



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

Launch of 'The Report: Trinidad and Tobago 2016'

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ADDRESS

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

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5 SEPTEMBER 2016
HYATT REGENCY HOTEL



I am pleased to address you today at the commencement of this panel discussion as part of the launch of ‘**The Report: Trinidad and Tobago 2016**’. On behalf of the Government of the Republic of Trinidad and Tobago, the Ministry of Trade and Industry, expresses its profound gratitude to the Oxford Business Group for publishing such an informative and thorough report and also, for hosting this launch.

One of the main challenges developing countries like Trinidad and Tobago, face is the lack of reliable, unbiased and timely data and research. This is why reports and publications like this one are so instrumental in the context of the advancement of the Trinidad and Tobago economy and our country. It presents a compilation of all the efforts, both public and private organizations are taking and have taken to transform our economy. Moreover, it gives the views and opinions of experienced professionals from across all industries. The sheer quality and depth of the research provided in this Report will therefore be of great value to all decision-makers that wish to, and may already have a stake in the development of Trinidad and Tobago’s economy.

Recently, the Economic Commission for Latin America and the Caribbean (ECLAC)-which is also featured in the 2016 Report-launched its Economic Survey of Latin America and the Caribbean. It projected that for 2016, the region’s GDP will contract for a second successive year. It stated that this will occur in a context of mounting uncertainty in the world’s economy and a slump in domestic demand. The United Nations’ regional organization emphasized **the urgent need to mobilize investment—both public and private**—to promote the region’s economic recovery.

According to ECLAC’s report, Trinidad and Tobago was one of six countries within the region expected to show an economic contraction in 2016. In this regard, there can be no doubt that history will judge 2016 to be an important year for setting development-related agendas. In order to secure Trinidad and Tobago’s economic transformation, the Ministry of Trade and Industry (MTI) recognizes that commitment, flexibility, accountability, transparency and confidence are required from both the public and private sectors.

As one of the frontline Ministries responsible for growing the non-energy sector, the Ministry of Trade and Industry has placed a high level of importance on attracting investments that are development focused, improving our overall competitiveness and diversifying and expanding our export markets.

In line with the Government’s National Policy Framework, the Ministry will introduce a range of initiatives that seek to promote and facilitate domestic and foreign investment and export-led trade.

This includes the development and implementation of a National Export Strategy. The objective of the **National Export Strategy** will be geared towards the development and growth of our services and non-energy export sectors to become more diversified and productive. The Strategy will focus on the enhancement of the export performance and the penetration of new markets.

To complement the National Export Strategy and to further deepen regional trade relations, the Government has embarked on several projects with countries such as Venezuela, Chile and Cuba.

I will give a brief update on the status of each of these.

Following the initial shipments in July 2016, discussions have been ongoing between Venezuelan’s

procurement company CORPOVEX and Trinidad and Tobago in preparation for a third shipment of goods. Just last week, a Venezuelan team returned to Port of Spain to negotiate a second three-month contract for the purchase of locally manufactured goods.

These items include food and personal hygiene products, previously negotiated and will now be further expanded to include a few new products as well as new suppliers following negotiations and factory site visits. This shipment is expected to take place by mid-September. We are very pleased with the collaboration with our partners from Venezuela and the trading arrangement which has progressed to the benefit of both sides; this resulting from firm commitments made between Prime Minister Dr the Honourable Keith Rowley and Venezuela's President, His Excellency Nicolas Maduro during the latter's Visit to Trinidad and Tobago in May this year.

The Ministry together with exporTT and the TTMA will continue to have oversight of the arrangement and provide support during the process. It is expected however, that the Government's involvement in the business negotiations and logistics will be reduced as the parties adopt more traditional private sector trading arrangements.

With regard to Cuba, which is still largely a new market, with a population of over eleven (11) million, the Government will actively be pursuing opportunities for increasing our export levels.

The Honourable Prime Minister met with His Excellency Raul Castro, President of the Republic of Cuba in June 2016 during the VII Summit of Heads of State of the Association of Caribbean States in Havana, to discuss strengthening the commercial alliance between both countries. It has consequently been determined that a Ministerial led delegation from Trinidad and Tobago will attend the **Havana International Trade Fair** (commonly known as FIHAV) to drive this endeavour.

The delegation will address the two key areas of trade and energy, among others, and seek to improve the mechanisms that support the collaboration between both countries.

The objectives with respect to Trinidad and Tobago's participation at the FIHAV 2016 are to:

1. improve and strengthen the commercial relationship;
2. enhance those mechanisms that promote increased trade;
3. gain a better understanding of the business culture in Cuba; and
4. increase export sales through market presence and recognition by Cuban buyers, importers and distributors.

We are deeply heartened by the opening up of the Cuban market which has tremendous prospects for the expansion of our local exports.

Another key trading partner for Trinidad and Tobago that we are looking to is Chile with whom discussions have begun towards the negotiation of a Partial Scope Trade Agreement with a focus on energy products and other products of interest to both sides. It is noteworthy that Chile is the country with the most trade agreements in the Western hemisphere and has one of the lowest duty regimes in Latin America. Why should we not be part of this?

The Honourable Prime Minister met with Chile's President Her Excellency Michelle Bachelet at the

CARICOM Heads of Government meeting in Guyana, where the deepening of T&T and Chile's trading relations were discussed. We are quite hopeful that negotiations will commence soon.

We continue to pursue markets in line with our strategic objective of increasing exports. In addition to Chile, I want to also mention the favourable discussions held by our Honourable Prime Minister in Ghana and more recently, with our CARICOM neighbor, Jamaica on improving our trading patterns and relations in both energy and non-energy products.

A key role of the Ministry of Trade and Industry is to grow our national manufacturing base. In this context, the role of standards and quality in building our national manufacturing and export capacity is critical.

The National Quality Policy is an important element in the framework required to build a more diversified economy and improve the economic outlook for the nation; and is aimed at establishing an appropriate framework for the development of the National Quality Infrastructure (NQI).

Internationally, the Quality Infrastructure is recognized as critical support for social progress and economic development, enabling the participation of developing countries in international trade. This requirement has been recognised by businesses faced with challenges in meeting stringent quality standards abroad, and in competing with poor-quality imported products on the local market, which were not adequately monitored by local authorities. In this regard, the Trinidad and Tobago Bureau of Standards is mandated to develop, promote and enforce standards in order to improve the quality and performance of goods produced or used in Trinidad and Tobago; improve industrial efficiency and development; promote public and industrial welfare, health and safety; and protect the environment.

As we expand into new markets which present fresh opportunities, so too we must look inward to develop the infrastructure to accommodate new investments and businesses.

To improve our local investment environment, the Ministry is currently finalizing an **Integrated Investment Promotion Strategy**. The intention is to create a favorable investment climate underpinned by efficient collaboration between State Agencies and Ministries. The specific objectives of the strategy are to:

1. Create a synergetic relationship between State entities that directly and indirectly influence investment promotion;
2. Reduce wastage of resources caused by duplication of work by State entities;
3. Focus on sustainable development through prioritized sector development; and
4. Diversify the Government's tax revenue base by fostering the growth and development of viable industries.

The Ministry envisages the implementation of the Strategy in Fiscal 2017. It is anticipated that adhering to this blueprint, Trinidad and Tobago will be able to attract sustainable levels of investment that will assist in the growth and development of the economy and the country.

As part of the thrust to rebuild growth, sustain development and transform the economy, the Government is also in the final stages of introducing a **Special Economic Zones (SEZs)** regime in Trinidad and Tobago.

The World Bank Group in a recent study, specified that SEZs offer foreign investors opportunities for

regulatory simplicity, investment security, infrastructure, and hassle-free access to inputs, as well as the ability to stimulate widespread diversification and growth through linkages with the domestic economy.

We see this SEZ Policy as a mechanism which will advance several of the initiatives enunciated in the Official Policy Framework of the Government.

The Tamana InTech (TIP) Park is one such example of a zone that the Government has prioritized for the purpose of technology. The Park's focus will be Information and Communications technology (ICT)/ Business Process Outsourcing (BPO) and High Value Manufacturing.

Within the BPO Industry, the investment opportunities are many and include Customer Interaction Services, Document Management, Industry-Specific BPO (Banking, Insurance, and Utilities), Human Resources and Finance and Accounting Services. We have identified niche outsourcing activities (such as Financial and Accounting outsourcing) to expand the Financial Services Industry. Overall, Trinidad and Tobago has a competitive advantage in this industry since it scores favourably on the availability of human capital; and it being one of the largest sources of native English-speaking talent in the Western Hemisphere.

Also on the front burner for development is the **Maritime sector**. The Government, earlier this year, approved a Framework for the development of the Maritime Sector of Trinidad and Tobago and established a Standing Committee to direct the development and implementation of the Framework and report to Cabinet every three (3) months.

The Standing Committee has since convened two (2) meetings and identified the high impact areas within the Maritime Sector as Yachting, Cold Stacking, Bunkering, Transshipment and Marina Development.

We have a strong value proposition in the Maritime sector as:

1. We are ideally positioned as a transshipment hub for the movement of metals and iron ore from the east coast of South America to Asian destinations;
2. We have a wide and varied history in the provision of bunkering services and we are poised to supply bunker fuel to vessels traversing the Gulf of Paria. To date, there are five (5) companies in the local industry and there is room for expansion of this activity;
3. The local commercial ship repair and dry docking industry receives over 600 enquiries annually. However, due to capacity, an average of 120 vessel are repaired annually. Currently there are only three (3) companies in the local industry; and
4. We have tremendous potential to become a premier Yachting destination because our location being ideal for storage, maintenance and repair services for the cruising and crewed charter yachts. As the local yachting industry grew, most of the activity was centered mainly around boatyards located in the Chaguaramas area. While Chaguaramas is the focal point for the Yachting industry in Trinidad, Tobago's yachting infrastructure requires attention. In this regard, investment opportunities exist for the construction of marinas in Tobago.

The Government is firmly committed to developing these viable industries once economically feasible.

Ladies and Gentlemen,

In an effort to improve Trinidad and Tobago's ranking on international indices and, more importantly, to reduce the time and cost of doing business in Trinidad and Tobago, the Ministry of Trade and Industry entered into a loan arrangement with the Inter-American Development Bank for support to strengthen the **Single Electronic Window (SEW)** for trade and business facilitation.

One of the objectives of the Consultancy is to assist the Government of Trinidad and Tobago in its efforts to modernize the legislative and institutional framework for the areas relating to trade and business. To this end, we are developing the framework for the review of the following pieces of legislation:

1. Animal (Disease and Importation) Act, Chapter 67:02;
2. Anti-Dumping and Countervailing Duties Act, Chapter 78:05;
3. Customs Act, Chapter 78:01;
4. Food and Drugs Act, Chapter 30:01;
5. Foreign Investment Act, Chapter 70:07;
6. Trinidad and Tobago Free Zones Act, Chapter 81:07;
7. Old Metal and Marine Stores Act, Chapter 84:07;
8. Pesticides and Toxic Chemicals Act, Chapter 30:03;
9. Plant (Export Prohibition) Act, Chapter 63:54;
10. Plant Protection Act, Chapter 63:56;
11. Port Authority Act, Chapter 51:01;
12. Shipping Act, Chapter 50:10;
13. Standards Act, Chapter 82:03;
14. Trade Ordinance as amended; and
15. Import and Export Control Regulations No. 19 of 1958.

We anticipate that these initiatives, few among many, will be instrumental in creating new opportunities for trade and investment which ultimately contribute to the achievement of the goal of transforming the economy.

The two major implementing arms under the Ministry of Trade and Industry; InvesTT Limited and ExporTT Limited both have a pivotal role to play as we transform the economy. InvesTT has before it the task of building a case for investment in our country and presenting us intelligently as a cutting edge member of the global business community.

For too long, results have fallen short of good intentions. I am confident that, with the cooperation of the private sector and a renewed sense of determination, our efforts will bear substantial fruit on a sustained basis, as we rebuild our nation together.

I eagerly anticipate the discussions of the Panel. I thank you for your kind attention, and for the privilege of addressing you today.