



Government of the Republic of Trinidad and Tobago

Ministry of Trade and Industry

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Inauguration Ceremony of Princesmart's Sustainable Solutions Plant

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REMARKS

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

JANUARY 31ST, 2023

Good morning everyone

I am delighted to be here today at the inauguration of PriceSmart's Sustainable Solution Plant. Let me take this opportunity to congratulate the PriceSmart team on this tremendous achievement. We at the Ministry of Trade and Industry are pleased to have participated and lent support in making today a reality from conceptualization to the full realization of this commercial venture.

This new facility provides a myriad of economic and environmental solutions. With respect to the economy, the local production of these compostable products can create jobs, enhance import substitution, preserve foreign exchange, and eventually boost export levels.

Job Creation

With 25 years of operations in our country, I am heartened by PriceSmart's ongoing commitment to Trinidad and Tobago. They are an important source of employment, providing over 900 jobs at their four warehouse clubs. The addition of this automated Solutions Plant, will employ an additional 15 persons, with the possibility of future job creation.

Distribution and Exports

PriceSmart continues to have a substantial impact on the local business ecosystem. To date, almost 270 locally-manufactured items have a market through PriceSmart's clubs, demonstrating PriceSmart's invaluable contribution as a local and regional distributor. These locally produced items, are readily available to consumers in territories such as Aruba, Barbados, the Dominican Republic, Jamaica, Saint Maarten and the U.S. Virgin Islands, and countries across Latin America through their distribution network. At the regional level, PriceSmart Trinidad exported over TT\$108 million for the 5-year period 2018 to 2022. We expect this figure to grow.

Import Substitution

Close examination of import data from TTBizLink for the same 5-year period revealed, approximately TT\$41 million worth of imports in one tariff line of food packaging and containers. Of this TT\$41 million, some TT\$20Mn (US\$3Mn) represented imports of styrofoam trays for meat packing. PriceSmart's Sustainable Solutions Plant, will therefore play a significant role in reducing our imports of trays, plates, cutlery, cups, and food containers; and in so doing aid to preserve foreign exchange.

As I mention foreign exchange and import substitution, I must applaud PriceSmart on their diversification efforts. Known traditionally as an importer and retailer, today commemorates the expansion of their portfolio to include manufacturing and more specifically, non-energy manufacturing. The non-energy manufacturing sector remains a major contributor to our GDP and is critical to the transformation of our economy.

TT's economic performance

Just last Friday, the Minister of Finance cited recently published data by our Central Statistical Office (CSO). For the first half of 2022, real GDP in Trinidad and Tobago grew by 4.1%, almost twice the figure previously estimated for that period. What is even more encouraging is that this was due in large part to our non-energy sector, which according to the CSO, yielded strong growth of 7.5% in the first half of 2022. The

efforts of the non-energy private sector, of which you have now become a part of, must also be lauded, for its continued growth and tenacity.

Environmental solutions

From an environmental perspective, the Plant is expected to increase the use of environmentally friendly products and reduce waste. I am pleased to note that this Plant will cut PriceSmart's carbon dioxide usage by 50% (7,749.2 tons of CO₂) versus that of a conventional plastic plant operation.

Government's role

Governments play a major role in facilitating and encouraging investments like these. This Government's wider investment framework encompasses the creation of new laws, regulations and institutions to advance, incentivize and promote investment. Among these developments are, a new Special Economic Zones (SEZ) regime and Trade and Investment Promotion Agency (TIPA), both of which are expected to be operationalized in fiscal 2023.

The new SEZ regime will offer attractive incentives to firms in sectors such as manufacturing, logistics and distribution. It will also seek to empower the private sector to build and manage their own industrial parks and economic spaces. A prime example of what is envisioned by this is this very location; the Point Lisas Business Park, a piece of land owned and developed into an industrial park and operated by Edan K Properties, a local family business, which has gone on to build a thriving and diversified enterprise.

To enhance our investment promotion, the new Trade and Investment Promotion Agency will consolidate resources and better promote Trinidad and Tobago as an attractive destination of choice for both local and foreign investors.

Conclusion

This venture helps to redefine the role of the private sector in Trinidad and Tobago as both a driver and a partner in sustainable development, in keeping with global trends and priorities.

In 2018, the Organization for Economic Cooperation and Development (OECD) launched the *FDI Qualities* initiative in an effort to measure the impact of FDI on specific aspects of sustainable development in host countries.¹ This new approach is structured around the impact of FDIs on three Ps – *prosperity, people and planet*, on how they support progress towards the United Nations Sustainable Development Goals (SDGs). We, too, need to understand and appreciate the types of investments we attract, and how they affect us—now and for generations to come.

Today's celebration highlights PriceSmart's commitment to the three Ps *prosperity, people and planet*. It is our hope that more businesses continue in this vein and pursue diversification and incorporate sustainability in their business models.

¹ <https://www.oecd.org/investment/FDI-Qualities-Indicators-Highlights.pdf>

I once again thank PriceSmart for continuing to demonstrate confidence in this country, and I look forward to them expanding and diversifying even further in a stronger, more sustainable Trinidad and Tobago. I wish the entire team much success.

I thank you.