



Government of the Republic of Trinidad and Tobago

Ministry of Trade and Industry

## MEDIA RELEASE

### ***Local Businesses to Continue Benefitting from Conditional Customs Duty Exemptions***

**December 14, 2023:** Trade and Industry Minister Paula Gopee-Scoon piloted a Motion in the House of Representatives on 13 December 2023, which culminated in the passage of a Resolution for the extension of customs duty exemptions for certain classes of goods, in accordance with Section 56(1)(a) of the Customs Act, Chap. 78:01. The Resolution, which comes into effect on 1<sup>st</sup> January, 2024 and expires on 31<sup>st</sup> December, 2026, will allow the Minister of Trade and Industry to continue granting exemptions to qualifying companies operating in the following Sectors:

- I. Approved Industry;
- II. Approved Agriculture, Livestock, Forestry and Fisheries;
- III. Approved Hotels;
- IV. Approved Mining Purposes; and
- V. Other Approved Purposes.

During her contribution, Minister Gopee-Scoon reaffirmed the Government's unwavering commitment to supporting businesses in the non-energy sector and nurturing their growth, resilience and sustainability as they continue to diversify the economy.

Over the period January 2021 to September 2023, 130 businesses benefitted from customs duty exemptions, with the majority (110) of these businesses operating in the non-energy manufacturing sector. The Minister highlighted that the food and beverage subsector largely benefitted, with most of the beneficiaries being small to large scale operators involved in the production of foods, snacks and drinks, for local consumption as well as exports. Among the beneficiaries over the period, were 18 agricultural businesses, 1 hotel in Tobago, and 1 sport-related company conducting recreational activities.

The revenue forgone by the State from granting duty relief to the 130 businesses over the 33-month period, 1<sup>st</sup> January 2021 to 30<sup>th</sup> September 2023, amounted to roughly TT\$1.1 billion. Minister Gopee-Scoon however underscored that the benefits outweigh the cost, emphasizing that *"this incentive ensures access to essential foreign inputs at global market prices, once they are not available locally or regionally."*

She highlighted that customs duty relief support the growth of output and export in non-energy manufacturing, with a substantial number of manufacturers using their concessions to boost capacities and enhance export competitiveness. These and other manufacturers continue to contribute to the country's total non-energy manufacturing exports, which stood at TT\$17.2 billion in 2022, reaching markets in approximately 143 countries globally.

Minister Gopee-Scoon also stated that the exemptions have been instrumental in facilitating reinvestments in the local economy, through various strategies, such as new product development, product diversification, process enhancements and physical factory expansions. In Fiscal Year 2023, the Ministry of Trade and Industry (MTI) recorded an estimated TT\$1.4 billion in reinvestments in the non-energy sector by 40 companies, many of which were manufacturers with concessions.

With the passing of the new Resolution, qualifying businesses will continue to benefit from customs duty exemptions on items imported for use as inputs into their manufacturing or processing needs; and other business activities as per the legislation.

The MTI encourages all stakeholders and businesses to take advantage of this and other incentives afforded to them, as the Ministry recognizes the role of the Private Sector in shaping a robust and globally competitive economic landscape.

**END**