



Government of the Republic of Trinidad and Tobago

Ministry of Trade and Industry

***Launch of Scale Up
Trinidad and Tobago
Unit Trust Corporation Virtual Launch***

FEATURE ADDRESS

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

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SALUTATIONS

- Mr. Nigel Edwards, Executive Director, Trinidad and Tobago Unit Trust Corporation
- Professor Daniel Isenberg, Chief Executive Officer, Entrepreneurship Policy Advisors and Faculty Members
- Mrs. Wendy Bishop, Manager, Research and Scale-Up Trinidad & Tobago Coordinator
- The Enterprise Leadership Team and other members of staff of the Trinidad & Tobago Unit Trust Corporation.
- The Inaugural Cohort of Scale Up Trinidad & Tobago
- Specially Invited guests.
- Members of the Media.
- Ladies and Gentlemen.

Good morning all.

I am delighted to be in your company this morning as we launch *Scale Up Trinidad and Tobago*. I am extremely excited about today's event because this initiative reinforces the vision and work of the Government to develop and grow businesses, through a simple and effective methodology that has been replicated across cities and countries worldwide.

There is no question that firms of varying sizes have been hit hard by the COVID-19 pandemic. Businesses have had to contend with reduced demand, disrupted supply chains and shrinking access to finance in some instances. Governments across the world have had to intervene to ensure that many of these enterprises survive. Even as social distancing restrictions are being lifted, the residual effects of the pandemic and disrupted business operations will complicate the economic recovery of businesses for some time to come. Without a doubt, micro-, small- and medium-sized enterprises will be disproportionately affected. Not to be daunted however, businesses will be required to be creative, efficient and innovative in a post-pandemic era.

Every adversity contains within it the seeds of opportunity and growth; so to, this more recent event has brought with it new possibilities for entrepreneurs. **Bloomberg magazine has described entrepreneurship as the vaccine for economies.** If we are, however, to prioritize business creation and growth, there must exist a vibrant entrepreneurial environment. While we cannot predict how markets may develop in this unprecedented climate, the way entrepreneurs must now operate and commercialize ideas remain essential pillars to our economic recovery and more importantly, a more a stable and vibrant economy in the long-run.

Importance of Scaling Up

Scale Up Trinidad and Tobago could not come at a more opportune time! This initiative serves to scale up businesses by encouraging entrepreneurs to be more ambitious with their growth targets, and to guide them through the steps necessary to turn that desire for growth into reality by focusing on the three Cs— Customers, Capacity and Cash.

Research from the World Economic Forum (WEF) has shown that it is the relatively high-growth firms – called “scale ups” – that are the real generators of jobs, taxes and wealth. So while ‘start-ups’ are important and serve a vital role in any vibrant economy, it’s only when they grow and scale-up do they generate these benefits. New ideas, new products and new processes are however as vital to the creation of new businesses, as they are to the survival and expansion of existing ones.

For Latin America and the Caribbean, the WEF indicates that Governments should focus less on the creation of new businesses and prioritize helping firms of all ages, sectors and sizes to grow. A World Economic Forum’s study on Latin America and the Caribbean, shows that 10-20% of existing businesses in any region already have the ability to develop the entrepreneurial mindset, business experience, customer base and operational skills to double their growth rates. What they are lacking is the environment – **the entrepreneurship ecosystem** – that supports new growth trajectories. This growth helps more than just the business; it also spreads prosperity deep into the community. **If more and more local companies grow more rapidly, our economy will also expand.**

The Entrepreneurship Ecosystem

The Government of Trinidad and Tobago has always attached great importance to entrepreneurship as it is instrumental to the growth and development of the economy. While conglomerates are key to driving exports and promoting Trinidad and Tobago’s brand overseas, small and medium-sized enterprises (SMEs) do have a substantially positive impact on the domestic economy in that they contribute 28% to the country’s Gross Domestic Product, they account for 91% of all registered businesses and employ approximately 200,000 persons.

A conducive culture, enabling policies, availability of appropriate finance, quality human capital, and a range of institutional and infrastructural supports are essential and important parts of the entrepreneurial ecosystem. And if we are to realize change, there is a need to for each component to actively participate in the process. Each entity must *walk the talk* and actually invest in and help give shape to the ideas and activities of entrepreneurs, if this local entrepreneurship ecosystem is to be successful.

Our Ecosystem will include entities such as:

Planting Seeds & UWI Ventures

The television series *Planting Seeds* brings together aspiring entrepreneurs with potential investors, and seeks to entertain as well as inspire. Not only do the panelists invest their own money, they also offer expert information about the legal and financial specifics of business success.

UWI Ventures is also a new approach which combines the institutional goodwill and infrastructural capacity of academia, the experience and pragmatism of the private sector, and the resources of

Government. It serves as a modern business incubator through which entrepreneurs can submit ideas and innovations, and advance them through coaching, training, networking and mentorship. This university-industry-government collaboration provides capital investment and advice to founders, and also functions as a limited liability holding company for UWI spinoff companies. With its formation, UWI Ventures Ltd has joined the St. Augustine Campus Innovation and Entrepreneurship framework and helps bring intellectual property and ideas to market for the benefit of society, our researchers and the University.

TT Stock Exchange

To develop the small- and medium-sized enterprise (SME) market, the Government, in the Fiscal 2021 budget, encouraged SMEs to list on the Trinidad and Tobago Stock Exchange, by offering:

- an increased the incentive period from five (5) years to ten (10) years;
- a full tax holiday for the first five (5) years following listing on the TTSE; and
- a further 50 percent tax holiday for the second five (5) years following listing on the TTSE.

It is to be noted that the TTSE will soon be launching its Mentorship Programme to provide SMEs with the opportunity to learn and be guided by accomplished entrepreneurs, senior executives and industry experts, particularly in the area of corporate governance. The Mentor will guide the company in relation to compliance matters where the Exchange has oversight. This model is already in place in Jamaica and has proven to be a huge contributor to the success seen so far in their Junior Market.

Innovation & Technology

These institutions and initiatives are all critical to get businesses and entrepreneurs going and scaling up; however, at the foundation of this generative process is Innovation & Technology and Research & Development.

Innovation is a human perspective and process. To ensure that products, services and processes are constantly being challenged and improved, it is essential for firms to invest in Research and Development (R&D). Even if a firm has a dominant position in the domestic market, it is only through R&D can they effectively compete in the region and internationally.

Digitization & Doing Business

The future of work is being redefined by the convergence of digital and other advanced technologies. These include the Internet of Things, Artificial Intelligence, Robotics and Additive Manufacturing, among others. Businesses—big and small, must therefore now evolve and embrace the wider use of digital technology, not only in their marketing and outreach, but in their day-to-day operations. The Government of Trinidad and Tobago is no different and remains steadfast in its efforts aimed at utilizing technology and reengineering business processes largely through the national Single Electronic Window—TTBizLink—to make government services more accessible, affordable and efficient.

Access to Finance

It is widely known that SMEs are less likely to obtain traditional bank loans than large firms. The International Finance Corporation (IFC) estimates that 65 million firms, or 40% of formal micro, small

and medium enterprises (MSMEs) in developing countries, have an unmet financing need of \$5.2 trillion every year. Latin America and the Caribbean has the second highest proportion of the finance gap compared to potential demand, measured at 87%. In other words, approximately 9 out of 10 firms in Latin America and the Caribbean are unable to access formal credit. The Government of Trinidad and Tobago, despite its challenging circumstances, developed financial solutions targeted at businesses of various sizes depending on their stylized needs.

During the pandemic, for instance, the Government implemented an economic recovery plan aimed at supporting SMEs which allowed them to mitigate the impact of this negative shock.

- The Small and Medium Enterprises Stimulus Loan Facility allocated a sum of TTD\$300 Million to be administered through commercial banks.
- TT\$200 Million was provided to the Co-operative Credit Union League and Central Finance Facility to provide low interest loans to individuals and businesses affected by the Pandemic.

Other Government Facilities

- The Ministry of Trade and Industry (MTI) has also capitalized three (3) facilities namely: the Grant Fund Facility (GFF); The Research and Development Fund (RDF) and Steelpan Manufacturing Grant Fund Facility (SMGFF). Beneficiaries of these Funds are engaged in activities in the areas of Agro-processing, Food and Beverage, Manufacturing, ICT, Education, and the Creative Industries.
- Additionally, a new National Enterprise Development Company (NEDCO) Grant Facility was introduced to support the existing NEDCO Loan Facility by providing funding to small and medium-sizes entrepreneurs with income less than TT\$1Mn in annual sales revenues that are seeking to start or expand their business ventures.

Export Booster Initiative

Very recently, through collaborative efforts between the Ministry of Trade and Industry, exporTT and the Trinidad and Tobago Manufacturers' Association (TTMA), a game changing **Export Booster Initiative (EBI)** was launched. This TT\$50Mn investment will complement and ramp up existing initiatives for the manufacturing sector and also include some new activities, all geared towards three strategic areas:

- Export Promotion (Accelerating Internationalization)
- Capacity Building
- Institutional Strengthening.

These are not only to encourage and drive greater production and efficiency, but also to generate ideas about new products, services and processes.

There is a need for the traditional banking sector to enter the entrepreneurial ecosystem in a meaningful way by supporting small and medium-sized businesses and truly make meaningful contributions to growing the economy, building communities, generating employment.

Conclusion

According to Daniel Isenberg in the book, *Worthless, Impossible and Stupid: How Contrarian Entrepreneurs Create and Capture Extraordinary Value*, “We aspire to what we think we can achieve, and what we think we can achieve is influenced by what we see others achieving.” This reflects the required effective entrepreneurial ecosystem—ideas and innovation, institutions and action, local and international, present and future, all interlinked and interdependent. **Trinidad and Tobago must therefore be a place that not only achieves, but inspires others to achieve.**

I look forward to the selection of the first cohort, and especially hearing and sharing their success stories. I applaud the UTC for investing in our entrepreneurs and businesses, which is a step in the right direction if Trinidad and Tobago is to evolve **from being the industrial lead in the region, to the ideas capital of the region.**

Thank you.