



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

Seminar: The Role of Alternative Health Care Management and Entrepreneurship in Economic Development

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FEATURE ADDRESS

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25 SEPTEMBER 2016
UNIVERSITY OF THE SOUTHERN CARIBBEAN

I wish to thank the University of the Southern Caribbean for inviting me here this afternoon to contribute to this seminar which focuses on “The Role of Alternative Health Care Management and Entrepreneurship in Economic Development.” I also wish to commend the University for its active role in the field of education and its emphasis on purposeful transformation of its students among other things. But also how they can transform the persons and environment around them through compassion, integrity, excellence, competence and humility, I think that’s what the University of the Southern Caribbean has been doing.

If Trinidad and Tobago is to change fundamentally, it can only be through such persons; entrepreneurs among these, not only driven by profit, but inspired by the change they will in fact create.

GLOBAL OUTLOOK

The United Nations Global Economic Outlook predicts limited global growth in 2016, with no real change in the near future. Trinidad and Tobago has not fared any differently. According to the Central Bank’s 2015 Annual Report, our economy contracted by 1.9% in the first nine months of 2015, primarily due to the declining energy sector.

The latest data emanating from the July 2016 Central Bank Economic Bulletin revealed that our Gross Domestic Product (GDP) continued to contract during the first quarter of 2016. Inflation also increased to 3.4 per cent at the end of June 2016 from 2.4 per cent at the beginning of the year. The unemployment rate rose from 3.3 per cent at the end of 2014 to 3.4 percent in the fourth quarter of 2015.

Additionally, total energy exports were estimated at only US\$7.5 billion in 2015, a significant decline when compared with an annual average of US\$12.7 billion for the periods 2010 to 2014.

In light of these shocks within the energy industry, which to most signal a new normal in terms of energy pricing, the Government must focus on increasing revenue streams, transforming and reshaping the economy towards sustainable growth, diversification and job creation, among other key objectives.

To this end, the Ministry of Trade and Industry is committed to strategic initiatives that will embolden existing manufacturers and service providers to seek new markets and expand their range of goods and services. The Ministry will advance measures to cause entrepreneurs to challenge traditional ways of doing business and find new and innovative means through which people can not only solve problems but improve productivity and competitiveness.

ENTREPRENEURSHIP

While there is no ‘quick fix’ for the ills of society, and even a weakened economy, one would be hard-pressed to find a better substitute for entrepreneurship. Over time, and across countries and cultures, entrepreneurship is the vehicle through which sustained economic change is forged.

In Trinidad and Tobago, entrepreneurship is all around us—from the self-employed doubles man, nuts vendor and pie lady on the streets, to the global manufacturers that require massive factories that employ hundreds of workers and service providers, some of whom only require knowhow and an internet connection.

Entrepreneurship is vital for economic recovery as it puts the private sector at the forefront of the economy where they can transform their innovative ideas into commercially viable business initiatives where they can diversify, where they can improve revenue streams and provide improved employment and ofcourse enabling others to weather the current economic challenges. It is obvious that an entrepreneurial spirit is one of the more important remedies to help our economy to survive and stay on top in this rapidly changing global economy.

The area of alternative health care is a particularly interesting area because it is not only one that is rapidly expanding, but it is a service-oriented profession that involves a plethora of products that complement the overall health experience. In other words there is entrepreneurship even in this area of alternative healthcare.

Noteworthy is the fact that approximately 90% of all registered businesses in Trinidad and Tobago are defined as small or micro enterprises, with activities ranging from retail and distribution, personal services, finance, insurance, real estate, business services and construction.¹

WHAT MAKES AN ENTREPRENEUR?

Entrepreneurs can be defined as those persons who identify a need and fill it regardless of industry, market, product or service. While there is no exact science as to what constitutes the entrepreneurial spirit, some of the main characteristics of successful entrepreneurs are those who exude passion, creativity, ambition, positivity, adaptability, leadership, risk and innovation. They are able to harness their capabilities and turn an idea into a profitable business.

By example we can look at the founder and Chief Executive Officer of Amazon, Jeff Bezos, launched his online store in 1995 and was able to reap US\$20,000 a week within two months without any form of advertising. Unfortunately, the dot-com bust of the late 1990s severely reduced Amazon's shares from US\$100 to US\$6. Bezos, however, was able to survive the dot-com bust and build his online empire with optimism, creativity and a fierce competitive spirit. He is now the fifth richest human being in the world. That tells you what is required and where it will take you.

Today, Amazon.com is ubiquitous. It is as though it always existed; but there was a time when it did not and it required a visionary to see it through. There are also numerous local examples of people and their creations such as Dr. Anthony Sabga who led the creation of the Ansa Group and its many subsidiaries; Cheryl Bowles who was the brain behind Cher-Mere, and the countless individuals who take the risks - sometimes failing - but always trying again.

The old adage goes "The man who moves a mountain begins by moving small stones". Therefore I urge all those with dreams to think big; but most importantly, be steadfast and sure in your conviction.

¹*Micro and Small Enterprise Development Policy of Trinidad and Tobago 2014-2016*

BENEFITS OF ENTREPRENEURSHIP

One of the major benefits of entrepreneurship which we talked about earlier is the generation of employment through the establishment of new business entities. Job opportunities provide persons with a stable flow of income which allows them to purchase items and thus contribute to the circulation of money throughout the economy. But let us not forget that entrepreneurship not only creates jobs, it is a job too.

The tax receipts from entrepreneurs and their employees are also essential in bolstering Government revenues, which are used to provide essential services such as education, public utilities, road works, transportation, law enforcement and healthcare and other essential and non-essential services.

One aspect that is often overlooked is the importance of entrepreneurship in fostering an environment of increased competition, which then leads to a greater demand for higher standards of performance and quality goods and services. This also contributes generally to a higher level of productivity among businesses and the economy as a whole.

Furthermore, an environment where entrepreneurship thrives serves as an added attraction for foreign investors. An increase in the level of investment in Trinidad and Tobago represents an upsurge in the availability of capital to finance more entrepreneurial ideas. The availability of capital, combined with a strong entrepreneurial spirit, can serve as a major stimulant to the economy.

FAMILY BUSINESS

With many large companies emanating from family businesses, it is also essential to understand the unique characteristics and dynamics involved in successfully running such businesses. While a family structured business may offer you security of position, it allows for quick decision-making and fosters a comfortable working environment, there are many things that cannot be overlooked.

Within family businesses, large and small, there are several obstacles that may arise: overlapping roles may lead to conflicts between key management, personal concerns may carry over in the workplace, and there may be an inadequate talent pool from which to choose. Many may think it unnecessary and irrelevant, but something as simple as a Family Constitution which elaborates on the corporate governance of a family business and underscores the code of conduct, family succession and compensation systems for the family, is invaluable for long-term profitability and success. Regular family meetings at times involving shareholders who maybe just wives but yet still they are shareholders. So there needs to be regular meetings so that members can be updated on what's taking place in the family business.

There are numerous family businesses that are doing well. But we need to understand a few things first. How do they get started in the first place? And equally important, how do family businesses sustain success and stability in the medium- and long-term and expand from providing goods and services to their communities, to their country, to the region, and eventually the world?

Family businesses do essentially in fact grow and there are countless studies that assess the success of family businesses and how and why they are able to succeed and grow. Two things, however, seem common to all family enterprises regardless of country and culture—**communication** and **timing**. In other words, family members need to communicate clearly and honestly with one another, and they need to start early.

According to financial advisory firm, Abbot Downing, a successful transition in the context of family businesses indicates, that they tend to share a set of eight (8) identifiable best practices in common, including the following:²

- They started their transition planning early.
- They articulated a clear vision to family, employees and key stakeholders.
- They formalized a succession plan as part of a larger business plan.
- They worked to prepare the next generation.
- They communicated the plan to the extended family.
- They anticipated and purposely addressed where potential conflict might arise as a result of executing the plan.
- They built an experienced transition management team.
- They developed a written business succession plan with an implementation timetable.

So we see how important family businesses are in building an economy and I will explain to you the kind of growth that can be achieved but it is a conversation that needs to start for example around the family table.

SERVICES

It is established that our ability to become globally competitive hinges on our ability to innovate and to transform innovative ideas into commercially viable goods and services. The National Policy Framework of the Government of Trinidad and Tobago speaks to attaining Sustainable Growth and Diversification through creating a culture of entrepreneurship and innovation.

Given the importance that innovation plays and its contribution to our economy, and its recovery, our private sector is urged to rely less on low value added products, and focus their energies on the creation and commercialization of innovative products, processes and services. Innovation being so very important in terms of changing your product, your processes and creating efficiencies.

The Ministry of Trade and Industry has recognized the economic significance of the Services Sector to the diversification thrust and has therefore embarked on a process to formulate a National Services Policy. This will provide a blueprint for the development and growth of the local services sector, which would lead to increased capacity in this sector and an overall contribution to the economy.

One of the emerging subsectors to be highlighted in the National Services Policy is Medical Tourism. Research has revealed that Medical Tourism is rapidly growing across the globe and especially in the developing world.

In 2010, the global value of medical services, which excludes dental surgery and other wider health and wellness services, was estimated at US 40 billion dollars according to independent consultants Tourism Research & Marketing. There is no current data at this time to give us an accurate value of the sector globally. However, global spending on health care expanded at a compound annual rate of 8%, which is over 10% of global GDP, between the periods 2006-2010. There are great entrepreneurial possibilities in the areas of medical tourism.

Many developing countries, particularly in Asia are benefiting from this new type of tourism. According to a Draft national Strategy for Medical Tourism conducted by the Commonwealth Secretariat for the

²*“Preparing for Family Business Transitions: Achieving the Vision for the Business and Family”*. Abbot Downing. 2012. Available at: https://www.abbotdowning.com/_asset/cjybbp/Preparing-for-Family-Business-Transitions.pdf.

Trinidad and Tobago Coalition of Service Industries (TTCSI), Singapore and Thailand are estimated to receive around US\$ 900 million per annum from medical tourism with India and Malaysia growing quickly with earnings of US\$333 million and US\$ 400 million respectively.

We therefore have an opportunity to consider establishing Trinidad and Tobago as a regional hub for Medical Tourism. I therefore encourage you all as future entrepreneurs and investors to explore further and take advantage of the commercial prospects within this field.

e-COMMERCE

It is clear that the appropriate use of e-commerce can facilitate the identification of new business opportunities, reduce operational costs, penetrate international markets and increase the bottom line. The Ministry of Trade and Industry understands the need to create an online platform for local entrepreneurs and therefore is currently formulating an e-Commerce Policy to establish a framework to encourage commerce and the trading of goods and services online.

Almost any successful business today needs to have a meaningful presence on the World Wide Web, either via social media, a blog, or your own commercial website. While there are many opportunities to capitalize on existing e-commerce platforms such as Amazon and eBay, the Government intends to create domestic systems and platforms through which we can promote domestic trade and investment, and stem the loss of foreign exchange.

However, limited access to financing serves as a major stumbling block to the establishment of new enterprises. Access to financing is a major stumbling block to the establishment of new businesses. It is therefore imperative that entrepreneurs with cutting-edge ideas are given support and financing to transform their ideas into revenue streams.

OPPORTUNITIES TO BUILD CAPACITY

Access to credit is a significant challenge when conducting business in Trinidad and Tobago, especially for small and medium-enterprises (SMEs) and, in particular, those in the services sector. According to a study conducted by the International Finance Corporation of the World Bank, there is a US\$3 billion credit gap in Trinidad and Tobago primarily because businesses' collateral do not meet the banks' criteria to obtain loans.

Such a constraint stifles firms' growth by inhibiting their ability to sustain and grow their employment base, and fully utilize their capacity to provide goods and services to the local market, and subsequently to regional and international markets.

In order to address this problem head on, the Ministry of Trade and Industry, with technical assistance from the World Bank Group, will collaborate with other Ministries and Agencies for the development and implementation of a Secured Transactions and Collateral Registry System.

This system is a legislative and institutional framework designed to facilitate the use of movable property as collateral. Movable property includes intellectual property, agricultural products, accounts receivables, machinery and equipment, among others, all of which form the asset base of SMEs in Trinidad and Tobago.

The government recognizes that in order for the entrepreneurial sector to contribute to diversification and economic development, there is a need to strengthen innovation, export orientation and growth among entrepreneurs. In this regard, there are several facilities available to assist business persons. For example, the Ministry of Trade and Industry's Aid for Trade Strategy is geared towards matching donor funding with the needs of developing countries in order to strengthen trade, capacity and infrastructure. If you have a project or business endeavour which fits the criteria of this strategy, the Ministry can connect you with international donors such as the International Development Bank (IDB), the Caribbean Development Bank (CDB) and the Development Bank of Latin America (CAF).

Furthermore, our Ministry, in collaboration with the European Union (EU) intends to continue to support small and medium enterprises (SMEs) to innovate and thrive under the Enabling Competitive Business programme. Some of the projects funded under this facility in the past include the establishment of the Digital Film Institute in Trinidad and Tobago. Support was also given to the Film Mart component of the Trinidad and Tobago Film Festival which seeks to provide an avenue for local films to be commercialized.

Additionally, for those of you who may have creative thoughts and require funding to transform these ideas into commercial ventures, there is a Research and Development Facility under the auspices of exporTT that provides grant funding up to a maximum of TT\$500,000 to conduct further research and develop your product. exporTT also provides market intelligence and co-financing assistance to help infiltrate international market.

As your business evolves, you may wish to upgrade your facilities or increase export volumes into international markets. At this stage, the Exim Bank stands ready to provide you with the necessary financing options to suit your business needs.

The National Entrepreneurship Development Company Limited (NEDCO) is another avenue available that offers a loan facility which ranges from TT\$100,000 to TT\$500,000 for small and micro enterprises.

I am convinced that the education and mentorship that you are receiving at this very hallowed institution will equip you with the requisite knowledge and critical thinking skills to assist in your journey as budding entrepreneurs.

Every company began as an entrepreneurial idea – Ali's Doubles, SM Jaleel, Angostura, and legends like Facebook and Apple. As the Minister of Trade and Industry, I am confident that as future entrepreneurs you possess the ability to continue to generate creative concepts and follow them through to lucrative business ventures. I want to assure you that the Government is steadfast in its pledge to fostering entrepreneurship and offering assistance where possible.

In closing, I want to share with you, the words of legend, Walt Disney, who put it quite simply, ***"If you can dream it, you can do it"***.

I want to thank you very much and I do wish you all the best in your studies and that in the end you can become significant contributors to our economy and also the growth and development of Trinidad and Tobago.

I thank you.