



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

‘Doing Business in Latin America’

AMCHAM T&T SEMINAR

FEATURE ADDRESS

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

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INTRODUCTION

I thank you for your invitation to speak this morning at this Session on Doing Business in Latin America.

And affording me the opportunity to share with you, in a broad sense, the government's plans and initiatives for trade and industry.

You would appreciate that today is my third day in Office and therefore there is still a considerable amount of policy formulation to be undertaken in respect of the national areas of responsibility with which I have been entrusted.

I must tell you though that I am truly delighted with the theme chosen for this Seminar – ***‘Doing Business in Latin America’*** – as it is aimed at reinforcing the private sector's orientation on the importance of doing business outside Trinidad Tobago and the wider Caribbean Region.

Ladies and Gentlemen, I am sure most of you have a good idea of the background of the current challenges facing the economy.

According to the Central Bank of Trinidad and Tobago's Index of Real Quarterly GDP, the T&T economy declined by 1.2% in the first quarter of 2015, in part because the energy sector experienced a 3.3% contraction, attributed to infrastructural work stoppages, lower gas supplies and plant maintenance.

In addition, the non-energy sector recorded marginal growth of just 0.2% in the first quarter of 2015, after growing 2.7% in 2014 – there was a decline registered.

Public sector debt (as a % of GDP) stood at 60.3% at the end of June 2015, up from 54.6% at the start of the fiscal year for 2015.

Trinidad and Tobago's external debt is also expected to accelerate on account of new loans contracted by the former Government.

Make no mistake, part of this performance is as a result of our own (the country) doing but also as a result of the state of the global economy which is still very fragile. In fact, according to the International Monetary Fund's July Forecast in the World Economic Outlook, global growth is projected at 3.3 percent in 2015 which is lower than in 2014.

More importantly, GDP growth in Latin America and the Caribbean is projected to be 0.5% and 1.7% in 2015 and 2016 respectively. This is notably weaker than the April 2015 forecast.

The reason I chose to highlight these facts is to impress upon our business community, the need for us to find new markets and new opportunities to generate economic wealth for our country.

Trinidad and Tobago's bilateral trade agenda is premised on securing enhanced market access for local exporters of both goods and services.

Since the 1990s, the country has recognised the need to take advantage of the significant market access opportunities in Latin America when, as part of CARICOM, it engaged Colombia, Venezuela and the Dominican Republic for enhanced trading arrangements.

This orientation was later strengthened with the negotiation of Free Trade Agreements with Cuba and Costa Rica in 2000 and 2004 respectively. These agreements provide reciprocal market access with a reduction/elimination of tariffs on selected products in the markets of the more-developed countries (MDCs) CARICOM countries (Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago). These agreements have built-in agendas for treatment of services and other trade issues.

As you are aware, Trinidad and Tobago has also recently sustained the engagement with Latin America through the negotiation of three Partial Scope Trade Agreements with Panama, Guatemala, and El Salvador.

Over the years, we have also signed Bilateral Investment Treaties and Double Taxation Agreements with Venezuela, Cuba, Mexico, Brazil and Guatemala.

Our relations with Latin America were also deepened through the hosting of the Fifth Summit of the Americas in 2009 which I had the distinct pleasure of achieving as the then Minister of Foreign Affairs

Collectively, all of these initiatives provide our business community with enhanced market access to over four hundred and fifty five million persons.

Ladies and Gentlemen, the Government is well aware that ***market access is not the same as market presence***. In fact, based on data obtained from exporTT, while there are over 200 exporters to CARICOM and North America (where preferential markets exist), there are less than 15 domestic firms exporting to Latin America.

The Government believes that market presence in Latin America can only be achieved through a sustained programme to rebuild and sustain our manufacturing and services sectors.

We intend to listen.

In this regard, the new Administration is in the process of translating its Party's Manifesto into the National Policy Framework. However, permit me to share with you what are some of the plans for Trade and Industry:

- i. We intend to ensure that 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.
- ii. We intend to implement a system of constant dialogue and feedback with all stakeholders in the commercial, manufacturing and industrial sectors, to proactively address challenges such as shortages of skilled labour, difficulties in obtaining foreign exchange, reduction of bureaucracy, speedy processing of customs documentation, trade liberalization and other regulatory issues affecting competitiveness and the ease of doing business.

The need to further improve the Ease of Doing Business locally and Global Competitiveness are areas we intend to be very focused on. I understand that according to the 2015 Ease of Doing Business Report, Trinidad and Tobago was the only country from Latin America and the Caribbean in the top ten reformers in the world. This may appear to be a major achievement, however, we continue to be significantly behind the Latin American and Caribbean regional average in the areas of registering property, construction permitting and enforcing contracts.

- iii. We intend to encourage and facilitate linkages between local manufacturers and exporters with the diaspora in Canada, the USA and the UK, as a catalyst to entry and penetration in these markets.
- iv. We intend to create synergies between our energy, manufacturing, services and creative sectors to promote diversification of the economy.
- v. We intend to assist manufacturers to gain entry into the huge Latin American market, through enhanced trade facilitation, negotiation of market access, investment treaties, promotional tours, trade diplomacy and Government to Government arrangements.
- vi. We intend to improve and streamline operations at our air and sea ports for easy import and export of materials and goods.
- vii. We will endeavor to complete and fully operationalize the Tamana Intech Park and the Piarco Aero Park, upgrade all existing industrial estates and establish new industrial estates in designated new growth areas or special economic zones throughout Trinidad and Tobago

CARICOM

In the area of CARICOM and the Caribbean Single Market and Economy (CSME) it is no secret that Trinidad and Tobago has always played a leading role in the promotion of the regional integration movement and the development and growth of CARICOM.

Accordingly, we intend to:

- i. Revive and rebuild the CSME process, which has stalled somewhat
- ii. Facilitate the controlled movement of skills and labour within the region.
- iii. Pursue bilateral agreements with Guyana, Suriname and Belize, among other CARICOM countries, in the Agriculture and Energy sectors.
- iv. Support regional initiatives and joint action for diplomacy and commercial relations with extra regional markets in South and Central America, Asia and Africa.
- v. Maximize benefits under the Economic Partnership Agreement (EPA) with the European Union.

On the issue of diversification. Given the global environment and state of the economy, economic diversification must not only be a priority but an imperative.

In this regard, there are certain industries which we have identified as having many of the ingredients necessary for successful penetration of international markets including those in Latin America, which this Government will promote, namely:

- i. Agriculture and Agro-processing;
- ii. Maritime Services-shipbuilding, ship repair, dry-docking and yachting services;
- iii. Fish and Fish Processing;
- iv. Aviation Services-aircraft maintenance and repair;
- v. Creative Industries-film, music, entertainment, fashion and design;
- vi. Financial Services; and
- vii. Software Design and Applications

We in the Ministry would therefore welcome any ideas or suggestions which you may have on how we can accelerate the growth of these sectors. We really must start this conversation.

CONCLUSION

Ladies and Gentlemen, as I close allow me to say that we do not see the business community as a beast of burden, that must carry the weight of whatever fiscal or other adjustments which must be undertaken in the coming years.

Quite the contrary! This Government views the business community as equal partners with whom we must continuously collaborate, to ensure that your goals and the economic and social agenda for the future, converge. There is work to be done.

You have been the engine of social and economic development and I want to assure you that this Government will continue to collaborate with you as we both seek to make Trinidad and Tobago's Trade performance and Industry the envy of the world.

We see you as our critical partners in success!

I thank you!