carried out to select suitable applicants for training and coaching/mentoring programmes.

The Service Training Attitude and Respect (STAR) Programme

The Service, Training, Attitude and Respect (STAR) Programme is designed to ensure that Trinidad & Tobago develops and sustains a competitive position as a world class tourist destination, STAR supports and advances a culture of service excellence in Trinidad and Tobago. The programme focuses on the three (3) Ps of customer service i.e. People, Process and Promise and is open to all tourism professionals and organizations, as well as organizations in the retail, food & beverage and entertainment sectors.

STAR delivers assistance to tourism stakeholders via two (2) interwoven approaches:

- Professional Development, which is delivered through a suite of training interventions, started at the strategic level, and radiated to the tactical and operational levels; and
- An Organizational development intervention, which is delivered through the Hospitality Assured Certification Programme.

The Small Tourism Enterprises Project (STEP)

The Small Tourism Enterprises Project (STEP) is aimed at assisting small tourism operators to enhance their competitiveness, profitability and sustainability. STEP develops and hosts training and capacity building programmes to ensure optimal contribution of small tourism businesses to the national economic development. All programmes conducted in Trinidad are mirrored in Tobago to elicit simultaneous growth on both islands.

7.4 Strengthen business support organizations (BSOs)

iv. Build the capacity of BSOs to better serve their members

BSOs perform an important role in providing key information, advice and guidance to businesses. With globalization and a constantly changing world environment, the demands on these organisations are extensive. The task is

particularly challenging in Trinidad and Tobago since many BSOs are not well-resourced in terms of staff and financial resources but must service the needs of businesses from a range of sectors or sub-sectors.

During consultations, the Trinidad and Tobago Coalition of Service Industries (TTCSI) mentioned that many of its members are relatively young associations with limited support structures. Most service producers are also SMEs with limited export experience. As an umbrella organisation for the services sector, the demands on the TTCSI are great but its resources are limited. Larger BSOs face similar resource constraints.

One of the projects suggested by the TTCSI is the Development of a Services Registry.

As Trinidad and Tobago continues its transition to a knowledge-based economy, the country has to redefine its own rules and parameters for success in the international market. The TTCSI has realised that there is an important need for the establishment of a registry for information on the services sector as there is currently a dearth of available data for service operators. As a result, the importance of the service sector and its contribution to economic development is often underplayed and overlooked since the effectiveness of services trade promotion strategies cannot be properly assessed.

The purpose of this project is to create a database able to store, process, and disseminate statistics of trade in services for service sector organisations operating in both the private and public sector. It will also be used as a resource for informed business decisions and to find matchmaking and B2B opportunities for the services exporter.

A programme of institutional-strengthening for the TTMA

Founded in 1956, the TTMA is one of the oldest and most vibrant BSOs in Trinidad and Tobago. Its role in serving the manufacturing sector is multi-faceted.

The TTMA promotes the growth of manufacturing industries and monitors legislation affecting them; represents manufacturers on governmental matters; and generates regional and international market expansion through trade fairs, exhibitions and foreign trade missions. It also promotes the use of modern methods of manufacturing and education; assists local manufacturers in maintaining safety standards and labour relations, and on issues of wages and benefits, communications, public relations and advertising. Further, the TTMA provides assistance in securing markets for both raw materials and finished products and in finding investment partners.²⁵

²⁵ See <http://www.tma.com/about-us/history/>

Given the wide ambit of the TTMA and the challenges facing manufacturing in both the internal and external economic environments, the TTMA has proposed a comprehensive institutional-strengthening programme to better serve the needs of its members. Key elements of this programme are:

- Research studies in areas such as the performance of the manufacturing sector, labour supply and productivity, local content in the manufacturing sector and the potential impact of trade agreements
- A trade attaché and benchmarking programme: staff attachments at BSOs and high commissions abroad to develop trading links, facilitate exchange opportunities and acquire knowledge on support provided to BSOs²⁶
- Inward and outward trade missions, involving various countries
- Training for 100 SMEs over a three-year period under the ProNet programme (mentioned above)
- Language training in Spanish and French with a focus on the business environment.

7.5 Develop and exploit national brands

v. Identify, use and manage intellectual property (IP)

The field of IP is gaining increasing attention in Trinidad and Tobago. In April 2015, a Trade Marks Act came into effect, which will allow a trademark owner the ability to obtain exclusive rights under the Trade Marks Act. Apart from giving greater protection to trademark holders, the Act will encourage other local business to develop their brands as well. This latter point is very important since many businesses in Trinidad and Tobago possess IP assets but are either unaware of their existence or have not taken action to exploit their use.

The priority project below aims to overcome these knowledge and operational barriers. *The identification of IP and development of business strategies in selected enterprises*

The priority project will involve technical assistance to selected enterprises for:

- The conduct of an IP audit
- Awareness-raising about IP
- Development of business strategies and plans to exploit IP and
- Coaching on how to use and manage IP.

²⁶This component was mentioned in section 6.



AfT Priorities: Trade Facilitation

This section outlines Trinidad and Tobago's AfT priorities under the Trade Facilitation pillar (Box 3). Further details are contained in Annex 4.

Box 3: Trade Facilitation

Increase the efficiency of maritime transport

- i. Implement the provisions of the WTO Trade Facilitation Agreement

Priority projects:

- On-going training on the WTO Trade Facilitation Agreement
- Capacity-building for the establishment of a National Enquiry Point

- ii. Build the capacity of the proposed Maritime Authority

Priority project:

- An accelerated training programme for staff at the proposed Maritime Authority

Increase value-added services in the port environment

- iii. Expand/upgrade port facilities

Priority project:

- Establishment of a Logistics Zone

Utilize e-commerce opportunities

- iv. Increase the use of ICT across industries

Priority project:

- Expansion of the Trinidad and Tobago Carnival Hub

As mentioned previously, trade facilitation spans the entire supply chain. The World Bank's Logistics Performance Index highlights the multitude of issues involved in moving goods across borders: the efficiency of customs clearance; adequacy and performance of transport infrastructure such as ports, roads, air transport, and telecommunications; efficiency of logistics services such as freight forwarding and customs brokerage; and the proper co-ordination of border management.²⁷

The priorities listed in this section address several of these issues with a focus on maritime transport. Roughly 90% of goods are transported by sea and stakeholders were primarily concerned about this aspect of trade facilitation. E-commerce is an extremely important area but, unfortunately, stakeholders were unable to clearly articulate their needs in this area. Hence, this area will have to be explored further during the implementation phase of the AfT Strategy.

²⁷See World Bank, Connecting to Compete 2012, 2012.

Recent government initiatives to improve trade facilitation have had positive results. Three of them are mentioned below.

(a) Implementation of ASYCUDA World

The Customs and Excise Division has upgraded its automated customs management system from ASYCUDA 2.7 to ASYCUDA World, with assistance from the United Nations Conference on Trade and Development (UNCTAD).

This has brought several benefits: automatic processing of customs declarations; faster clearance and release of commercial cargo; increased customs control capabilities (e.g. for risk assessment); increased capabilities for information management (e.g. for accounting, post-clearance audit, and statistics); and full support for e-government. As a result of the implementation of ASYCUDA World the document processing time is now down to mere minutes, once all documents are properly prepared.

(b) Creation of a Single Electronic Window, TTBizLinK

TTBizLinK is an IT-based trade facilitation tool, which allows businesses to lodge standardized information and documents at a single entry point to fulfil all import, export and transit-related regulatory requirements.

The first phase was launched in 2011 and the full system implemented in April 2012, with assistance from the Government of Singapore. The system covers import/export permits and licenses, import duty concessions, cargo manifests, goods declarations, company registrations, certificates of origin, applications for fiscal incentives and work permits. It also connects government ministries and agencies involved in processing transactions both *at the border and behind the border*.

8.1 Increase the efficiency of maritime transport

i. Implement the provisions of the WTO Trade Facilitation Agreement

A WTO Agreement on Trade Facilitation, concluded in December 2013, aims at ensuring that international trade flows as smoothly, predictably and freely as possible. The Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It also contains provisions for technical assistance and capacity building. Full implementation of the provisions of the Agreement is essential to maximizing its benefits.

Trinidad and Tobago has accepted the Protocol to implement the Trade Facilitation Agreement when it enters into force globally. A needs assessment carried out in 2013 identified numerous legislative, human resource, information and infrastructural barriers to pursuing full implementation of

the Agreement.²⁸ A National Trade Facilitation Committee was established to coordinate and oversee its implementation.

On-going training and capacity building on the provisions of the WTO Trade Facilitation Agreement

There is an urgent need for training on the WTO Trade Facilitation Agreement at the Customs and Excise Division. Such training needs to be carried out on an on-going basis and over an extended period of time. The Agreement also has implications for the work of other persons engaged in the movement of goods. Therefore, training should involve not only staff from the Customs and Excise Division but also customs brokers and staff at TTBizLink.

Capacity-building for the establishment of a National Enquiry Point

Article 1.3 of the WTO Trade Facilitation Agreement requires the Government to set up national enquiry points to respond to enquiries made by governments, traders and other parties on trade facilitation issues and to provide them with the required forms and documents. The objective of the measure is to enhance transparency and predictability through the fluent flows of information among WTO Members and relevant stakeholders. Currently, there are two established enquiry points. The Trinidad and Tobago Bureau of Standards is the enquiry point for matters relating to technical barriers to trade (TBT) while the Research Division, Ministry of Agriculture, Land and Fisheries is the enquiry point for Sanitary and Phytosanitary (SPS) issues.

The Customs and Excise Division has not yet established its National Enquiry Point due to the lack of a legal framework, adequate staff and a system for coordination among border agencies. The priority project proposes assistance for:

- Training in the establishment and management of an Enquiry Point
- Development of a system, procedures, tools, brochures and forms
- ICT training.

ii. Build the capacity of the proposed Maritime Authority

A Draft Shipping Bill, 2015 is under consideration to repeal and replace the Shipping Act of 1987, and in so doing, it will update and modernize the legislation relating to the safety and security of shipping and the marine environment, and related matters. This will provide the legislative underpinnings for the establishment of a Maritime Services Authority of Trinidad and Tobago.

This Authority would be the national agency charged with ensuring the safety and security of shipping, and the prevention of vessel source pollution. It is expected to facilitate the growth of the maritime sector through the

²⁸ WTO, "Final Results for Trinidad and Tobago: September 9-13, 2013." WTO Negotiations on Trade Facilitation Self-Assessment Guide, August 2013 (TN/TF/W/143/Rev.6)

implementation of an appropriate regulatory, administrative, advisory and developmental framework.

An accelerated training programme for staff at the proposed Maritime Authority

The priority project is for the conduct of a needs assessment of staff at the proposed Maritime Authority and subsequent training on topics such as maritime law, maritime safety and security, ship pollution and prevention, ship registry and finance and administration.

8.2 Increase value-added services in the port environment

iii. Expand/ upgrade port facilities

Given its excellent geographic location, Trinidad and Tobago has the potential to become a major international trade and transport hub. It can capture a share of the rapid trade growth forecasted to occur between South America and Pacific Rim countries, serving as a transshipment point and redirecting cargo through the Panama Canal.

The main obstacle to taking advantage of these opportunities is the state of the ports. There are two main seaports in Trinidad: the Port of Port of Spain (PPOS) and Port Point Lisas. The PPOS handles all major dry cargo, containers, general cargo, break-bulk and passenger traffic.

Port Point Lisas is managed by the Point Lisas Industrial Port Development Company (PLIPDECO), which also manages an industrial estate and free zone area. This port was originally developed as a specialized bulk port to serve the estate's growing number of industrial clients but has since diversified into handling dry and liquid bulks, containers, general cargo and break bulk.

The PPOS is congested and there are complaints from the business community about delays there. Port Point Lisas has made substantial improvements over the past few years and is poised for future growth but its infrastructure needs to be further developed to take advantage of emerging business opportunities. Expansion/upgrade of ports is urgently required.

Establishment of a Logistics Zone at PLIPDECO

The Point Lisas Industrial Estate is located on 800 hectares of land, which can be used for the development of a logistics zone. Such zones are well-developed in places like Singapore, Panama and South Korea where they complement port operations. For example, goods may be shipped destined for different consignees; at a logistics zone, they can be repackaged according to the needs of each different consignee. A logistics zone therefore increases the value-added at a port.

A logistics zone at Port Point Lisas will facilitate the de-consolidation and

consolidation of cargo from the Far East, Europe, USA and provide for re-shipment to markets of Latin America and the Caribbean, and vice versa. Overall, it will help to improve the overall strategic position of the port.

The development of a Logistics Zone at Port Point Lisas will require financial and technical assistance for the conduct of a feasibility study and for the development of infrastructure at the port.

8.3 Utilize e-commerce opportunities

iv. Increase the use of ICT across industries

During consultations, all stakeholders underlined the importance of ICT and e-commerce in driving exports from Trinidad and Tobago.

ICTs are particularly influential in the trade of services since the Internet has allowed companies to access new clients in foreign markets or outsource activities and services to more cost-effective locations.

To date, the use of e-commerce and ICTs in Trinidad and Tobago has been far below its potential. This is mainly due to numerous obstacles in the domestic environment related to technology, payments, infrastructure (telecommunications) and standards.

The private sector intends to address the challenge of payments with the local banking sector in the near future but both the Government and businesses will have to take action to allow for better exploitation of e-commerce opportunities.

Expansion of the Trinidad and Tobago Carnival Hub

In 2010-2014, the TTCSI implemented a project funded by the IDB titled “ICT Innovations for the Development of the Masquerade Sector in Trinidad and Tobago.”

The aim of the project was to develop a web-based platform, the Trinidad and Tobago Carnival Hub, to enhance the competitiveness, market reach and sustainability of 50 micro, medium and small-scale enterprises in the masquerade industry.

So far 11 beneficiary sub-sites have been completed and training conducted on e-commerce and for the administration of the portal. The portal has also been re-designed and upgraded. The project, was launched in May 2015 and includes a market exchange component involving the participation of 13 EU festival representatives in B2B meetings.

The TTCSI intends to further develop the Trinidad and Tobago Carnival Hub and requires technical and financial assistance for preparing an international and domestic marketing plan and for hosting to facilitate the expansion of beneficiaries on the portal.



Implementation

Trinidad and Tobago recognizes that the success of its AfT Strategy is critically dependent on proper implementation. As a result, considerable discussion during stakeholder consultations was devoted to the implementation process. Figure 3 shows the agreed upon selection/approval process for AfT projects.

The TIU will have general oversight of the implementation of the AfT Strategy but the selection/ approval process will involve participation by several parties:

- Beneficiaries;
- The TIU;
- The MTI;
- Government focal points for funding agencies; and
- Donors.

Figure 3 below maps out the selection/approval process, and each stage is briefly described below.

Stage #1: Preparation and Submission of Project Request by Project Beneficiary

The project beneficiary (e.g. government department/agency or private sector body) prepares an outline of its proposed project and submits it to the TIU. A format will be provided by the TIU for the project outline. The TIU reviews the project outline to ensure that it is in line with the AfT Strategy. The TIU will also have access to the aid database. The aid database will be scanned to ensure that the project submitted is not a duplication any past or current project being implemented. Once this is the case, the project will be accepted for further development. Otherwise, it will be rejected.

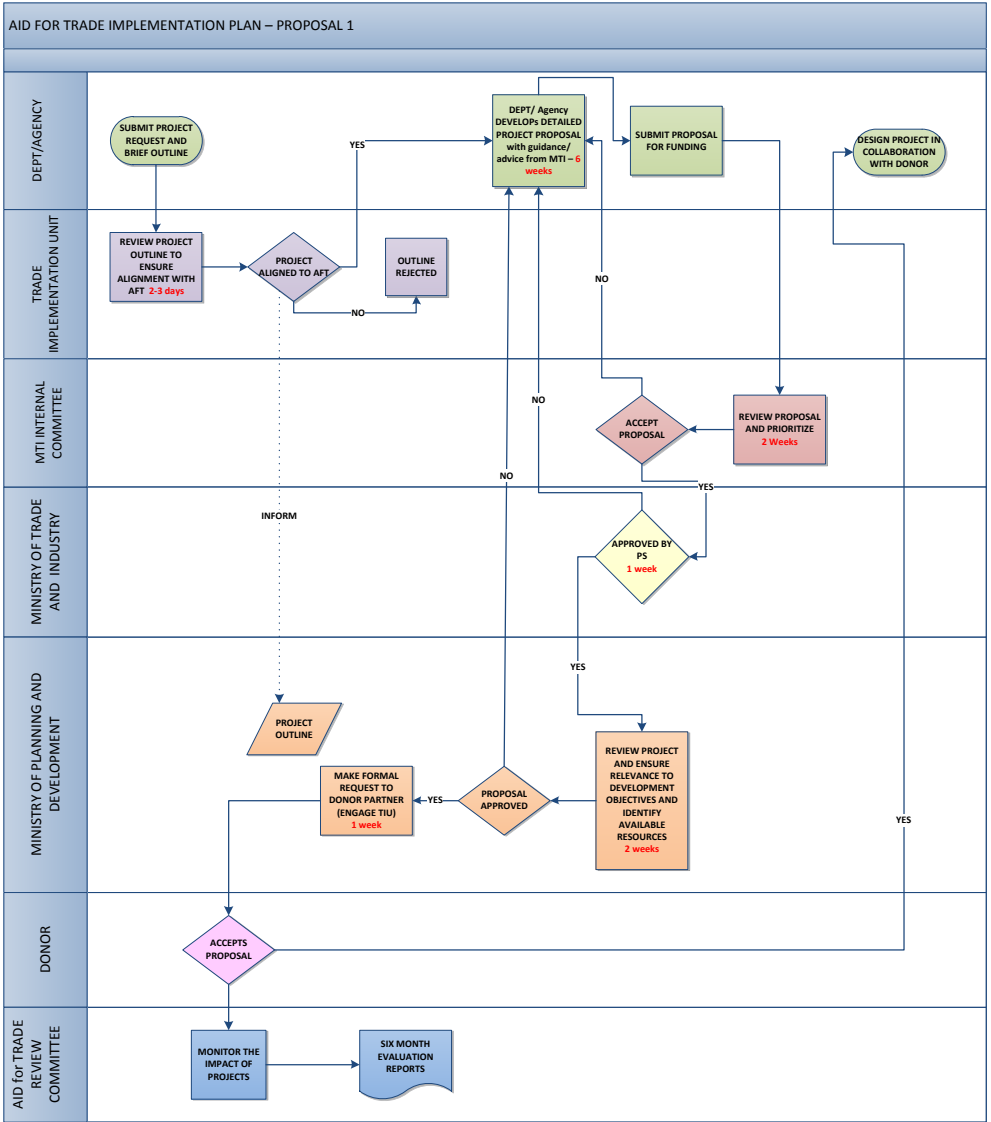
Stage #2: Development and Submission of Project Proposal/ Identification of Funding Sources

This stage involves two processes. First, the project beneficiary develops a full project proposal and submits it to the TIU for approval. The TIU provides guidelines and a format for this. Second, the TIU liaises with donors to seek funding for the project.

As pointed out earlier, the priority projects proposed by stakeholders for this Strategy represent “project ideas.” Moving from a project idea to a comprehensive project proposal requires substantial work.

Project beneficiaries will have to set out clear objectives for their projects, present full justification with supporting data and outline expected impacts.

Figure 3: Selection/Approval Process for AfT Projects



Vague project proposals where impacts are not clearly discernible are unlikely to attract external funding.

Some project beneficiaries have fully-staffed project management units and others have staff with experience in project-preparation. In cases where project preparation skills are absent, the MTI will develop a mechanism to provide support to beneficiaries for the development of their project proposals. In order to obtain such assistance, project proposers will have to co-operate fully in providing basic project information. They will also have to take ownership and responsibility for the project proposals submitted.

Stage #3: Review of Project Proposal by MTI Steering Committee/ Approval by Permanent Secretary (PS)

Once the project proposal is submitted to the TIU, an internal MTI Steering Committee will review it and make a recommendation to the PS. The PS will then approve or reject it. If approved, it will be placed in the portfolio of approved projects.

Stage #4: Formal Request to Donor Partner

The MTI requests donor funding from a suitable funding agency. The formal request is made through the relevant focal point agency to the donor. In cases where no focal point agency exists, the request will be made directly by the MTI. As mentioned in section 3, the main focal point agencies are:

- MPD: IDB, EU, CDB, UN agencies, All bilateral technical co-operation Agreements;
- Ministry of Finance: World Bank; and
- Ministry of Attorney General and Legal Affairs: WIPO.

Stage #5: Project Design in Collaboration with Donor

Once the donor accepts the proposal, the project beneficiary, in collaboration with the TIU, discusses detailed project design with the donor.

In 2011-2013, the Government, with financing from the EU, launched a major M&E project in the public sector to establish M&E frameworks which would help enable competitive business in Trinidad and Tobago. The MTI was one of four beneficiaries of the project. Today, the MTI has a fully-functioning M&E Unit and staff trained in M&E. With this infrastructure in place, it is well-equipped to undertake monitoring of the AfT Strategy, an exercise that will be incorporated into the Ministry's work programme.

Appointment of an Aid for Trade Monitoring Committee

During consultations, stakeholders agreed to the setting up of an AfT Monitoring Committee to review progress of the AfT Strategy. Such a committee will meet biennially and consist of representatives from:

- Government;
- Donors; and
- Private Sector.

The Committee will review project and overall AfT Strategy performance, discuss challenges and how to meet them, and offer suggestions on possible funding sources. It will also discuss lessons learnt from projects implemented.

Monitoring the AfT Strategy

The AfT Strategy will be monitored at different levels. Implementing agencies will undertake comprehensive monitoring at the project level and prepare biennial progress reports for forwarding to the TIU. The project information will be entered into the aid database and updated on a regular basis.

Monitoring at the project level will have to be done in relation to the indicators set out in M&E framework developed for each project. Measurement of achievements often require important baseline information. If this is not available, implementing agencies will have to collect such data as early as possible in the project cycle.

The TIU will utilise the high-level monitoring framework shown in Table 6 to report on the progress of the AfT Strategy.

Evaluation

The AfT Strategy will be evaluated annually and discussed by the AfT Monitoring Committee. This evaluation will rely on the following:

- i. Results of project-level monitoring exercises
- ii. Results of evaluations conducted by donors
- iii. Reviews of the AfT Strategy's monitoring framework

During consultations, stakeholders highlighted the importance of the evaluation function. They mentioned that over the past few years, some donor-funded projects were not successfully completed. Clearly, incomplete or cancelled projects represent

a waste of resources both in terms of time and money. Stakeholders requested the MTI to make provisions for open discussion and sharing of lessons learnt on all projects.

Sharing findings and 'lessons learnt' with stakeholders

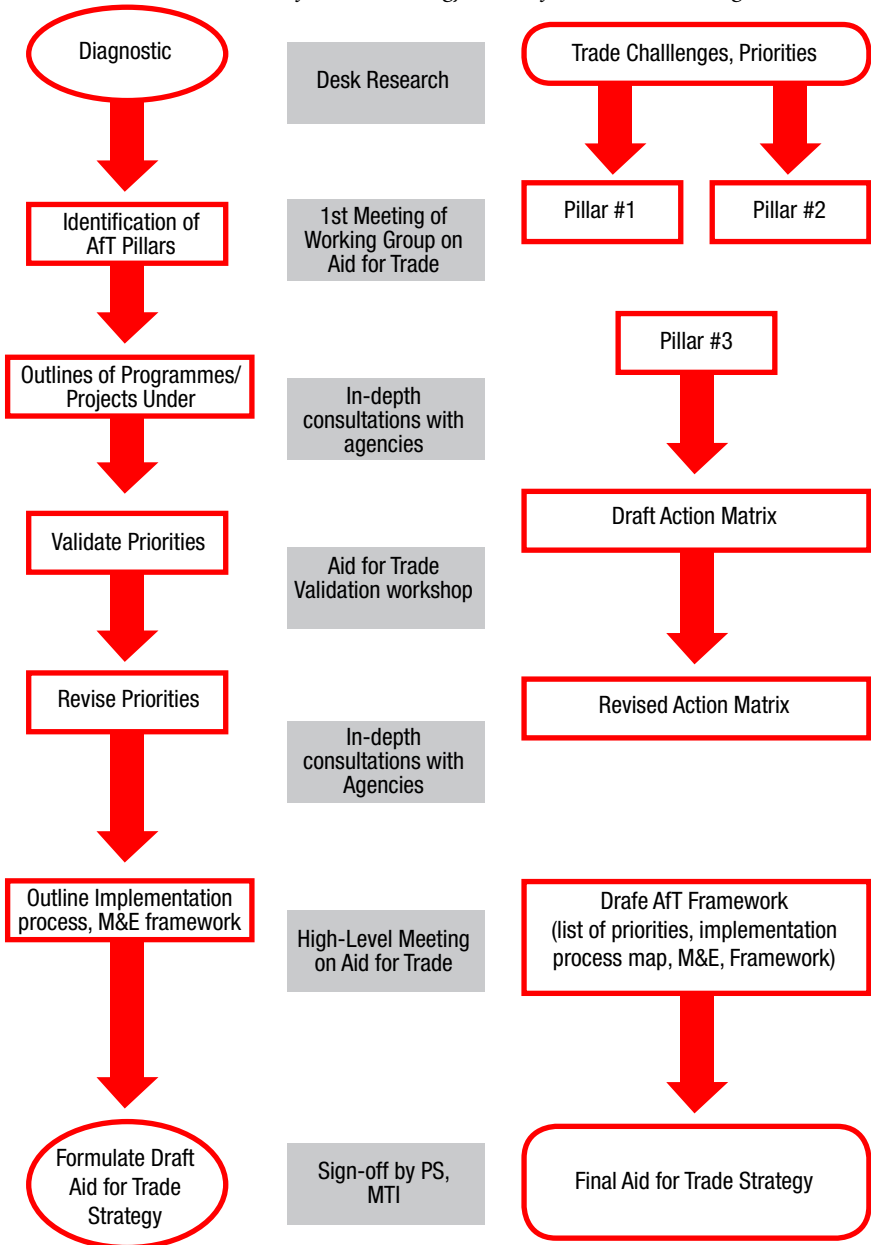
The TIU will hold biennial meetings with stakeholders to share the findings of all completed AfT projects and lessons learnt from projects implemented. This on-going dissemination of information will help ensure that there is continued interest in the AfT Strategy.

Table 6: Proposed Monitoring Framework for Trinidad and Tobago's AfT Strategy

Outcome	Indicators	Sources of Information
PILLAR 1: EXPORT DIVERSIFICATION		
Expanded production and exports from emerging sectors	Increased no. of firms from emerging sectors exporting	Surveys
	Increased volume of production and exports from emerging sector firms	Industry Association reports BSOs
	Increase in emerging sector exports as a % of GDP	Central Statistical Office (CSO)
Increased exports of new products	Growth in the value and volume of new products exported	Company reports InvestT; MTI reports; ITC
Increased penetration of traditional and non-traditional markets	Growth of exports to traditional and non-traditional markets	CSO; Trade Facilitation Offices; BSOs; MTI; ExportT
	Increase in market shares	
	Increase in share of exports to countries with trade agreements in force	
PILLAR 2: COMPETITIVENESS		
Increased capacity to meet international quality standards	Reductions in goods rejected at the border in foreign markets	UNIDO; ISO; TTBS; ExporTT; CROSQ; BSOs; CFDD; Ministry of Agriculture, Land and Fisheries; public and private laboratories, Tourism
	Increase in the no. of firms obtaining ISO and other internationally-recognised certification for quality	
	Increase in NQI facilities for metrology, testing, certification and accreditation	
Increased financial support provided to exporters	Increase in the number of trade financing mechanisms	MTI; Ministry of Finance; World Bank
	Increase in the value and volume of grants provided to firms to meet market requirements	
Improved capacity of new and existing enterprises to export	Increase in exports from enterprises who participated in training/ mentorship programmes	MTI; exporTT; BSOs; other government agencies, Tourism

Outcome	Indicators	Sources of Information
Increased support services provided to businesses	Increased volume of market intelligence given to exporters	BSOs; MTI
	% increase in investment leads provided	
Increased capacity of firms to develop national brands	Increased no. of analytical reports on key sectors produced	WIPO; IP Office; BSOs; company reports
	No. of patents, trademarks, industrial designs and copyrights registered and granted	
PILLAR 3: TRADE FACILITATION		
Increased efficiency of maritime transport and reduced costs	Improved performance of on-time delivery of traded goods via maritime transport	PPOS; Port Point Lisas; proposed Maritime Authority; Ministry of Works and Transport; MTI; World Bank
	Increase in the Doing Business ranking	
	Reduction in delays in clearing goods	
Increased value-added services from port activities	Increase in the volume of complementary port activities	PPOS; Port Point Lisas; Ministry of Works and Transport
	Increase in port revenues	
Improved access to e-commerce platforms	Increased online sales	BSOs; industry associations; MTI; company reports
	Reduced transaction costs	

Annex 1: Aid for Trade Strategy Process for Trinidad & Tobago



Annex 2: Export Diversification Pillar

Outcome	Programmes/Projects	Assist. needed for:
Expanded production and exports from emerging sectors	<p>Emerging Product Lines</p> <p>1. Build productive capacity in sectors targeted for diversification</p> <ul style="list-style-type: none"> • Establishment of a fashion production cooperative • Value chain study of the music industry • Conduct of a technology audit for the film industry • Development of the Maritime Sector 	<p>Studies, surveys</p> <p>Technical assistance</p> <p>Equipment and other infrastructure</p>
Increased exports of new products	<p>New Export Products</p> <p>2. Establish facilities to produce 'new' goods and services for export</p> <ul style="list-style-type: none"> • A solar technology park to produce large-scale solar panels • A polyethylene terephthalate (PET) plastic waste management facility 	<p>Investment</p> <p>Technical assistance</p> <p>Marketing</p>
Increased penetration of traditional and non-traditional markets	<p>Market Penetration</p> <p>3. Build capacity for gathering and disseminating market intelligence:</p> <ul style="list-style-type: none"> • Training in international trade and export promotion for trade facilitation offices/ commercial attachés at embassies/ BSOs • Establishment of a transport and logistics database <p>4. Strengthen skills for trade negotiations</p> <ul style="list-style-type: none"> • Training for public and private sector officials in trade negotiations, analysis and information dissemination 	<p>CSO; Trade Facilitation Offices; BSOs; MTI; ExporTT</p>

Annex 3: Competitiveness Pillar

Outcome	Programmes/Projects	Assist. needed for:
Increased capacity to meet international standards	International Quality Standards 1. Strengthen the NQI <ul style="list-style-type: none"> • Development and implementation of a National Quality Policy • Establishment/ upgrade of public and private testing facilities, particularly for food products 	Awareness-raising/ training: national, executive, firm-level, Consultants to conduct gap analyses, engage, quality planning Funds for laboratory equipment, infrastructure
	2. Improve quality management systems (QMS) in SMEs <ul style="list-style-type: none"> • Development and implementation of QMS in selected food sectors • Trinidad and Tobago Tourism Industry Certification Programme 	
Increased financial support provided to exporters	Access to Finance 3. Establish a financing mechanism to assist exporters access global markets <ul style="list-style-type: none"> • Creation and operation of an Export Market Access Fund 	Technical assistance for survey of exporters, design of programme Consultants to operate the programme
Improved capacity of new and existing enterprises to export	Skills Upgrading 4. Expand learning opportunities for businesses <ul style="list-style-type: none"> • Training/ coaching and mentoring for new exporters • The Service Training Attitude and Respect (STAR) Programme • The Small Tourism Enterprises Project (STEP) 	Needs assessments Short-term training Consultants to serve as mentors
Increased support services provided to businesses	Business Support Organizations (BSOs) 5. Build the capacity of BSOs to better serve their members <ul style="list-style-type: none"> • A programme of institutional-strengthening for the TTMA 	Studies, surveys Training Financial resources
Increased capacity of firms to develop national brands	Development of National Brands 6. Identify, use and manage intellectual property (IP) <ul style="list-style-type: none"> • The identification of IP and development of business strategies in selected enterprises 	Technical studies Training Coaching

Annex 4: Trade Facilitation Pillar

Outcome	Programmes/Projects	Assist. needed for:
Increased efficiency of maritime transport and reduced costs	Maritime Transport 1. Implement the provisions of the WTO Trade Facilitation Agreement <ul style="list-style-type: none"> On-going training on the WTO Trade Facilitation Agreement Capacity-building for the establishment of a National Enquiry Point 	Needs assessments Training: technical, executive, administrative
	2. Build the capacity of the proposed Maritime Authority <ul style="list-style-type: none"> An accelerated training programme for the proposed Maritime Authority 	
Increased value-added services from port activities	Port Expansion 3. Expand/ upgrade port facilities <ul style="list-style-type: none"> Establishment of a Logistics Zone 	Feasibility study Investment Infrastructure development
Improved access to e-commerce platforms	E-commerce 4. Increase the use of ICT across industries <ul style="list-style-type: none"> Expansion of the Carnival Hub 	Marketing consultancy training

Annex 5: – List of Donors

Caribbean Development Bank (CDB)

Inter-American Development Bank (IDB)

Inter-American Institute for Cooperation on Agriculture (IICA)

International Finance Corporation (IFC)

United Nations Conference on Trade and Development (UNCTAD)

Andean Development Bank(CAF)

Caribbean Export Development Agency (CEDA)

Department for International Development (DFID)

European Union (EU)

German Corporation for International Cooperation (GIZ)

International Labour Organization ILO)

International Monetary Fund (IMF)

Organisation for Economic Co-operation and Development (OECD)

United Nations Development Programme (UNDP)

United Nations Industrial Development Organization (UNIDO)

United States Agency for International Development (USAID)

World Bank

World Health Organization (WHO)

World Intellectual Property Organization (WIPO)

World Trade Organization (WTO)

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