

REPUBLIC OF TRINIDAD AND TOBAGO

MINISTRY OF TRADE, INDUSTRY, INVESTMENT AND COMMUNICATIONS

TRADE POLICY AND STRATEGY 2013-2017

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List of Abbreviations and Acronyms

ACP	Africa, Caribbean and Pacific Group	COPA Airlines	Panamanian Aviation Company
AD	Anti-Dumping	CROSQ	Caribbean Regional Organisation for Standards and Quality
AFT	Aid for Trade	CSME	CARICOM Single Market and Economy
ALBA	Bolivarian Alliance for the Peoples of Our Americas	CSO	Central Statistical Office
AGOA	African Growth and Opportunity Act	DDA	Doha Development Agenda
CAFTA	Central American Free Trade Agreement	DfID	Department for International Development
CAFRA	Caribbean Association for Feminist Research and Action	DR	Dominican Republic
CAHFSA	Caribbean Agriculture Health and Food Safety Agency	EC	European Community
CAN	Andean Community	ECCB	Eastern Caribbean Central Bank
CARIBCAN	Caribbean-Canada Trade and Economic Cooperation Agreement	ECCU	Eastern Caribbean Currency Union
CARICOM	Caribbean Community	EPA	Economic Partnership Agreement
CARIFORUM	Caribbean Forum (CARICOM and the Dominican Republic)	EU	European Union
CARIFTA	Caribbean Free Trade Association	EXIM Bank	Export Import Bank
CBERA	Caribbean Basin Recovery Act	FDI	Foreign Direct Investment
CBI	Caribbean Basin Initiative	FTA	Free Trade Agreement
CBTPA	Caribbean Basin Trade Partnership Act	FTAA	Free Trade Agreement of the Americas
CCC	CARICOM Competition Commission	GATT	General Agreement and Tariffs and Trade
CCJ	Caribbean Court of Justice	GATS	General Agreement on Trade in Services
CET	Common External Tariff	GCI	Global Competitiveness Index
CIDA	Canadian International Development Agency	GDP	Gross Domestic Product
COTED	Council for Trade and Economic Development	GSP	Generalized System of Preferences
COMSEC	Commonwealth Secretariat	ICT	Information and Communication Technologies
		IDB	Inter-American Development Bank

IDPs	International Development Partners	ODA	Official Development Assistance
IMF	International Monetary Fund	PROCOMER	Foreign Trade Corporation of Costa Rica
IP	Intellectual Property	RPTF	Regional Preparatory Task Force
IPO	Intellectual Property Office of Trinidad and Tobago	RTAs	Regional Trade Agreements
ITC	International Trade Centre	SICA	Central American Integration System
LAC	Latin America and the Caribbean	SME	Small and Medium Size Enter TIFA prizes
LDCs	CARICOM Less Developed Countries or UN Least Developed Countries	SPS	Sanitary and Phytosanitary Measures
LNG	Liquefied Natural Gas	SVEs	Small and Vulnerable Economies
MDCs	CARICOM More Developed Countries	TCC	Technical Coordinating Committee
MERCOSUR	Southern Common Market	TF	Trade Facilitation
MFN	Most-Favoured Nation	TFO	Trade Facilitation Office in Cuba
MTII	Ministry of Trade, Industry and Investment	TIFA	Trade and Investment Framework Agreement
MTS	Multilateral Trading System	TRIPS	Trade-Related Aspects of Intellectual Property Rights
NAFTA	North American Trade Agreement	TTBS	Trinidad & Tobago Bureau of Standards
NAMA	Non-Agricultural Market Access	TTMA	Trinidad & Tobago Manufacturers' Association
NFIDC	Net Food Importing Developing Countries	TBT	Technical Barriers to Trade
NTBs	Non-Tariff Barriers	UN	United Nations
NQI	National Quality Infrastructure	UNCTAD	United Nation Conference on Trade and Development
OECD	Organisation for Economic Cooperation and Development	USA	United States of America
OECS	Organisation of Eastern Caribbean State	VAT	Valued-Added Tax
		WTO	World Trade Organisation

Foreword

Trinidad and Tobago has emerged as one of the most dynamic members in the multilateral trading system. This status is the result of the efforts of successive Governments to liberalise the economy by opening our borders to the benefits of international trade. Trade Liberalisation has resulted in Trinidad and Tobago's manufacturers emerging as the most competitive in CARICOM, which positioned them to take advantage of the vast markets throughout the Americas and beyond. To do so, the Government recognises the need to enhance the competitiveness of the local economy by improving the ease of doing business.

The global economy today is far different today than it was a decade ago when our last trade policy was prepared. Since then, the geopolitics of the world has changed; the tools of international commerce have evolved with the emergence of the e-economy; and trade in services has increasingly underpinned the strong economic performance of many developing countries.

The GORTT recognises that trade is the life blood of the economy. The Government believes that the guiding principle of trade policy is that trade must result in economic and social benefits for our people. It is also recognise that the role of government is to facilitate trade but that it is the private sector which engages in commerce. These are the tenets in which our Trade Policy for the period 2013-2017 is based.

The successful implementation of this policy rests on the commitment and coordination of all stakeholders in the public and private sector. In this regard, the Ministry of Trade, Industry and Investment will ensure that as we proceed to aggressively implement our trade policy, we will do so in a transparent and collaborative manner.

Acknowledgements

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The preparation of the document benefited from active discussion and collaboration with the technical staff of the Ministry of Trade Industry and Investment, who arranged meetings with stakeholders, responded to information requests and participated in a technical dialogue and review.

The interaction with relevant government Ministries and agencies, private sector organisations, and members of civil society and academia proved invaluable in shaping the Policy and Strategy.

Special mention must also be made of the interest shown and leadership provided by the Honourable Vasant Bharath, Minister of Trade Industry and Investment in clearly articulating the priorities and areas of focus of the Ministry and its related agencies.

The Trade Policy and Strategy of Trinidad and Tobago, 2013-2017 is the product of continued collaboration between the Ministry of Trade Industry and Investment of Trinidad and Tobago, the CARICOM Secretariat and Commonwealth Secretariat.

Executive Summary

The GORTT recognizes that trade can be an important driver of economic growth, poverty reduction and development. As a corollary, enhancing the country's competitiveness and expanding exports are seen as being crucial for improving the economic welfare the citizenry of Trinidad and Tobago in its entirety. Moreover, it has been demonstrated that a strong export sector, particularly of services and high value added products further up the value chain, will generate increased employment; raise domestic income levels; increase domestic consumption spending; have a positive over-all knock-on effect on poverty reduction; and contribute to broad-based socio-economic development.

The GORTT is also cognizant of the key role that trade policy has and continues to play in diversifying the export base; increasing global trade share; and effectively integrating the economy into the global trading system. In addition, the existence of a transparent trade policy, which redresses the domestic systemic capacity constraints, would provide a more predictable milieu for domestic and foreign investment.

The country's non-energy trade balance has been in deficit throughout the past two decades, suggesting that the export performance of the petroleum sector has largely underpinned the trade surpluses generated. Not surprisingly therefore, over the last decade in excess of the 80% of foreign direct investment has accrued to the energy sector.

Consequently, there is recognition of the need to diversify production and exports in order to wean the economy from overdependence on the energy sector, through *inter alia* the promotion of investment in the non-energy goods and services production. This will be achieved by ensuring that efforts to broaden the productive and export base are cross-sectoral in nature, embracing avenues to broaden the scope of downstream petrochemical industries and energy-services.

In this regard, the Food and Beverage, Printing and Packaging and Miscellaneous Manufacturing sectors have been identified as having significant export potential. Within the realm of services, the ICT, Financial Services, Tourism, Creative Industries (e.g. fashion, music, and film), Energy and Maritime Services are among those services sectors which have been identified for development and diversification of the productive base of Trinidad and Tobago.

For Tobago, however, the GORTT will work closely with the Tobago House of Assembly (THA) to ensure that policy initiatives are consistent with the imperatives enshrined in its Comprehensive Economic Development Plan 2013-2017. MTII will work closely with the Fiscal Policy Unit of the THA in this regard.

The MTII will provide the requisite policy and legislative framework, as well as provide incentives for the development of Clustering initiatives involving the food, energy, creative, maritime and tourism sectors as outlined in the Medium-Term Policy Framework 2011-2014. MTII will also develop a number of strategies, including a National Export Strategy and National Investment Policy to complement this Trade Policy and Strategy.

The overarching goal of this Trade Policy and Strategy is to ensure that the benefits of international trade contribute to the socio-economic development of Trinidad and Tobago. This will be achieved by expanding and diversifying production, exports (goods and services) and markets.

Accordingly, the objectives of this Trade Policy and Strategy are as follows:

- 1) To Expand Market Access for Trinidad and Tobago's Goods and Services globally and regionally;
- 2) To Safeguard Sensitive Productive Sectors;
- 3) To Increase Export Capacity and Competitiveness of Value Added Goods and Services, in the Energy and Non-Energy Sectors;
- 4) To Improve the Business and Trade-enabling Environment;
- 5) To Strengthen the Institutional Framework for Trade;
- 6) To Mobilize Resources to Finance Needs of the Trade and Trade-related Sectors;

- 7) To Deepen Regional and Hemispheric Integration and Cooperation as a means of increasing leverage when dealing with the International Community; and
- 8) To Mainstream Trade Policy into the Wider Macro-Economic and Development Policy-setting.

In order to address the structural impediments to Trinidad and Tobago's international competitiveness the trade and investment institutional framework will be streamlined and made more transparent. In addition, cross-agency linkages will be improved and responsibilities clearly delineated.

The Trade Policy and Strategy also identifies impediments to improving productivity and competitiveness, and the challenges to expanding and diversifying the country's exports; and enunciates strategies which would address same, but also optimize the gains to be derived from trade liberalization and the attendant domestic policy, institutional and legislative reform. Ultimately, a coherent, development centered trade policy, which delicately balances the interests of all stakeholders while facilitating investment and commerce, will provide an indispensable lever for delivering many of the goals enunciated in the GORTT's Framework for Sustainable Development.

The main policy recommendations adopted by the Government of Trinidad and Tobago are as follows:

- The approach to market access and trade negotiations will involve the consolidation and enhancement of existing trade and market share globally, together with the aggressive pursuit of new opportunities in targeted markets;
- An accelerated programme of removal of existing intra-regional trade barriers will be promoted and facilitated in the context of the CSME;
- Particular attention will be placed on rationalizing and diversifying domestic production and fuelling export growth to those markets, where domestic exporters may benefit from bilateral agreements;
- Efforts will be made to optimize the benefits associated with the implementation of the Trade and Investment Framework (TIFA) between CARICOM and the USA;
- CARICOM will be encouraged to aggressively pursue the conclusion of the CARICOM-Canada Trade and Development Agreement, to avoid any loss of market share which may potentially arise from the expiry of the WTO waiver governing the CARIBCAN Agreement;
- The Government of Trinidad and Tobago will work closely with the private sector to furnish it with the tools needed to take advantage of the increased opportunities for the export of both goods and services, provided under the CARIFORUM/European Union Economic Partnership Agreement;
- In the negotiation of trade agreements, efforts will be made to achieve well balanced agreements with development cooperation components and elements which promote FDI flows;
- Trinidad and Tobago will continue its active participation in the formulation of the global trade rules in the context of the multilateral trade negotiations and to uphold the fair, equitable and transparency principles therein;
- The domestic infrastructure related to Sanitary and Phyto Sanitary Measures (SPS) and Technical Barriers to Trade (TBT) will be strengthened and a National Quality Infrastructure system will be promoted;
- There will be the rationalization of the roles of key institutions required to implement, including exports in such areas as trade promotion, building export ready capacity and trade missions and trade capability through overseas representation in missions, embassies and other supportive arrangements;
- Care and attention will be employed to provide policy space for safeguarding sensitive productive sectors related to agriculture, manufacturing and services when negotiating trading arrangements;
- Aspects of the trade related economic infrastructure, including ICT, maritime, (renewable) energy, and internal transport will be modernized in the context of increasing competitiveness;
- In the context of trade facilitation, efforts will be made to reduce the cost of and the efficiency and ease of doing business;

- The network of institutions involved in the implementation of the policy will be strengthened;
- Review and modernizing of governing trade legislation;
- The country's trade needs will be consolidated into one coherent strategy in the form of a National Aid for Trade Strategy;
- Trade policy and strategy will be integrated into the strategic planning and policy making process and used as a key tool for leveraging economic development addressing such challenges as poverty eradication, gender equity, and employment generation, as well as the achievement of the Millennium Development Goals (MDGs);

In addition, the policy environment will be informed by such documents to be produced early in the period identified inclusive of Study of Non-Tariff Measures, the Strategic Plan for exportTT for the period 2013 – 2016; the National Export Strategy and the National Aid for Trade Strategy to be prepared by the Ministry of Trade, Industry and Investment, and the National Quality Infrastructure Plan to be developed by the Trinidad and Tobago Bureau of Standards. Further, the quality and timely availability of statistics at the national and sectoral levels will significantly contribute to the success of the Policy and Strategy.

1. Introduction

The GORTT, recognizing the critical role that trade can play in economic development, has acknowledged that trade is the ‘life blood of the economy’ in its Framework for Sustainable Development. The Ministry of Trade Industry and Investment (MTII) has responsibility for delivering Pillar Five of the Framework, “A More Diversified, Knowledge Intensive Economy”. Consistent with this responsibility, MTII has a strategic direction which focuses on three core functions:

- (i) developing and growing the country’s Trade - particularly exports;
- (ii) developing and growing Investment - both foreign and domestic;
- (iii) developing and growing the internal and external Business of Trinidad and Tobago, i.e. the internationalization of Trinidad and Tobago’s business¹.

Trinidad and Tobago can be described as a small open, energy exporting economy with one of the highest per capita incomes in Latin American and the Caribbean. In 2012, real GDP was estimated at TT\$88 billion or US\$14 billion, with GDP per capita of TT\$65,894 or US\$10,344 constant (2000) prices or US\$20,087 in current prices. The strategic location of Trinidad and Tobago accommodates air and sea transport which easily facilitates trade with the Americas, Africa, Europe and the Asia-Pacific Region.

The domestic economy is characterized by a leading capital intensive petroleum and natural gas sector, and a relatively weak non-petroleum sector in which services has emerged as a major economic activity. The dominance of the petroleum industry is underscored by the fact that in 2012, the sector accounted for an estimated 40.2% of GDP, government revenue and 83% of total merchandise exports. This sector however accounts for an estimated 3% of employment. The domestic services sector contributes an estimated 50% of Trinidad and Tobago’s GDP (2012) and provides critical inputs into the production of goods. However, services account for merely 12% of exports.

Trinidad and Tobago’s undiversified economic structure makes the country vulnerable to external shocks, particularly the price instability of energy exports and demand in the major export markets thereby threatening the sustainability of the current pace of the country’s economic development.

The strategic development thrust of Trinidad and Tobago is outlined in the Medium-Term Policy Framework for Sustainable Development. This would ensure prosperity for all citizens and leverage resources in such a way that the country produces more than it consumes.

¹ Refer to MTII Restructuring Plan Report by PricewaterhouseCoopers (April 2007). The purpose of the Plan was to design the ‘to be’ organizational structure of MTII

The Framework essentially sets out a development agenda which identifies seven (7) interconnected pillars –

- (i) *people-centred development;*
- (ii) *poverty eradication and social justice;*
- (iii) *national and personal security;*
- (iv) *information and communication technologies;*
- (v) *a more diversified, knowledge-intensive economy;*
- (vi) *good governance - people's participation; and*
- (vii) *foreign policy*

Pursuant to establishing this policy framework and fulfilling MTII's mandate to deliver pillar five (5), the MTII undertook the decision to update and recalibrate its Trade Policy and Strategy. The new trade policy also considers recent developments in the trade environment both locally and internationally, and seeks to enhance domestic productive capacity, institute a modern trade infrastructure, expand trade and generate export-led growth. These are seen as being fundamental to the achievement of these overarching development goals espoused in the Framework for Sustainable Development. Indeed, in an increasingly globalized economy, investment, export growth, productivity, competitiveness and innovation have emerged as key drivers of economic growth.

The changing dynamic of the global economy, international trade and trade agreements² demands that the GORTT be both pragmatic and proactive in recasting its trade policy. Such developments include the shifting trend from one-way preferences to reciprocity in trade agreements between the developed countries and developing countries³; preference erosion⁴; expiration (and in some cases uncertainty) of unilateral preferences to major markets; slow movement in the multilateral trade negotiations; as well as the declining prominence of tariffs as a trade policy instrument for goods and the corresponding shift towards the predominance of non-tariff measures.

The post Free Trade Area of the Americas (FTAA) geopolitics has led to a reconfiguration of western hemispheric integration and cooperation initiatives. In addition, CARICOM intra-regional trade can be considered to be marginal accounting for 13% of total trade. Trinidad and Tobago presently accounts for approximately 80% of intra-regional trade. Collectively, these issues dictate that in order to ensure continued exports growth, Trinidad and Tobago must seek to consolidate existing markets and aggressively promote increased intra-regional trade while simultaneously pursuing additional export markets, through a combination of securing new Trade Agreements and expanding trade promotion efforts.

² This has been manifested in the emergence of a material shift by developed countries from the granting of trade preferences in favour of developing countries, to the negotiation of reciprocal free trade agreements (FTAs) which are broad in focus and seek to accelerate liberalization of bilateral trade with these developing countries.

³ Examples include the CARIFORUM-EC EPA which Trinidad and Tobago signed in October 2008, the CARICOM-Canada FTA whose negotiations are about to commence, and a the CAFTA-DR which involves the USA and six former CBI beneficiaries in Central America

⁴ The gradual reduction in margins of preference, as preference granting countries proceed with non-discriminatory trade liberalization initiatives.

Despite considerable efforts and significant private sector investment, including foreign direct investment (FDI), Trinidad and Tobago has not fully established itself as a competitive exporter of a diverse range of goods and services. Domestic exports are currently precariously built on a narrow range of products concentrated in the energy sector, which account for 84% of exports but only 3% of employment. Moreover, non-energy exports are heavily dependent on the CARICOM Market. The manufacturing sector is the third largest contributor to GDP accounting for 8-9% annually and providing 16% of employment. The Services sector is the largest contributor to both employment and GDP while only accounting for an estimated 12% of exports.

The challenges in the business environment as evidenced by the country's rank of number 84 (out of 144 countries) in the 2012-2013 Global Competitiveness Index; weak performance in extra-regional markets such as Colombia and Venezuela; and the limited success of local exporters in exploiting market access opportunities negotiated under several CARICOM trade agreements⁵ are some of the constraints to be addressed by this Trade Policy and Strategy.

This notwithstanding, Trinidad and Tobago not only dominates CARICOM's intra-regional trade but also the Region's commerce with major bilateral trading partners. Further, the country has emerged as the largest exporter of ammonia and methanol; and is a major supplier of liquefied natural gas to the United States.

⁵ It should be noted that in recent years inflationary pressures, rising domestic incomes and spiralling input costs in some instances, have invariably contributed to the increasing un-competitiveness of domestic production systems.

In addition, Trinidad and Tobago's performance in the "Ease of Doing Business Survey"⁶ has improved within recent time.

Hence, it is imperative that the new trade policy builds on current gains while seeking to facilitate the development of a more diversified and sustainable export structure. Accordingly, the new trade policy will seek to identify existing impediments and enunciate strategies which would, not only expand and diversify trade, but also optimize the gains to be derived from trade liberalization and the attendant domestic policy reform.

A coherent, development centered trade policy, which balances the interests of all stakeholders while facilitating investment and commerce, provides an indispensable lever for delivering many of the goals enunciated in the GORTT's Framework for Sustainable Development.

⁶ Trinidad and Tobago's 'Ease of Doing Business' ranking improved from 97 in 2011 to 69 in 2013.

STRATEGIC VISION

It is important for Trinidad and Tobago to mainstream its trade policy into the wider socio-economic policy framework. This would facilitate congruence between trade policy and economic development strategies in a manner that ensures that the trade policy objectives and strategies and instruments are consistent with and contribute to the attainment of broader development goals.

This mutually re-enforcing nexus will in turn provide a platform upon which socio-economic development can be sustained in the long-term. Increasing production and trade is crucial to developing the domestic economy and improving the economic welfare of Trinidad and Tobago's citizens.

A stronger export sector will increase production; generate increased employment and income levels; generate investment; and have a positive overall effect on poverty reduction and broad-based socio-economic development.

METHODOLOGICAL APPROACH

A Technical Note prepared in collaboration with technical staff of the Ministry of Trade, Industry and Investment served as a guide for the development of this Trade Policy and Strategy. A desk review was undertaken with a view to arriving at an appreciation of, *inter alia*, the macroeconomic environment and performance of Trinidad and Tobago, as well as the trade patterns and structure, sectorial and cross-cutting

issues. Numerous documents were examined in this regard, including the Medium-Term Policy Framework, Budget Speeches, and national development and sectorial strategies. This sought to facilitate the setting of objectives that would guide the direction of the trade sector, foster the development of the private sector, and identify policy options for expanding and diversifying trade. The desk review also provided a useful tool for:

- (i) identifying the critical missing elements in domestic trade policy;
- (ii) unearthing gaps where there are deficiencies in existing policy;
- (iii) determining points of strategic policy intervention; and
- (iv) eliciting information to assimilate a plan for implementation.

A combination of diagnostic tools was used to identify the constraints to capitalizing on trade opportunities available. In addition focus sessions were held with academia, the public and private sectors and civil society and consultations were held at the level of the Technical Coordinating Committee of the Ministry of Trade, Industry and Investment to provide input into the formulation of the Trade Policy.. The Regional Trade Policy Adviser assigned to the CARICOM Secretariat under the Hubs and Spokes project, along with representatives of MTII conducted targeted consultative meeting on the Trade Policy and Strategy 2013-2017.

Stakeholders included, *inter alia*, key Government Ministries, statal and quasi-statal organizations, business sector associations and firms, as well as civil society and academia. A group of professionals also formed part of the consultation process.

It was thought that engaging in a consultative process would ensure the integration of the private and public sectors as well as private sector organizations into the Policy development process. One of the objectives of such broad-based consultations was to ensure broad ownership of and buy-in to the Policy and Strategy. Instilling such ‘ownership’ and ‘inclusiveness’ was thought to be necessary antecedents to efficient implementation.

Benchmarking using cross-country indicators such as the Ease of Doing Business and Global Competiveness Indices proved to be a very useful tool in determining areas where constraints to trade expansion and export diversification exists.

STRUCTURE OF THE DOCUMENT

The document is organized as follows; Chapter 2 provides an overview of the country’s trade and economic performance. Chapter 3 outlines the defining characteristics of Trinidad and Tobago’s Trade Policy, articulates the trade policy objectives and outlines the architecture of

the trade policy framework and instruments, as well as sectors targeted for development and elements of possible strategies in broad terms. Chapter 4 elaborates on the framework for implementation and monitoring of the Policy and Strategy. Appendix I outlines the organizations consulted in formulating the Policy and Strategy. Appendix II sets out the broad parameters of prevailing trade policy regime, institutional framework and trade agreements to which the country is a party. A Logical Framework for the Trade Policy and Strategy, which includes performance indicators and agencies responsible for specific outputs (projects), is contained in Appendix II.

2. Analysis of Trade and Economic Performance

PERFORMANCE OF THE GLOBAL ECONOMY

According to the IMF's April 2013 World Economic Outlook, global growth for 2013 is projected to be 3.25%. Output Growth is expected to remain strong in many emerging and developing economies, but would continue to be sluggish in the advanced markets. The growth rate for Latin America and the Caribbean is projected to be 3.4% for 2013, while growth in Developing Asia is projected to be 7.1% in 2013⁷. However, these projected growth rates could fail to materialize if private demand in the United States and Euro Area remain sluggish.

This notwithstanding, there have been some positive signals and lessons to be learnt which can be exceedingly instructive for Trinidad and Tobago. In this regard, the relatively strong performance of China and India has provided some hope for the future. The resilience of the Asian economies in the face of the global economic and financial crisis points to the following:

- (i) *While countries (developed and emerging alike) with a relatively larger GDP share of manufacturing were the hardest hit by the global financial and economic crisis, they also appear to be those exhibiting the sharpest recovery; and*

- (ii) *The increasing need for developing and emerging economies to unhinge their economic fortune from consumer demand in the US⁸, with possible replacement markets residing in developing countries, which account for half of global output, with China (11.4%), India (4.8%) and Brazil (2.95%) collectively accounting for approximately one-fifth; the same as the US⁹.*

Within all of this, CARICOM economies have also been grappling with the spill-over effects of the global economic crisis. In many instances export earnings, domestic incomes and consumption have declined with some countries now seeking assistance from the International Monetary Fund (IMF).

Prospects for expanding and diversifying trade face considerable challenges over the coming five year planning horizon due to the sluggish global economic recovery and emergence of new economic shocks originating out of the US and the EU. In an environment where market demand is declining and where protectionist pressures in the major world players are slowly beginning to manifest, a well-defined, forward looking Trade Policy and Strategy will provide the tools to overcome these obstacles and take advantage of emerging opportunities.

⁸ It is estimated that on a value-added basis, China's exports to America account for less than 5% of its GDP. Crouching Tigers, Stirring Dragons: Asian Economies, The Economist, London, May 16, 2009, Vol.391, Iss. 8631; pg. 79.

⁹ Will Recovery Go Global? If not, it won't amount to much. Robert J Samuel, Newsweek. New York: August 31, 2009, Vol. 154, Iss. 9.

⁷ IMF World Economic Outlook, Report, April 2013

PERFORMANCE OF THE DOMESTIC ECONOMY

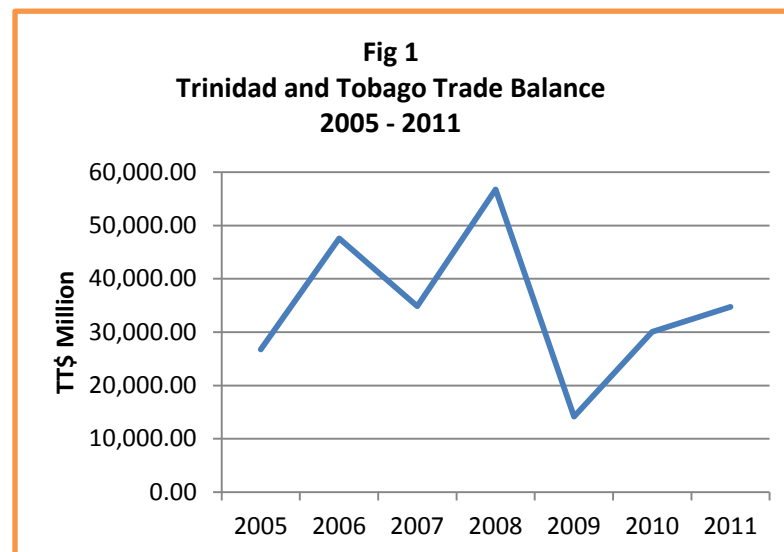
Trinidad and Tobago is a small, open, energy exporting economy with one of the highest per capita incomes in Latin America and the Caribbean. In 2012, real GDP was estimated at TT\$88 billion or US\$14 billion, with GDP per capita of US\$65,894 or US\$10,344 constant (2000) prices or US\$20,087 in current prices¹⁰. The domestic economy continues to be characterized by a leading capital intensive petroleum and natural gas sector, and a relatively weak non-petroleum sector in which services has emerged as the main economic actor. The dominance of the petroleum industry is underscored by the fact that in 2012 the sector accounted for an estimated 43.7% of GDP, 52.3%¹¹ of government revenue and 83.5% of total merchandise exports, but only 3% of employment. In the same year the GDP share of Manufacturing, Services and Agriculture stood at 6%, 49.3% and 0.6%, respectively. Trinidad and Tobago's undiversified economic structure has rendered the country vulnerable to external shocks due to price instability of energy exports.

Nominally, exports have expanded in excess of 52% within the last seven (7) years from TT\$63 billion (2005) to TT\$96 billion (2011) due primarily to higher commodity prices. During this period, exports reached a peak value of TT\$117 billion in 2008 before declining to TT\$58 billion in 2009, following the global economic crisis.

¹⁰Review of the Economy 2012, Ministry of Finance and the Economy. GDP at current prices was approximately TT\$154 billion. For a population of 1.3 million, this translates into a GDP per capita of TT\$118,461.53 or approximately US\$18,509

¹¹ Review of the Economy, Central Bank of T&T

Over the same period imports have exhibited a 69.4% nominal growth, increasing from TT\$36 billion to TT\$61 billion. However, during this period, the country has invariably enjoyed overall trade surpluses (see Figure 1).



Source: Review of the Economy 2012, GORTT.

MERCHANDISE TRADE

Trinidad and Tobago accounts for 0.07% of world merchandise exports and 0.05% of imports¹². The Manufacturing sector is the third largest contributor to GDP varying between 8% and 9% annually. Employment in

¹² WTO Trade Profiles 2010

the sector accounted for just over 16% of the labour force in 2011 (Table 1 refers). In 2010 the *top performing merchandise exports* were mineral fuels, oils, distillation products etc. (66.7%), inorganic chemicals (14.4%), organic chemicals (6.3%), iron and steel (5.5%), ores, fertilizers (2.1%), beverages, spirits and vinegar (0.9%), paper and paperboard articles (mainly toilet paper, cartons, boxes and other packing bags) (0.5%)¹³. The top ten exports represent 98% of Trinidad and Tobago's domestic merchandise exports. In contrast, the *top merchandise imports* were mineral oils (33.3%), machinery and nuclear reactors (11.5%), electrical and electronic equipment (5.4%), vehicles other than railway and tramway (5.0%), ores, slag and ash (4.0%), articles of iron and steel (3.2%), plastics and articles thereof (2.8%), ships and boats (2.2%), base metal and articles thereof (2.1%) and miscellaneous chemical products (1.8%).

Trinidad and Tobago's *principal export markets* are the USA (47.4%), CARICOM (18.5%), EU (7.9%) and Central and South America (5.9%) which together account for more than 79% of Trinidad and Tobago's exports. Exports to these markets are precariously built on a narrow range of products, the majority of which are energy related, and dominated by preferential market access. The USA has also been Trinidad and Tobago's *leading source of imports* followed by Gabon, Colombia and Brazil. The other sources in the top 10 are China, Russia, Canada, Japan, Congo and India in descending order. Imports from Gabon and Congo are almost exclusively concentrated in crude mineral fuels, destined for refining at Trinidad and Tobago's facilities. See Table 1.

Table 1: Export Markets for Trinidad and Tobago Goods (2008 - 2010)						
Country	Value 2008 (TT\$Mn)	Share	Value 2009 (TT\$Mn)	Share	Value 2010 (TT\$Mn)	Share
USA	51,832.7	45.1%	30,639.6	53.4%	33,351.0	47.4%
UK	2,093.0	1.8%	2,344.5	4.1%	1,417.1	2.0%
Other EU Countries	13,271.8	11.5%	5,570.9	9.7	4,176.7	5.9%
CARICOM	20,896.9	18.2%	8,898.3	15.5%	13,023.4	18.5%
Puerto Rico and U.V.I	2,009.0	1.7%	736.0	1.3%	593.9	0.8%
Central and South America	10,216.8	18.9%	3,398.9	5.9%	7,955.2	11.3%
Japan	817.0	0.7%	40.5	0.1%	1.3	0.0%
Canada	1,205.0	1.0%	418.9	0.7%	1,203.6	1.7%
European Free Trade Association	136.6	0.1%	20.3	0.0%	475.5	0.7%
Other	12,614.5	11.0	5,298.0	9.2%	8,169.6	11.6%
Total-all destinations	115,093.4	100%	57,365.9	100%	70,367.9	100%
<i>Source: 2011 Annual Economic Survey, Central Bank of Trinidad and Tobago</i>						

TRADE IN SERVICES

Trinidad and Tobago's global share of services trade is small at 0.03% of world exports and 0.01% of imports. The Services sector is the largest contributor to employment and GDP. Employment in the sector accounted for approximately 80 % of the labour force in 2011. In 2012 the Sector generated just over half of GDP (50.2%) outperforming the manufacturing (8.8%), agriculture (0.7%), and petroleum (40.2%)¹⁴ sectors. The major contributing sub-sectors were finance, insurance and real estate; distribution and restaurants, construction and quarrying; and transport, storage and communication (See Table 2).

In respect of the *export performance of the services sub-sectors*, travel services made the highest contribution in services exports, accounting for 47.8% of the total (2009), followed by transportation services (28.1%), insurance services (14.1%) and communications (3.2%)¹⁵The Trade Policy will seek to improve the contribution of Services exports to overall exports as well as fundamentally alter the approach to the development of the sector.

Table 2: Gross Domestic Product of Trinidad and Tobago at Constant (2000) Prices % Contribution

SECTOR	2008 _{re}	2009 _{re}	2010 _{re}	2011 _{re}	2012 _p
Services	51.3	50.6	48.6	49.7	50.2
Electricity and Water	1.4	1.4	1.4	1.6	1.6
Construction and Quarrying	7.9	7.7	5.5	5.2	5
Distribution and Restaurants 2	13.7	11.4	10.3	11	11.1
Hotel and Guest Houses	0.2	0.3	0.3	0.3	0.3
Transport, Storage & Communication	7.6	7.9	8.1	8.2	8.2
Finance, Insurance & Real Estate etc.	12.9	12.9	14	14.2	14.9
Government	4.5	5.6	5.6	5.8	5.7
Education and Cultural Services	1.8	2	2	2.1	2
Personal Services	1.2	1.3	1.4	1.4	1.4
FISIM3	-3.3	-3.5	-3.2	-3.2	-3.3
Add: VALUE ADDED TAX (VAT)	3.8	3.3	3.5	2.8	3.4

Source: Review of the Economy 2012, GORTT

¹⁴ Review of the Economy 2012

¹⁵ Central Bank of Trinidad and Tobago Data

Table 3: Gross Domestic Product of Trinidad and Tobago at Constant (2000) Prices % Contribution						
SECTOR	2008 re	2009 re	2010 re	2011 re	2012p	
Manufacturing	8.2	8.7	8.8	9	8.8	
Food, Beverages and Tobacco	3.7	4.2	4.4	4.6	4.6	
Textile, Garments and Footwear	0.2	0.2	0.2	0.2	0.2	
Printing, Publishing etc.	0.9	0.8	0.8	0.7	0.7	
Wood & Related Products	0.2	0.2	0.2	0.2	0.2	
Chemical & Non-Metallic Minerals	1.3	1.4	1.4	1.5	1.5	
Assembly Type and Related Industries	1.5	1.5	1.5	1.3	1.2	
Miscellaneous Manufacturing	0.4	0.5	0.5	0.4	0.4	
<i>Source: Review of the Economy 2012, GORTT</i>						

TRADE AGREEMENTS

Consistent with its policy orientation towards export-led growth and development, as well as the growing threat of expiration of long-standing one-way preferential agreements, Trinidad and Tobago, as part of CARICOM, has negotiated and concluded bilateral trade agreements with a number of countries in the Western Hemisphere, namely Venezuela, Colombia, Cuba, , Dominican Republic, and Costa Rica . In addition to the five (5) CARICOM bilateral agreements, Trinidad and Tobago, as part of CARIFORUM (CARICOM plus the Dominican Republic) signed an EPA with the EU in 2008.

These agreements were secured as a mean of delivering freer and more predictable access to a wider continuum of export markets and broadening the range of choices (of goods and services) available to consumers and producers alike. Traditionally, the thinking has been that the additional trade generated through these Agreements, would not only allow the achievement of the desired economies of scale but also increase productivity and ultimately raise domestic incomes.

Performance of Trinidad and Tobago's/CARICOM's Bilateral

Free Trade Agreements

Venezuela

The Agreement on Trade, Economic and Technical Cooperation between CARICOM and Venezuela was concluded in October 1992 and entered into force on 1 January 1993. Since the signing of the Agreement, Trinidad and Tobago's exports to Venezuela have been on the decline. In 2010 domestic exports to Venezuela peaked at TT\$221 million or US\$35 million while imports declined. Moreover, Trinidad and Tobago's exports to Venezuela is precariously built around a narrow base of products, mainly iron and steel, beverages, spirits and vinegar. The country's trade balance with Venezuela has also consistently registered a deficit (except in 2010). The decline in exports can be attributed to several factors including anti-competitive, trade distorting measures, characterized by the emergence of layers of Non-Tariff Barriers (NTBs). Exports are also affected by difficulties in securing foreign exchange on the part of importers. From the standpoint of the private sector, more predictable rules and disciplines are needed if optimal advantage is to be taken of existing and emerging market opportunities in Venezuela.

Colombia

Colombia and CARICOM signed an Agreement on Trade, Economic and Technical Cooperation in July 1994. CARICOM's More Developed Countries (MDCs) have since dominated merchandise exports to Colombia, accounting for 98.8% of CARICOM exports. Trinidad and

Tobago has led the way individually accounting for more than 90% followed by Jamaica and Guyana. Trinidad and Tobago's trade balance with Colombia has deteriorated over the period, from 2004-2009, standing at TT\$2.1 billion or US\$332 million in 2010.

Cuba

The CARICOM-Cuba Trade and Economic Cooperation Agreement was signed in July 2000. In 2010, Trinidad and Tobago's domestic exports to Cuba were valued at TT\$136 million, the highest level reached during the last decade. At the same time, imports totalled TT\$1.1 million, translating into a trade surplus of TT\$134.9 million. The trade balance with Cuba has also been consistently positive, in favour of Trinidad and Tobago. CARICOM MDCs account for 99.2% of regional merchandise exports to Cuba, with Trinidad and Tobago responsible for more than 75% of that trade. The Agreement provided for further negotiations between the parties in 2001 to convert the Agreement to a Free Trade Agreement (FTA), as well as to provide for future negotiations on Trade in Services. The slow pace of ratification by Member States has delayed entry into force and implementation of market access commitments. In 2006, the two sides commenced negotiations for preferential access for additional products; however these discussions have been in abeyance due to scheduling difficulties. Trinidad and Tobago opened a Trade Facilitation Office in Cuba in 2007 to facilitate exports.

Dominican Republic

The Free Trade Agreement between CARICOM Member States and the Dominican Republic (DR) was signed in August 1998. The Protocol implementing the Agreement was signed in April 2000 and the Agreement was provisionally applied with effect from 1 December 2001. CARICOM's exports to the DR have steadily increased and Trinidad and Tobago has recorded positive trade balances with the Spanish speaking nation. Trinidad and Tobago's merchandise exports to the Dominican Republic was more than TT\$900 million in the last 2 years, while imports totalled over TT\$90 million. This represents the biggest trade surplus enjoyed by Trinidad and Tobago among the five (5) CARICOM bilaterals.

The Dominican Republic has emerged as an important export market for Trinidad and Tobago. With both parties failing to significantly advance implementation and negotiate a services regime in the Free Trade Agreement (FTA), the dilemma facing Trinidad and Tobago has been determining the most efficient means of furthering its mercantilist interests. The Regional Preference Clause of the EPA (Article 234) has the potential to open up additional market access in the Dominican Republic (and by extension The Bahamas), beyond that which is provided for the CARICOM-DR FTA.

Costa Rica

The FTA between CARICOM and Costa Rica was signed in March 2004. This Agreement was assented to in February 2005. Bilateral trade between Trinidad and Tobago and Costa Rica has grown substantially since the signing of the Agreement, growing from more than TT\$30 million in 2005 to over TT\$820 million in 2010. In fact, Trinidad and Tobago exports going to Costa Rica as a percentage of Trinidad and Tobago's domestic exports has increased from 0.06% to 1.28% in 2010. Nonetheless, the non-implementation of the Agreement by the majority of CARICOM Member States has proved costly.

As of May 2011, only Trinidad and Tobago, Barbados, Dominica and Guyana had implemented the Agreement, 7 years after its conclusion in 2004. This situation has led to the failure of institutions created under the Agreement to meet and resolve issues, such as labelling requirements and other non-tariff measures, which have constrained local exporters from fully exploiting the Agreement. Moreover, in 2007, discussions were initiated between CARICOM and Costa Rica, towards expanding the CARICOM-Costa Rica FTA via the accession by El Salvador, Honduras, Guatemala, Nicaragua and Panama to the Agreement. This effort faltered and, to date, has not yielded results.

The European Union

The EU is one of Trinidad and Tobago's traditional trading partners with bilateral trade dating back to the colonial era. The EU's imports from Trinidad and Tobago have been valued at over TT\$9 billion, representing 16% of domestic exports. In 2010, however, exports to the EU declined to TT\$5 billion. The EU ranked third on the list of Trinidad and Tobago's leading export destinations, behind USA and CARICOM. Historically,

Trinidad and Tobago has enjoyed preferential market access to the EU through Lomé and later Cotonou Agreement, which was replaced by the CARIFORUM-EC EPA signed in 2008. The EPA essentially signalled the end to the regime of non-reciprocal preferential market access that Caribbean countries enjoyed in the European market and now commits CARIFORUM States to open their markets to European goods and services exports.

BILATERAL TRADE PERFORMANCE

The aforementioned bilateral FTAs, excluding the CARIFORUM-EC EPA, have been characterized by low and declining domestic utilisation rates collectively accounting for 3.5% of Trinidad and Tobago's exports in 2009 and 6% in 2010 (Table 2). Hence while trade agreements (whether partial scope or free) provide the necessary vehicle for increased trade, by themselves they are not sufficient to guarantee the realization of the intended benefits.

This necessitates a comprehensive review of the existing bilaterals in order to identify impediments to exports and develop strategies to enhance market penetration. This review should examine non-tariff barriers, regulations and technical barriers to trade, among other issues.

Table 2: Utilisation Rate (%) of Trade Agreements by Trinidad and Tobago

Bilateral Partner (Date Agreement was Passed into Trinidad and Tobago Domestic Law)	Domestic Exports to Country (Year Agreement Passed) TT\$M	Total Domestic Exports (Year Agreement Passed) TT\$M	Utilization Rate (%)	Domestic Exports to Country 2009 (TT\$M)	Total Domestic Exports 2009 (TT\$M)	Utilization Rate (%)	Domestic Exports to Country 2010 (TT\$M)	Total Domestic Exports 2010 (TT\$M)	Utilization Rate 2010 (%)
Venezuela (1993)	70.40	8,405.61	0.84	11.32	55,367	0.02 ↓	221	64,817	0.34 ↓
Colombia (1995)	346.70	14,031.04	2.47	741.10	55,367	1.34 ↓	1,799	64,817	2.78 ↑
Dominican Rep(2001)	1,125.50	25,034.66	4.50	798.29	55,367	1.44 ↓	938	64,817	1.45 ↓
Costa Rica (2005)	33.30	60,524.88	0.06	378.15	55,367	0.68 ↑	828	64,817	1.28 ↑
Cuba (2006)	113.30	87,129.83	0.13	12.55	55,367	0.02 ↓	136	64,817	0.21 ↑
TOTAL				1,941.41	55,367	3.51	3,923	64,817	6.05
<i>Source: CSO Statistical Bulletins and own calculations</i>									

OTHER IMPORTANT TRADING PARTNERS

United States of America (USA)

Trinidad and Tobago's exports to the U.S. have totalled more than TT\$29 billion representing approximately 45% of domestic exports. The USA is the primary export market for Trinidad and Tobago and the preference margins accorded via the Caribbean Basin Initiative (CBI) play an important role providing a competitive advantage to domestic exports. Hence, an immediate issue for Trinidad and Tobago is exploring feasible options for maintaining this competitive edge, by among other things preserving existing preferences, in the short to medium term. In the long run, however, preserving these preference margins will become increasingly difficult as the USA continues entering into agreements with a broader range of partners, including the EU/Trans-Pacific Partnership which is gaining traction. Thus the long run strategy must hinge on exporting competitive niche products to the developed markets while exploring new markets in the global South. With respect to CBERA, it is important to recall that the requisite WTO waiver was renewed on 27 May 2009 for a further period up to 31 December 2014. Given the position of the US as the major market for Trinidad and Tobago's exports, the expiry of the CBTPA in September 2020 necessitates at least the immediate initiation of exploratory discussions with the US to determine what policy options are possible and/or permissible in order to secure the predictability of future market access to the United States.

Canada

Since 1986 bilateral trade with Canada has been governed by the Caribbean-Canada Trade and Economic Cooperation Agreement (CARIBCAN), which provides non-reciprocal access to the Canadian market for goods from the Commonwealth Caribbean. Between 2004 and 2006 approximately 98% of current CARICOM exports entered Canada duty-free either under CARIBCAN or MFN. However, in the presence of the non-reciprocal preferential market access provided by this Agreement exports to Canada have been marginal, representing merely 1.8% of total domestic exports (2010). With the expiration of the CARIBCAN waiver looming (2013)¹⁶, CARICOM is currently engaging in negotiations for a successor agreement – the CARICOM-Canada Trade and Development Agreement. Regionally the Services sector has emerged as a major growth pole and therefore a favourable bilateral services regime which provides additional market access would be desirable for Trinidad and Tobago and CARICOM. This additional market access will provide export opportunities for our increasingly competitive domestic construction, professional, financial, energy and education services sectors.

¹⁶ The CARIBCAN waiver expired in December 2011 and was extended through December 2013.

MERCOSUR

MERCOSUR, the Southern Common Market is a regional trading agreement among Brazil, Argentina, Uruguay and Paraguay founded in 1991 by the Treaty of Asuncion. MERCOSUR, an economic block, formed a Customs Union between Brazil, Argentina, Uruguay and Paraguay, and sought to create a free trade area, then a common market and ultimately a customs union. Venezuela became the fifth Member. Amongst MERCOSUR Members, Argentina and Brazil are currently the only significant export markets, importing on average more than TT\$770 million and TT\$200 million worth of Trinidad and Tobago goods, respectively. Argentina is also ranked amongst the country's top-ten markets overall. Exports to Uruguay and Paraguay have been negligible thus far. Trinidad and Tobago has incurred a deficit of more than TT\$2.0 billion in its trading relations with Brazil and an overall deficit of TT\$1.4 billion with MERCOSUR. When Venezuela¹⁷ is included the trade deficit with MERCOSUR increases to more than TT\$1.5 billion. MERCOSUR presents a potential export market, as well as an attractive source of investment and technology for Trinidad and Tobago. In addition, Brazil and Argentina should be viewed as possible south-south aid for trade donors.

¹⁷ Venezuela acceded to MERCOSUR in 2006, previously having associate Membership. However, but so far Brazil has not ratified its membership

Chile

Trinidad and Tobago has enjoyed a trade surplus of over TT\$800 million with Chile, with exports and imports reaching as high as TT\$929 million and TT\$128 million respectively. Following an approach from Chile to negotiate a free trade agreement, Trinidad and Tobago undertook an exploratory mission to Chile in 2010 to assess the merits of pursuing a partial scope agreement. In moving forward with Chile, it should be noted that Chile has free trade agreements with the USA, its largest trading partner (the Chile-US FTA agreement entered into force in 2004) and the EU (the Chile-EU Association Agreement entered into force in 2003); and has strong trading ties with East Asia including with China (it's second largest supplier of imports) and MERCOSUR (Brazil and Argentina, its third and fourth suppliers of imports). Chile is also involved in the Trans-Pacific Partnership (TPP) negotiations which are set to create a free market 40% bigger than the EU¹⁸.

¹⁸ The Economist: Free Trade Agreement Opening Up the Pacific:
<http://www.economist.com/blogs/banyan/2011/11/free-trade-agreements>

SICA and Central America

Central America has a combined population estimated at 40.4 million and is made up of a diversity of economies straddling lower, middle and upper-middle income developing countries. Moreover, many domestic manufacturers and service providers have expressed an interest in strengthening commercial ties with Central America, and concluding an FTA or a series of FTAs with individual Central American economies. This will provide a stable, predictable environment for increased bi-directional commerce and investment. It is noteworthy that within the Western Hemisphere, with the exclusion of the US, the Central America, the Dominican Republic and Mexico have traditionally been Trinidad and Tobago's major export markets.

Furthermore, an examination of the production and trade profile of Central American economies suggests that the sub-Region is more of a natural trading partner for Trinidad and Tobago. Trinidad and Tobago currently accounts for in excess of 60% of CARICOM-SICA trade and enjoys a healthy positive trade balance.

SICA, the Central American Integration System (Sistema de la Integración Centro Americana) is the institutional framework of regional integration in Central America, established in 1991 by the states of Belize (a Member of CARICOM), Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

Dominican Republic is an associate member. SICA has a combined population of 50 million. The value of two-way trade between Trinidad and Tobago and SICA (in 2009) was estimated at TT\$1.3 billion of which Trinidad and Tobago exports amounted to TT\$0.8 billion representing 61% of Trinidad and Tobago-SICA trade, and representing 1.4% of Trinidad and Tobago's domestic exports. Trinidad and Tobago also enjoyed a positive trade balance with SICA, of TT\$0.4 billion, in contrast to bilateral trade with CAN and MERCOSUR where the trade balance was not in its favour.

Costa Rica and Panama respectively are the most dominant SICA export markets for Trinidad and Tobago. Most of Trinidad and Tobago's exports to SICA have been destined for Costa Rica (49%). After exports to Panama spiralled in 2007, it decreased thereafter. It should be noted that although Belize is a Member State of CARICOM, Trinidad and Tobago exports to that country have been limited (TT\$29 million) despite enjoying a preferential margin guaranteed by the C.E.T. This situation is largely due to the small size of the Belize economy whose population is merely 0.3 million persons. Based on the above, it is clear that Trinidad and Tobago's products enjoy a degree of competitiveness in the SICA market, largely in energy products. The SICA therefore demonstrates the greatest potential as a trading partner in Latin America.

Mexico

Mexico, a middle income country¹⁹, through the Ministry of Foreign Affairs of Belize has recently put out feelers about negotiating an agreement with CARICOM. Mexico has emerged as a major market for Trinidad and Tobago's merchandise exports. Mexico was the 9th major market for Trinidad and Tobago's exports and accounted for approximately 1.2% of domestic exports. The trade balance has been in favour of Mexico, with Trinidad and Tobago's exports to Mexico reaching as high as TT\$654 million and imports TT\$833 million.

Other Emerging Markets and Market Considerations

It may be prudent to examine non-traditional markets which are emerging in importance globally, and which can be increasingly targeted for increased exports as Trinidad and Tobago seeks to diversify its markets.

The geopolitics of the global economy has undergone considerable reshaping over the last two decades. A major characteristic of this reshaping is the distinct shift in growth centres. Growth in developed countries has virtually come to a halt with projections seeing these markets expanding at an average of 2% from 2011-2020. In contrast, developing economies, such as Brazil, Russia, India and China are expected to grow at an annual average rate of approximately 7% over

¹⁹ Mexico has GDP per capita of US\$9,1666 using the Atlas Method , World Development Indicators database, World Bank, 2010

the same period²⁰. Trade (the production and export of goods and services) has become the engine of growth for these emerging economies.

The 'tale of the trade' reveals that the much heralded BRICS (Brazil, India, China and South Africa) account for an estimated 14% of global exports, surpassing countries of the north like the USA (8%), Japan (5%) and Canada (3%). While an emerging group, which has demonstrated tremendous growth potential, the CIVET (Colombia, Indonesia, Vietnam, Egypt and Turkey) command 2%.

Not only have these emerging economies emerged as competitive exporters, fuelled by increased domestic incomes, but they also represent lucrative and expanding markets. The BRICS and CIVET collectively account for 16% of global imports, the same as the US and Canada combined and just under that of the EU (17%). In fact it is projected that Western multinationals expect to find 70% of their future growth in emerging markets – 40% of it in India and China alone. However, whilst these economies have been performing relatively well, many are still ranked relatively low according to 'Ease of Doing Business'. The rankings of Brazil (126), Dominican Republic (108), India (132) and Indonesia (129) are notable examples.

²⁰ How to Win in Emerging Markets: Lessons for Japan by Shigeiki Ichii, Susumu Hattori and David Michael, Harvard Business Review, May 2012.

It is noteworthy that Africa is currently entering its industrialization phase, achieving annual economic growth of 5-6%, although it currently accounts for only 3% of the global economy. In addition, more than half of the continent's 52 countries are expected to achieve a minimum of 5% annual average economic expansion. Hence, Africa is thought to have the greatest potential of all frontier markets for companies wishing to go global.

Ghana, which is now an oil producer like Angola, Nigeria and Equatorial Guinea, experienced growth in GDP by 9.8% in 2011. Uganda (which recently discovered oil is projected to experience growth), Ethiopia, Liberia, Mozambique (mineral producer), Tanzania (mineral producer) and Niger will enjoy growth rates of 7.5%-10%. Trade continues to be the primary engine of growth since 2005, with oil and mineral being the leading exports. In addition, the pace of urbanization in Africa is frenetic, at 4% a year; and an estimated 49 African cities have populations in excess of 1 million.

Key market segments that can be targeted in Africa include:

- Agricultural and agro-processing products. For while Africa accounts 40% of arable land globally it represents 10% of cultivated arable land.

- Infrastructure development, particularly transportation and energy. In respect of the latter, while renewable energy (solar) possesses tremendous potential the legislative framework commonly lags behind
- The Services sector, particularly Financial Services, Management Consultancy, Communications, Hospitality, Healthcare and Education
- Consumer goods, since there is strong demand for manufactured goods and very little is produced on the ground. The establishment of free zones in the main financial and economic hubs in Africa (e.g. Johannesburg, Nairobi, Lagos and Accra) is a policy tool to establish manufacturing industries.

3. Characteristics of Trinidad and Tobago's Trade Policy

The GORTT recognizes that trade can be an important driver of economic growth, poverty reduction and development. As a corollary, enhancing the country's competitiveness and expanding exports are seen as being crucial for improving the economic welfare of the citizenry of Trinidad and Tobago in its entirety. Moreover, it has been demonstrated that a strong export sector, particularly of products further up the value chain, will generate increased employment; raise domestic income levels; increase domestic consumption spending; have a positive "over-all knock-on" effect on poverty reduction; and contribute to broad-based socio-economic development.

With this in mind, as the pace of regional integration quickens and the landscape of the multilateral trading system is reshaped with the emergence of new players such as the BRICS (Brazil, Russia, India, China and South Africa) and the CIVET (Columbia, Indonesia, Vietnam, Egypt and Turkey), it has become increasingly urgent that a holistic policy and strategy for ensuring that trade, trade reform and private sector development become catalysts for stimulating economic growth and development. Success in this regard, however, dictates that such a Policy create a fundamental nexus between trade-related priorities, private sector needs, institutional framework and the long-term economic development objectives.

The GORTT is also cognizant of the key role that trade policy has and can continue to play in diversifying the export base; increasing global trade share; and effectively integrating the economy into the global trading system. In addition, the existence of a transparent trade policy, which redresses the domestic systemic capacity constraints, would provide a more predictable milieu for domestic and foreign investment.

Further, the non-energy trade balance has been in deficit throughout the past two decades, suggesting that the export performance of the petroleum sector has largely underpinned the trade surpluses generated. Not surprisingly therefore, over the last decade in excess of the 80% of foreign direct investment has accrued to the energy sector. Consequently, there is recognition of the need to diversify production and exports in order to wean the economy from overdependence on the energy sector, through *inter alia* the promotion of investment in the non-energy goods and services production.

Accordingly, the overarching goal of this Trade Policy and Strategy is to ensure that the benefits of international trade contribute to the socio-economic development of Trinidad and Tobago. This will be achieved by expanding and diversifying production, exports (goods and services) and markets.

As a corollary, cooperation agreements, International Development Partners (IDPs) and Aid for Trade resources will complement domestic investment in strengthening supply-side capacity, modernizing key trade-related economic infrastructure and enhancing export competitiveness. Reforming the institutional, legislative and regulatory regime to make it more amenable to attracting FDI, facilitating trade, supporting private sector development and improving the ease of doing business are other key steps that will be pursued in pursuit of achieving trade policy objectives.

To some extent, success or failure in integrating national economies into the multilateral trading system and global economy invariably hinges on the ability to delicately balance trade liberalization with the complementary policies.

Such programmes invariably include both macroeconomic policies as well as trade and investment policy prescriptions which may influence the allocation of resources among competing sectors, industries and/or markets. Given that a purely market oriented approach has not, in the past, been sufficient to deliver the desired trade-led growth and economic diversification, the GORTT therefore has clearly identified a compendium of complementary initiatives that it will undertake together with various other governmental institutions in order to address the challenges emanating from globalization.

3.1 Trade Policy Objectives

Having placed the Trade Policy in its correct context, the focus will be shifted to outlining the key objectives and the spectrum of trade policy instruments, interventions and prescriptions that will be pursued in pursuit of the achievement of same. These policy objectives are as follows:

- To expand market access for Trinidad and Tobago's goods and services globally and regionally;
- To safeguard sensitive productive sectors;
- To increase export capacity and competitiveness of value added goods and services, in the energy and non-energy sectors;
- To improve the business and trade-enabling environment;
- To strengthen the institutional framework for trade;
- To mobilize resources to finance needs of the trade and trade-related sectors;
- To deepen regional and hemispheric integration and cooperation as a means of increasing leverage when dealing with the international community;
- To mainstream trade policy into the wider macro-economic and development policy-setting.

3.2 Objective 1: Expanding Market Access for Trinidad and Tobago Goods and Services Globally and Regionally

From a policy perspective, Trinidad and Tobago will adopt a pragmatic approach to trade agreements, market access, and trade negotiations. The GORTT will simultaneously consolidate and enhance its existing trade and market share globally. Additionally, new opportunities in targeted markets will be aggressively pursued.

3.2.1 CARICOM Intra-Regional Trade and Bilateral Trade Agreements

Despite considerable and continued efforts by Member States and the CARICOM Community Secretariat, the regional integration movement is still largely defined by an average growth rate of 2 % (2001-2010) and marginal (13 %t) intra-regional trade. Further, the domestic economy is increasingly being defined by a narrow export (goods) base; concentrated export markets; a weak manufacturing sector; worsening international competitiveness and declining utilization of its bilateral trade agreements.

Consequently, substantially increasing intra-regional trade over the next five (5) years, as well as making better use of the export opportunities furnished by existing bilateral trade agreements and increasing Trinidad and Tobago's share of global exports, are seen as a critical first step towards remedying this situation.

With regard to the former, Trinidad and Tobago will seek to play a leading role, working with international development partners (IDPs), in assisting other CARICOM countries in diversifying production and strengthening trade complementarity between individual CARICOM countries.

The regional market is still largely untapped with just under 90% of imports emanating from extra-regional sources. However, the full implementation of the CARICOM Single Market and the establishment of the Single Economy can act as a catalyst for accelerating the integration of Regional economies into the global economy. The free or unrestricted movement of factors of production²¹, along with other supporting measures such as monetary, fiscal and economic policies for the single economy has the potential to take the Community beyond a focus on trade, particularly intra-regional trade, to a focus on competitive production for intra and extra-regional trade²².

The GORTT will also promote and facilitate where possible, the institution of an accelerated programme of removal of existing intra-regional trade-barriers, as well as, formulate and implement harmonized regional trade-related policies and legislation.

This is essential to expanding intra-regional trade. The GORTT will work with regional Governments and agencies, development partners, and

the donor community to ensure that the requisite resources to take the CSME forward are made available.

CARICOM bilaterals (i.e. Colombia, Costa-Rica, Venezuela, the Dominican Republic and Cuba, excluding the CARIFORUM-EC Economic Partnership Agreement) account for an estimated 5.5% of Trinidad and Tobago's exports. These trade agreements have not yet delivered the desired level of expansion of domestic exports. Given the low utilisation rates of existing bilateral Free and Partial Scope Trade Agreements, particular attention will be placed on rationalizing and diversifying domestic production and fuelling export growth to these markets.

In moving forward, the GORTT understands that while trade agreements (PSA or FTA) provide the necessary vehicle for increased trade, by themselves they are not necessarily sufficient to guarantee the realization of the intended benefits. As such, there is also an acceptance that in order to realize the anticipated growth in trade flowing from either Partial Scope or Free Trade Agreements, Trinidad and Tobago has to be clear on the domestic sectors in which it enjoys a comparative advantage and seek to promote these vigorously in the respective markets.

²¹ i.e. goods, services, capital and labour.

²² CARIBBEAN COMMUNITY (CARICOM) Report, Caribbean Region: Review of Economic Growth and Development, February 2008, prepared for submission to the United States International Trade Commission, at its Public Hearing in its Investigation - Caribbean Region: Review of Economic Growth and Development.

Accordingly, emphasis will be placed on rationalizing and broadening domestic manufacturing to ensure the country has comparative advantage in a wide range of products; increasing trade complementarity with all major and strategic trading partners; export promotion; better market intelligence; and niche market targeting. In so doing, the GORTT will seek to increase to 10%, the share of Trinidad and Tobago's exports to those countries with which it has bilateral trade agreements by 2017.

Amongst the existing formal trade relations framework of trade agreements and non-reciprocal preferential market access, strengthening existing trade-relations with the US, Canada, the Dominican Republic and Cuba appear to have significant potential for stimulating economic development. With respect to the market of the Dominican Republic, Trinidad and Tobago will work with other CARICOM countries to ensure that the opportunities, including in the area of Services, under both the CARICOM-DR FTA and the CARIFORUM-EU EPA are fully utilized.

Increased attention will be placed on the opportunities that are continuously emerging from the Cuban market, which is gradually being liberalized to international trade thereby making it increasingly amenable to generating increased domestic exports. The Trade Facilitation Office will have an enhanced role in this regard.

The economic transfers from the income earned from preferential access into the US market have contributed to the development of both the domestic and regional economies. Moreover, the expiry of CBTPA in September 2020 and the difficulty in obtaining waivers for CBERA make it imperative to explore ways aimed at preserving existing preferences and securing improved and predictable market access arrangements. Trinidad and Tobago will cooperate with other CARICOM countries to implement the Trade and Investment Framework Agreement (TIFA) with the United States towards enhancing the trade and investment arrangements for domestic companies planning to conduct business in the US.

Similarly, Trinidad and Tobago has an explicit interest in 'locking in' existing preferential market access into Canada. It is noteworthy that upon the expiration of the CARIBCAN waiver, an estimated 34.5% of Trinidad and Tobago's exports to Canada would attract MFN duties; affecting products such as methanol and ethyl alcohol. As such Trinidad and Tobago will actively engage in the CARICOM-Canada Trade and Development Agreement negotiations with a view ensuring the Agreement is concluded and in effect by January 2014.

By virtue of the breadth of areas that the CARIFORUM-EC Economic Partnership Agreement covers, it has the potential to significantly boost Trinidad and Tobago's exports of goods and services to Europe as well as promote regional integration, increase investment inflows, enhance supply capacity and increase private sector competitiveness. More specifically, the EU's liberalization of 94% of the sectors listed under the GATS and the relaxing of Rules of Origin qualifying conditions on a number of products of interest to Trinidad and Tobago in the food and beverage, clothing and textiles, as well as manufacturing sectors is expected to open up new export opportunities for the private sector of Trinidad and Tobago. Moreover, the GORTT will work closely with the private sector to furnish it with the necessary tools needed to take advantage of the increased market opportunities in Europe under the EPA.

3.2.2 Negotiating New Trading Arrangements

Trinidad and Tobago, will adopt a strategy of selective engagement, seeking to negotiate well-balanced FTAs and Cooperation Agreements with key Hemispheric and global trading partners in order to secure additional preferential market access and enhance its attractiveness for FDIs flows. This market-driven *Selective Engagement Strategy* will be guided by domestic interests, comprehensive empirical analyses and extensive dialogue with the private sector and civil society.

This strategy will encompass where appropriate (i) negotiation of bilateral trade agreements, unilaterally, with other partners or as part of

CARICOM; (ii) exploitation of preferential regimes; and (iii) development cooperation components.

This will deliver new market opportunities in the area of goods; and secure a favourable bilateral services trade regime that provides meaningful access and investment opportunities for Trinidad and Tobago's increasingly competitive construction, professional, financial, energy, cultural (and creative industries) and educational services sectors in particular.

The analyses undertaken in Chapter 2 suggest that a well-balanced FTA with Central America has the potential to deliver significant long-term benefits for Trinidad and Tobago. As such, GORTT has started its demarche with these countries.

The Trinidad and Tobago-Panama Free Trade Agreement has been concluded (2012) and a similar Agreement is currently being negotiated with Guatemala. Panama's dominant Services sector and its high levels of imports of goods and services will make it a strategic trading partner and ally in transshipment. With the current expansion being undertaken projected to double the capacity of the Panama Canal by 2015, securing this Agreement has enhanced the prospects of Trinidad and Tobago becoming a Regional transshipment hub. Mechanisms for utilizing Belize, a CARICOM Member State, as a gateway for increasing Trinidad and Tobago trade with Central America will be explored over the next five (5) years.

Also high on the domestic trade policy agenda is deepening investment, commercial and economic relations with Brazil, Russia, India, China and South Africa, the so-called BRICS. Forging alliances with these countries is central to attracting the investment flows required to generate a more diversified and competitive export base, as well as securing development cooperation geared towards redressing domestic supply-side constraints. Strengthening technical cooperation and investment relations with these countries is a necessary antecedent to improving efficiency gains. The strategic focus here will be centred on promoting bilateral trade; investment; training, education and re-tooling of the domestic labour force; transfer of technology; and innovation geared at improving the competitiveness of our manufacturing and services sectors and stimulating Trinidad and Tobago's agricultural production.

Trinidad and Tobago will pursue a mix of trade deals, development cooperation and South-South Aid for Trade initiatives with relevant global partners. Furthermore, exploratory discussions will be pursued with MERCOSUR with a view to determining the possibility of securing an asymmetric, pro-development trade deal covering both goods and services. A similar approach will be adopted with respect to global economies such as, but not limited to Uganda, Nigeria, Egypt, Thailand, Singapore and other emerging Asian economies.

Many economies in Latin America, Asia, the Pacific and Africa have been attracting significant FDI flows e.g. Brazil, Chile, Indonesia, South Africa, Colombia, Ghana, the Dominican Republic and Mauritius²³.

In addition, there also seems to be a strong correlation between FDI inflows and export performance. These economies also demonstrate a relatively high propensity towards services imports, which is good since it provides captive markets for Trinidad and Tobago's services exports.

Emerging economies, while providing a market mix for high-end products and services; having an ever-expanding middle market; and offering a captive market for low-end products and services in high volume, are by no means homogenous and will require differing strategies and focus in order to ensure market penetration.

Since product affordability and company efficiency are so critical in some markets, e.g. Brazil, India, China, South Africa, Egypt, Turkey, Mauritius, Colombia, Venezuela, Costa Rica, Mexico, El Salvador, Panama, Cuba, Vietnam and Indonesia coupled with the relatively cumbersome nature of doing business in some instances, there exists burgeoning opportunity for partnering with development partners like the EU and Canada in targeting these markets. In this regard, the relatively low ease of doing business ranking of Brazil (126), Dominican Republic (108), India (132) and Indonesia (129), Trinidad and Tobago will seek to compete with these economies for FDI flows, particularly from multinationals, in sectors identified for diversification of the domestic productive base.

²³ World Investment Report 2012

With regard to Africa, Botswana and Mauritius seem to be the most attractive and least risky economies in Africa and represent safe destinations to establish a foothold prior to branching out into other countries in the Region. Ethiopia has the second largest market in Africa and is one of the quickest reformers. While, although South Africa is the most attractive market, Angola, Nigeria, Equatorial Guinea and Ghana have demonstrated significant economic expansion, with Angola and Nigeria growing relatively faster than South Africa.

The most potent business opportunities in Africa appear to be in the natural resources sector which has and will continue, for the foreseeable future, to account for the greatest investor interest, Services (e.g. financial services, energy services, communications, hospitality, healthcare and education); food and beverage; consumer goods; trade-related institutional reform; and infrastructure development.

3.2.3 Multilateral Trade Negotiations

The World Trade Organization (WTO) is the global international organization dealing with the rules of trade between nations. These rules in turn serve to shape Trinidad and Tobago's trade negotiations with its trading partners. The organization also, *inter alia*, assists in improving Aid for Trade flows from development donors to assist developing countries improve their trade-related capacity building needs.

Trinidad and Tobago continues to have a firm belief in a fair and equitable rules based multilateral trading system that is supportive of the development pursuits of its Members. As such the country will continue to actively participate in the Doha Round of multilateral trade negotiations and seek to play a greater role in the reformation of the multilateral trading system. Accordingly, the country is committed to working with the WTO Membership to ensure the successful completion of the current Doha Round of multilateral trade negotiations. For Trinidad and Tobago, development remains at the core of the Doha Development Agenda (DDA) negotiations and, as such, the WTO Membership should spare no effort in ensuring that an Agreement which contains a package of measures that caters to the needs of the Least Developed Countries and supports the economic development of Small Vulnerable Economies is concluded.

With respect to *global trade rules*, negotiations are currently taking place for the conclusion of the Doha Round whose fundamental objective is to improve the trading prospects of developing countries. These negotiations have been on-going for the last decade and are currently at an impasse because of the wide gap in the negotiating positions of developed and developing members with respect to Agriculture, Services and NAMA. Focus is now on negotiations for the possible early conclusion or early harvest of a number of negotiating areas.

These include Trade Facilitation (simplification of customs procedures); Agriculture; and a package of LDC issues (extension of duty free and quota free access, improvements in rules of origin; and deeper cuts in trade-distorting subsidies on cotton). The prospects for a successful conclusion are bleak however.

A fair and equitable rules based international trading system is imperative to achieving the development objectives of Trinidad and Tobago. Accordingly, Trinidad and Tobago will seek to play a greater role in the various negotiating bodies to:

- ensure the successful completion of the current Doha Round of multilateral trade negotiations. Accordingly, Trinidad and Tobago will continue to give support to the Single Undertaking principle given that most of the gains made in the negotiations thus far are contained in the concessions negotiated in the Agriculture and NAMA negotiating groups
- negotiate global trade rules capable of assisting Trinidad and Tobago better utilise negotiated trade agreements. As such, action will be taken to safeguard and promote the peculiar needs of developing countries particularly SVEs

Regarding *Aid for Trade (AFT)*, this global initiative was launched in 2005 to help developing countries build their capacity to implement and benefit from WTO Agreements and expand their trade. Trinidad and Tobago utilizes AFT assistance in its development strategy. While mindful of the global economic crisis, we are nevertheless desirous of, in the first instance, maintaining current AFT levels. We are also concerned of the growing trend whereby developed countries disqualify developing countries with high income levels, like Trinidad and Tobago, from receiving future Aft assistance.

In pursuit of the above, Trinidad and Tobago will seek to make substantive contributions in the discussions. The Permanent Mission of Trinidad and Tobago to the United Nations, Geneva will therefore play an important role in Trinidad and Tobago's engagement of the issue of Aid for Trade.

3.2.4 Non-Tariff Measures

As the importance of tariffs as an instrument of trade policy has diminished over time, quality-related (non-tariff) measures have grown in importance, to the extent that the ability to satisfy standards and certifying their attainment are now strong determinants of competitiveness and influence export performance.

This can be attributed to an increased concern over food safety and technical regulations and product standards, coupled with the fact that tariffs as a trade policy instrument are increasingly becoming irrelevant, especially in Trinidad and Tobago's key export markets. Within the general category of technical barriers to trade, there exists a peculiar set of non-tariff, border measures which seek to protect human, animal or plant life, which are referred to as SPS measures.²⁴ These measures are particularly germane since they have become an integral part of agricultural trade. Increasingly, developed countries have utilized stringent SPS measures ostensibly to reduce food safety risks and/or risks from pests and disease.

In similar vein, the domestic SPS infrastructure will be strengthened to ensure that exporters satisfy the requirements of the European Union's General Food Law in regulation 178/02 and the Feed and Food Regulation 882/04 and the new Food Safety Modernization Act (FSMA) of the US. Trinidad and Tobago will also work with other CARICOM countries, the CARICOM Secretariat and IDPs to build the SPS capacity in other CARICOM countries since SPS measures impact all food related trade and the benefits of any remedial activities are expected to impact domestic, intra-regional and extra-regional trade.

Trinidad and Tobago will make effective use of the WTO TBT and SPS inquiry points to educate and improve awareness of the private sector of new instruments which may have a negative effect on their exports in targeted markets. Mechanisms will be developed to assist firms and service providers to adjust to new measures which require the adoption of standards, domestic regulations and other requirements to ensure continued access to these markets. Similar frameworks will be instituted to address measures that constitute a barrier to services exports.

Efforts will be made to further modernize and integrate all elements of the National Quality Infrastructure²⁵ i.e. developing standards, testing and certification, metrology, market surveillance, and accreditation. This is intended to provide a platform for increasing export competitiveness. The Trinidad and Tobago Bureau of Standards will play a leading role in the modernization and integration processes.

²⁴ The Law and Policy of the World Trade Organization, Second Edition, Peter Van Den Bossche, Cambridge, 2008.

²⁵ NQI can be defined as a highly integrated network of people, systems and organizations involved in the research, definition, development and promotion of Quality goods, services and processes using the core disciplines of the Metrology, Standards, Testing and Quality (MTSQ) framework.

3.2.5 The Role of the Ministries of Trade, Industry, Investment and Communications and Foreign Affairs

Given the Ministry of Trade, Industry and Investment's core responsibility for developing and growing exports, investment, business and commerce, the Ministry will continuously reassess the country's trade performance, strategic market priorities and trade negotiating agenda. The MTII will also undertake a more robust review and cost-benefit analysis of individual bilateral trade agreements as well identify impediments to exports and develop strategies to enhance market penetration.

MTII will also seek to have services components negotiated into all CARICOM's existing bilateral FTAs and ensure that Services market access is included in all future FTAs, partial scope or otherwise. There will also be a dedicated focus on providing market intelligence services to the private sector and Business Support Organizations (BSOs). In addition, the Ministry will also enhance its research and monitoring mechanisms in order to more effectively assess market access utilisation.

Further, exporTT will provide the private sector with information on virtues of doing business in key export markets. The Directorate will also undertake and disseminate focused market research (e.g. "fore-sighting for business" activities, which involves global scans of markets as well as consumer trends to inform product and export development efforts); and review the effectiveness of current trade promotion strategies (e.g. trade missions).

Given its unique positioning as a point of diplomatic interface with the international community and existing, as well as potential, bilateral trading partners, the Ministry of Foreign Affairs through its Overseas Missions will play a critical role to play in promoting exports, exploring business opportunities and attracting FDI. This, however, would necessitate building the capacity of Missions in areas such as international marketing and market intelligence. Enhancing the ability of the countries embassies and missions to deal with technical issues in trade is also germane. Inclusion of Trade Attachés in these Missions would be instrumental in this regard.

3.3 Objective 2: Safeguarding Sensitive Productive Sectors

A fundamental tenet of Trinidad and Tobago's market liberalization has been the removal of tariffs as well as restrictions to trade in services. However, despite considerable concomitant efforts at fostering private sector development, significant private sector investment as well as FDI inflows, Trinidad and Tobago has not yet established itself as a competitive global supplier of a wide range of goods and services. Moreover, it has been out-paced by many Western Hemispheric partners and global economies in respect of productivity and competitiveness. Therefore, in an attempt to provide policy space for the development and safeguarding of sensitive industries or sectors from the vagaries of international trade, the GORTT will continue to employ a combination of trade policy instruments and strategies.

Cognizant of the multi-functionality of agriculture and the important role that the private sector plays in economic development, the GORTT will streamline the areas that require peculiar policy attention, focussing on sub-sectors in the agriculture, manufacturing and services sectors, which are deemed to be sensitive. In the case of agriculture, such action will treat with the important role that the sector plays in safeguarding food security, rural development, employment and poverty alleviation. These non-trade concerns (NTCs) represent specific national policy objectives which, in varying degrees, can be achieved through agricultural production and trade ²⁶. In the case of manufacturing, the GORTT will provide policy space to sub-sectors deemed sensitive over an appropriate time-period to allow industries to improve competitiveness and productivity. With regard to Services, the GORTT will institute the requisite regulatory framework needed to allow targeted sectors to be progressively incorporated into the international trading system.

Trade policy instruments designed in this respect will be transparent, WTO consistent and implemented in a minimally trade distorting way. Such an approach is necessary in order to prevent the creation of artificial trade flows and minimize the impact on resource allocation.

While declining in importance as a policy tool, tariffs will continue to be an instrument of domestic trade policy over the coming five year horizon and will be utilized to provide valuable policy space for sensitive industries where required. Consistent with its commitment to freer and fairer trade, Trinidad and Tobago will display initiative in unilaterally

reducing its applied tariffs, however relatively higher applied tariffs will be maintained on some sensitive products in order to safeguard domestic production. Further, a limited export negative list and licensing regime will be maintained in a manner consistent with the country's multilateral trade obligations.

From a policy and development perspective, sensitive goods will include:

- agro-processed products (e.g. poultry and poultry products, hams and sausages, milk and cream, pasta, chocolates, juices, beverages and alcohol);
- shampoo and cosmetics;
- paints and varnishes; and
- paper and paper products.

The preferred policy prescription will encompass negotiating, into bilateral trade agreements, tariff reduction exemptions or longer tariff phase-out periods for commodities deemed to be sensitive. In addition, Trinidad and Tobago will increasingly utilize non-tariff border measures to protect human, animal and plant life and safeguard consumer welfare. In order to strengthen regulation and enforcement, infrastructure and facilities relating to Standards, Metrology, Testing and Quality as well as agricultural health and food safety will be modernized. Further, the functional linkages between the Chemistry, Food and Drugs Division, Ministry of Health, Plant Quarantine, Ministry of Food Production, Pesticides Control Board, Customs and Excises Division and the Trinidad and Tobago Bureau of Standards will be improved.

Services sectors which have also been identified as being sensitive include:

- Contractual service suppliers and independent professional for engineering, architectural, accounting and other services sectors;
- Postal and Audio Visual Services
- Distribution services (e.g. wholesale trade services of agricultural raw materials and live animals; food, beverages and tobacco; metal ores and metal in primary form)
- Primary and Secondary Educational services (such as non-profit and public and privately funded entities)
- Banking and Insurance services;
- Energy service; and
- Tourist Guide services

As such, in negotiating Services components of trade agreements, including at the WTO, to the extent of liberalization commitments in these sectors will be carefully considered.

Where requests for liberalization are made by bilateral partners, services offers in these sectors may be conditioned by Economic Needs Tests (ENT), as well restrictions on modes of supply and/or limitations on the number of service suppliers where deemed necessary to minimize adjustment costs. As such ENTs which are mechanisms “controlled by government, industry or professional associations to decide whether the entry into the market of new foreign, and sometimes domestic, firms is warranted on economic grounds”²⁷ may be utilized to

²⁷ Goode, Walter. World Trade Organization and Cambridge University Press. *Dictionary of Trade Policy Terms*. 5th Edition, 2007.

balance the development of the competitiveness of the services sector, in particular, the movement of professionals and establishment of services businesses within the national territory. The use of ENTs have been circumscribed under Article XVI of the General Agreement on the Trade in Services (GATS) and have universal application in various trading arrangements, including the recently concluded CARIFORUM-EU EPA.

3.4 Objective 3: Increasing Production, Competitiveness and Export of High Value Goods and Services, Particularly in the Non-Energy Sector

The domestic economy is characterized by a leading capital intensive petroleum and natural gas sector, and a relatively weak non-petroleum sector in which services has emerged as a major economic activity. Even so, the bulk of the services produced are consumed locally and services exports have been declining within recent time. The dominance of the energy sector is underscored by the fact that the sector accounts for more than 40% of GDP, 50% of government revenue and 80% of total merchandize exports. However, the sector accounts for only 3% of employment. In addition, the country’s top ten exports account for an estimated 98% of total domestic exports and three (3) leading export markets (i.e. the US, CARICOM and the EU) command a 73.2% export share²⁸.

²⁸ Annual Economic Survey, (2011), The Central Bank of Trinidad and Tobago.

The undiversified nature of Trinidad and Tobago's economy makes it vulnerable to external shocks, particularly fluctuations in energy prices. It is therefore paramount that production and export, of goods and services, be not only expanded but diversified. This would necessitate, among other things, investing in key economic infrastructure, building productive capacity and increasing productivity and cross-sectoral competitiveness. Hence, while having broad applicability, the policy prescriptions that the GORTT employs in this respect will be targeted towards increasing production, export capacity and competitiveness of value-added goods and services, particularly in the non-energy sector. Product differentiation covering movement up the value chain is seen as key to the sustained economic success of Trinidad and Tobago.

The GORTT views the accumulation of physical (technology) and human capital, which facilitates the efficient use of available resources, as necessary for fuelling trade expansion in a small country like Trinidad and Tobago. As such, innovation, R&D as well as technology transfer and absorption are seen as indispensable levers for increasing economy-wide total factor productivity, moving the country up the value-chain, diversifying the goods and services produced thereby generating broad-based dynamic trade-led economic growth. A policy of promoting innovation and technology creation (indigenous) will be instituted.

Given that indigenous R&D as well as technology absorption requires an adequate stock of human capital, there will be significant investment in educating, training and re-tooling of the labour force.

This is seen a necessary precursor to transforming the domestic economy to one that a technology-driven, innovative, knowledge-based economy. To this end, the GORTT will formulate and implement a National Innovation Policy (NIP), which, among other things, will speak to issues such as financing, intellectual property protection, and commercialization; and establish a National Innovation System (NIS).

3.4.1 Production, Trade and Economic Diversification

The Energy Sector

At present, the economy of Trinidad and Tobago is heavily reliant on the petroleum and energy sector. However, given that oil and natural gas are non-renewable resources; sustained economic success necessitates strategic visioning and planning in developing the Sector and, indeed the economy in its entirety. Hence, the GORTT will seek to create a strategic policy nexus between the energy (renewable and non-renewable), manufacturing and services sectors as espoused in its Medium Term Policy Framework 2011-2014.

It is within this context that renewable energy, down-stream petrochemical and manufacturing industries, energy services²⁹ and equipment manufacture represent economic activities in which the country can continue to engage even after hydrocarbon resources have been exhausted. In this respect, the GORTT will invest significantly and elicit FDI in the development of integrated energy-based industries e.g.

²⁹For purposes of policy-setting this sub-sector will be considered to encompass all services contracted by the energy sector, that involve a significant level of technical skill or specialist knowledge.

clusters involving polypropylene, polyethylene, melamine and melamine derivatives, plastics, adhesives within the energy sector; as well as between the energy, food, creativity, maritime and tourism sectors.

The GORTT is mindful of the fact that Trinidad and Tobago has become competitive in several energy services, including the construction and operation of petrochemical plants. The country's competitiveness in this area will be increasingly harnessed. This will assist in broadening domestic services production and exports, through development cooperation initiatives in some instances within the framework of existing and future bilateral trade agreements.

As such, the Ministry of Trade, Industry and Investment will work closely with the National Energy Company (NEC) in attracting investment for further down streaming petrochemical derivative-based products and negotiating market access for such products.

Cognizant of developments in the international and regional markets, and mindful of the importance of the energy sector to Trinidad and Tobago, the GORTT's trade-related policy will focus on, *inter alia*, the following:

- To promote greater participation along the hydrocarbon value chain and exports of value-added energy products;
- To develop a harmonized regional energy policy within CARICOM;

- To safeguard market share for hydrocarbons within CARICOM and the United States³⁰; and
- To develop an information data-base of energy services in which Trinidad and Tobago has an export capability and explore new export markets³¹.

The GORTT is cognizant of the fact that energy and the industrialization it fuels, if not managed properly can produce negative externalities. There is a heightened public concern, globally and nationally about the environmental effects of urbanization, industrialization, agricultural production and economic development. The issue of environmental protection will be tackled head-on within the framework of the trade policy.

In this regard, the GORTT will seek to modernize the National Environmental Policy, as well as finalize legislation on Air Pollution Rules, Solid Hazardous Waste Rules and the Beverage Container Bill. Given the growing interdependence of energy, global trade and the environment the GORTT will also:

- Engage in a deeper examination of the myriad (in excess of 200) existing multilateral environmental agreements (and their implications) with a view to determining those to which Trinidad and Tobago should accede;
- Institute a functional relationship between MTII and Government Ministries and Agencies with responsibility for the environment, as well as international agencies;

³⁰ In 2009 Trinidad supplied 87% of the US's LNG imports (ICT, Trade Map)

³¹ while reserving the right to institute requisite regulatory measures such as economic needs tests (ENT) with respect to Services offers in trade negotiations

- Finalize and enact other legislation which seek to give effect to environmental policy, where deemed necessary, as a means of regulating the negative externalities generated by economic activity as the country accelerates its industrialization and diversification processes; and
- Actively engage in the multilateral (WTO) negotiations on the environment to ensure that Trinidad and Tobago interests are taken on board.

The GORTT sees an inextricable link between the fledgling domestic environmental services, renewable energy and ecotourism sectors. Hence, fiscal incentives will be provided to encourage the diversion of waste material into downstream industries as well as the expansion of renewable energy technology e.g. solar, wind and waste to energy. The GORTT will also reform the legislation governing the exploitation of renewable energy resources. The ecotourism and heritage tourism sub-sector has been identified for targeted support and clustering. In this regard, the GORTT will work closely with the Tobago House of Assembly (THA) to develop this sector, as well clusters involving the sector, in Tobago. Such clusters include eco-tourism, agriculture and fishing; heritage tourism and creativity; energy, food and heritage tourism; and eco-tourism and maritime (leisure marine).

The Non-Energy Goods Sector

It is important to build on the gains derived from state-financed tertiary education and skills training programs. These initiatives underpin policy efforts to improve the productivity, diversity and efficiency of production in the non-energy sector. Mainstreaming and promoting the sustainable development of SMEs, as well as facilitating the growth of entrepreneurial spirit will also be a central feature of trade-related policy measures over the next five (5) years.

The Food and Beverage (e.g. agro-processing, fish and fish processing, Cocoa and Cocoa Preparations, Cereals and Spirits); Printing and Packaging (e.g. books and magazines); Paper and Paper Products; Milling Products (malt, starches, wheat etc); Tobacco and Tobacco Substitutes; Manufactures of Plastic; and Manufactures of Iron or Steel have been identified as non-energy industries having economic development and export potential. While the diversification thrust will not be limited to these areas, through consultations with all relevant stakeholders a package of appropriate fiscal incentives and industry development initiatives with horizontal applicability will be crafted for expanding production and export in, as well as attract increased level of FDI, targeted sectors.

For Tobago, however, the GORTT will work closely with the Tobago House of Assembly to ensure that policy initiatives and sectors targeted are consisted with the imperatives enshrined in its Comprehensive Economic Development Plan 2013-2017. MTII will work closely with the Fiscal Policy Unit of the THA in this regard.

In addition to focusing on the agro-processing and manufacturing sector, the Ministry of Trade, Industry and Investment will work closely with the Ministry of Food Production, the Agricultural Development Bank and the private sector to develop agricultural industries which have been identified as having export potential. In this respect, commodities which will be given priority include hot peppers, cocoa, pumpkin, papaya, sweet potato, cassava, herbs and spices, green coconuts, golden apples, rabbits and tilapia.

Services Sector (Non-Energy)

The Services sector makes a key contribution to domestic output (50%)³² and employment, and provides essential inputs and public services for the economy. Moreover, international trade in services can improve economic performance and provide a range of traditional and new export opportunities,³³ particularly if the existing scope for private sector participation in sectors which contribute to efficiency gains and innovation is fully exploited. For the GORTT, the development of the Services sector as well as diversification of Services exports is seen as necessary to reposition the domestic economy within the global economy and multilateral trading system³⁴.

In an attempt to exploit the considerable potential that exists for expanding both the production and export of services, specific sectors

will be targeted for development. Services trade will be actively promoted and targeted policy measures instituted, including sector and sub-sector specific incentive packages and the provision of the requisite economic infrastructure.

The ICT, Financial Services, Tourism (e.g. eco, cultural and heritage, sport and medical), Creative Industries (e.g. fashion, music, arts and culture and film), Renewable Energy, Maritime Services and Leisure Marine, industries are among those services sub-sectors which have been identified for development and diversification of the productive base of Trinidad and Tobago. Trade-related policy interventions in these sectors will seek to reduce the capacity and efficiency gap between Trinidad and Tobago and developed as well as some advanced developing countries.

Here again, the GORTT will work closely with the Tobago House of Assembly to ensure congruence with the sectors targeted for development and the imperatives enshrined in the Tobago House of Assembly's Comprehensive Economic Development Plan 2013-2017. MTII will work closely with the Fiscal Policy Unit of the THA in this regard.

Production and export in these sectors will be expanded through coherent development strategies and policy prescriptions, including the full spectrum of incentives. Broadly, these will include:

- the provision of incentives to Services production and export;
- mechanisms to promote outward investment;
- the commissioning of market potential and intelligence studies;
- formulation of sub-sector specific Services Strategies;

³² Review of the Economy, Trinidad and Tobago, Ministry of Finance and the Economy

³³ The contribution of services to development: The role of regulation and trade liberalisation ODI Project Briefings 17, December 2008, Massimiliano Cali, Karen Ellis and Dirk Willem te Velde

³⁴ Mc Lean, S. (2012) "Caribbean Community Regional Aid for Trade Strategy 2013-2015, Caribbean Community Secretariat.

- support for special projects such as regional services symposia and participation at global events, which seek to highlight the domestic services capacity³⁵; and
- improving the infrastructure for trading services, through improvements of Information and Communication Technologies (ICT) infrastructure.

The GORTT realizes the need to work in tandem with the private sector. In this regard, private sector organizations, in particular the Trinidad and Tobago Coalition of Services Industries will be enabled to assist with market penetration, sector development, and export capacity building and awareness in the services sector.

Existing loan guarantee programmes will be widened to cover the short term expenses of service providers such as consultants and tourism service providers who are often forced to forego opportunities offered through multi-lateral projects due to requirements of large up-front payments for future re-imburement, which, as a result of bureaucratic practice, are often delayed and onerous.

The popular adage, “if you cannot measure it, you cannot manage it” is applicable in this context. Data collection in the services will be enhanced, given the dearth of information on the value of services related production and trade. Therefore, in liaison with the Central Statistical Office and the Central Bank of Trinidad and Tobago, efforts would be made to develop a metadata system for collection, compilation, analysis and dissemination of services data and the

creation of a comprehensive database for services production, trade and domestic regulation. Technical assistance will also be sought.

Export Development

There is an acceptance by the GORTT that for the domestic Services and manufacturing industries to be competitive in the global market there needs to be a transformation of the enterprise culture and an increased awareness of the importance of efficiency, creativity and expertise. In this respect the GORTT views Services and manufacturing sectors as being complementary rather than competing.

The GORTT, through the Ministry of Trade, Industry and Investment will also formulate a National Export Strategy, which will be driven by private sector interests and macroeconomic priorities. This export strategy will seek to appraise relative importance of various export markets and products and advance appropriate incentives to be put in place to promote exports and enhance the competitiveness of SMEs. In addition, the Ministry of Trade, Industry and Investment will undertake where possible, and commission where necessary, appropriate analyses to determine, for each bilateral trading partner, the specific products and services for which Trinidad and Tobago possesses a comparative advantage. MTII will work closely with ExportTT to actively promote these in the respective markets.

³⁵This is seen as critical since such initiatives assist in creating market awareness for buyers.

3.4.2 Private Sector Development:

The GORTT views the private sector as an important ally in infrastructure development, and increasing job creation, foreign exchange earnings, revenue generation, as well as investment and innovation. A robust private sector is regarded as a sine qua non for maximizing output growth. As such, more direct support, through *inter alia* incentives and subsidies, will be provided to the private sector for building the productive capacity and productivity, as well as raising the quality and diversity of goods and services exports.

The unilateral tariff liberalization, i.e. import duty exemptions, foreshadowed in the Conditional Duty Exemptions Customs Act is intended to reduce private sector input costs in sectors such as agriculture, hoteling, petroleum (mining), agro-processing and manufacturing.

Recognizing that expanding exports does not require Trinidad and Tobago to be competitive in the production of everything but rather in a wider range of distinct differentiated products and services, the GORTT through the Ministry of Trade, Industry and Investment will provide the requisite policy and legislative framework, as well as provide incentives for the development of Clustering initiatives involving the food, energy, creative, maritime and tourism sectors as described earlier and outlined in the Medium-Term Policy Framework 2011-2014.

The clustering initiative will seek not only to diversify exports but also address the spatial concentration of production by instituting a programme of geographical diversification. MTII will also develop a National Industrial Policy to guide private sector development and the industrialization process.

In further support of private sector development, the GORTT will also institute policy measures to improve the availability of trade financing to the private sector, particularly SMEs; export readiness of firms and trade promotion.

In an attempt to increase exports of individual firms, trade promotion activities will pay particular attention to increasing accessibility to export (trade) financing in areas such as pre-shipment and post-shipment financing and export credit insurance, at internationally competitive rates. In this regard, a comprehensive review of the services provided by and effectiveness of the Export and Import Bank will be undertaken, to ensure they address the peculiar needs of the private sector and contribute to achieving national trade policy objectives. Further, the Loan Guarantee Program Leasing Facility of ExporTT will be restructured and transferred to the Export-Import Bank. The Ministry of Trade, Industry and Investment will also work closely with the Agricultural Development Bank of Trinidad and Tobago in developing an agriculture-agro processing -agribusiness specific export financing facility.

Additionally, ExporTT (the National Export Facilitation Organization of Trinidad and Tobago) will have responsibility for making Trinidad and Tobago's firms, manufacturers and service providers export-ready i.e. creating internationally competitive firms in the non-energy manufacturing and services sectors. More specifically, ExporTT will assist firms in conducting plant audits and retooling in order build production capacity and export competitiveness, as well as facilitate private sector trade and export missions.

The organization will also provide market intelligence, business-friendly information on market access opportunities (goods and services) and doing business in targeted markets, particularly those with which Trinidad and Tobago has trade agreements.

Investment to a large extent is fuelled by market considerations, while the ability to trade is influenced by productive capacity and by extension the ability to attract investment. Hence increased domestic and cross-border investment is seen as a necessary if Trinidad and Tobago is to improve efficiency gains across the entire spectrum of the value chain, redress supply-side capacity constraints and expand its share of international trade. Accordingly, efforts to elicit increased investment flows will be streamlined and intensified. The GORTT will also formulate a National Investment Policy.

The organization InvesTT will implement the GORTT's investment policy and act as a "one-stop-shop" and first point of access, interface, for foreign investors, as well as to facilitate all of the relevant regulatory approvals needed for doing business in Trinidad and Tobago. Essentially, the organization will function as the national Investment Promotion and Facilitation Agency of Trinidad and Tobago, having responsibility for encouraging investment, both domestic and foreign direct, in the non-energy sector, and in particular those sub-sectors identified by the Government for diversification. The company will offer customized investor solutions through a unique combination of knowledgeable sector experts and strategic alliances.

The GORTT views the accumulation of physical (technology) and human capital, which facilitates the efficient use of available resources, as necessary for fuelling trade expansion in a small country like Trinidad and Tobago. As such, innovation, as well as technology transfer and absorption are indispensable levers for increasing economy-wide total factor productivity and generating trade-led economic growth. A policy of promoting innovation and technology creation (indigenous) will be instituted. Given that indigenous *R&D* as well as technology absorption requires an adequate stock of human capital, there will be significant investment in educating, training and re-tooling of the labour force.

The Ministry of Trade, Industry and Investment will also work with the private sector and the Ministry of Science, Technology and Tertiary Education towards the mainstreaming of R&D and innovation into the domestic economic planning and trade policy-setting. As a corollary, a parallel agenda of negotiating and concluding Scientific and Technical Cooperation Agreements with our major trading and development partners will be pursued. As mentioned earlier in the piece, a National Innovation Policy will be formulated and a National Innovation System established.

The GORTT also considers Intellectual Property (IP) as an important tool of economic development. There are IP elements to many of the trade agreements to which Trinidad and Tobago is signatory. As such, the issue is confronted in respect of the negotiation and implementation of FTAs.

A policy priority over the next five (5) years will be ensuring increased institutional coherence in the area of Intellectual Property, Trade and Industrial Policies and the negotiation of trade agreements. In this regard, consideration will be given to the relationship between the Intellectual Property Office and the Ministry of Trade, Industry and Investment.

The GORTT will continue to promote the development and export of ICT products and services through the creation of an environment which promotes investment in ICT and stimulates diversification. This is seen as critical since empirical analyses have demonstrated that ICT has a positive knock-on effect on domestic output, and that ICT infrastructure can lower the cost of information acquisition and market participation. The GORTT sees investment in ICT infrastructure and its derivative services as a strong enabler economic growth and generator of welfare gains. Not surprisingly therefore, the GORTT will continue to support the development of the Cove Eco-Industrial Estate and Business Park in Tobago - which is managed by the Eco-Industrial Development Company (E-IDCOT) - through the Tobago House of Assembly. This initiative is central to initiatives geared fuelling eco-industrialization and diversifying the Tobago economy away from its over-dependence of tourism.

The Evolving TecKnologies and Enterprise Development Company Limited (eTeck) will continue to execute its mandate to develop and support new industries in Trinidad.

In the current globalization panorama, export performance to a large extent, is influenced by satisfying international standards and confirming their attainment. As a consequence, institutionalizing the use of standards and regulations and the strengthening of the National Quality Infrastructure (NQI) will be a fundamental pillar of the new trade policy regime of Trinidad and Tobago. The NQI will be supportive of Trinidad and Tobago's strategic offensive and defensive interests.

Trinidad and Tobago will institute a robust programme, as well as collaborate with international agencies as well as development partners, to build its domestic certification, quality management, accreditation and testing capacity; as well as capacity to establish adequate standards and derive mutual recognition agreements (MRAs) with other countries to foster integration through the acceptance of test results and certificates from foreign countries. This is essential to improving confidence of our major trading partners in the inspection and certification services of Trinidad and Tobago.

There will also be a strategic focus on development cooperation with developed and advanced developing countries on standards-setting; increasing participation in the meetings international and regional standards development, metrology, conformity assessment and accreditation organizations bodies.

3.5 Objective 4: Improving the Business and Trade-Enabling Environment

According to the Ease of Doing Business Survey (2013) Trinidad and Tobago is currently ranked 69 in the world, which amongst CARICOM countries is only surpassed by Dominica (68), Antigua and Barbuda (63) and Saint Lucia (53)³⁶. The ultimate goal is to place Trinidad and Tobago in the top 10 within the next four years.

Examination of the World Economic Forum's Global Competitiveness Report (2011-2012) which also provides an assessment of quality of infrastructure reveals that Trinidad and Tobago was ranked 53 overall out of 142 countries. Trinidad and Tobago's overall rank in the Global Competitiveness Index (2012-2013) stood at 84, declining from 81 in the previous year. It is also noteworthy that Trinidad and Tobago's ranking in the following sub-categories, trade tariffs as percentage of duty (107), agricultural policy cost (104), burden of customs procedures (132), and prevalence of trade barriers (72) warrants improvement. The underlying systemic causes of un-competitiveness will be remedied through a blend of trade and investment policy instruments and initiatives.

³⁶ The Doing Business Rank is out of 183 economies. A high Rank on the ease of doing business index signifies that the regulatory environment is more conducive to the starting and operation of a local firm. Barbados and Montserrat are not covered in the report

3.5.1 Trade and Business Facilitation³⁷:

When managed successfully, infrastructure investment can have a positive impact on economic development.³⁸ Moreover, the quality and availability of infrastructure influences investment decisions and business establishment location³⁹ while the availability of key economic infrastructure⁴⁰ promotes economic activity. Upgrading and diversifying components of Trinidad and Tobago's economic infrastructure can leverage overall national development by, *inter alia*, lowering input costs, enhancing labour productivity, generating economies of scale and improving competitiveness. Well-developed infrastructure also reduces the effect of distance thereby fostering regional and international market integration.

In the context of increasing competitiveness, the GORTT will seek to further modernize aspects of its trade-related economic infrastructure, including maritime and internal transport, energy (renewable) and ICT. It is envisaged that such investment will impact positively on economic growth, output, competitiveness and welfare. Moreover, there is an appreciation that the quality and availability of infrastructure influences investment decisions, business establishment location⁴¹.

³⁷ Trade facilitation entails the removal of obstacles to the movement of goods across borders.

³⁸ Mc Lean, S. (2012) "Caribbean Community Regional Aid for Trade Strategy 2013-2015, Caribbean Community Secretariat

³⁹ Socio-Economic Impact of Infrastructure Investments, Vytautas Snieska, Ineta Simkunaite, Engineering Economics, 2009

⁴⁰ Internal facilities of a country that make business activity possible, such as communication, transportation, and distribution networks, financial institutions and markets, and energy systems

⁴¹ Socio-Economic Impact of Infrastructure Investments, Vytautas Snieska, Ineta Simkunaite, Engineering Economics, 2009.

Trade facilitation initiatives are seen as a tool for increasing administrative efficiency and reducing transaction costs associated with the clearance of goods, and by extension attracting trade and investment. Moreover, there exists a strong direct causal relationship between trade facilitation measures and the reduction in logistics costs, and consequently prices of both imports and exports. Improving trade facilitation has also been demonstrated to grow trade and fosters SMEs development⁴². Furthermore, higher logistics costs increases the cost of accessing markets thereby impacting negatively on trade, foreign investment, revenue earnings and general competitiveness.

Ultimately therefore, in an effort to facilitate trade, the GORTT's will seek to significantly reduce the cost of and efficiency in doing business by, *inter alia*, eliminating unnecessary administrative procedures, and by extension, time and costs associated with the movement of goods (i.e. container clearance) and services in and out of Trinidad and Tobago. In pursuit of this, trade facilitation laws will be modernized and infrastructure, systems and procedures will be upgraded. Transparency of regulatory agencies and data sharing between public bodies will also be improved. The implementation of the Single Electronic Window (SEW) for Trade and Business Facilitation or TTBizLink⁴³ is indicative of the reform and modernization thrust.

Greater synergies, including transparency and data sharing, will be fostered between border agencies at the national level while efforts will be made to harmonize procedures with trading partners.

Specifically, the GORTT will seek to:

- significantly reduce of the time taken for container clearance;
- fully integrate the TTBizLink system with Customs Border Control Systems (Asycuda) in 2013 thereby introducing a system to enable custom brokers and importers to electronically submit their customs declaration data to the Customs and Excise Division and other Government Agencies at the same time for approval; and
- revisit the laws, procedures and agencies involved in facilitating doing business in Trinidad and Tobago will be revisited and modernized so as to significantly simplify the process and reduce processing time.

⁴² Mc Lean, S. (2012) "Caribbean Community Regional Aid for Trade Strategy 2013-2015, Caribbean Community Secretariat.

⁴³ This online platform allows individuals to obtain, in real time, Electronic Certificates of Origin, Work Permits, Import Duty Concessions and Trade Permits and Licenses.

Other defining initiatives geared towards enhancing trade facilitation will include:

- Continued modernization, upgrading and automation of import procedures to meet established international best practices;
- Harmonization of domestic and international 'customs good practices' as set out by the WTO and World Customs Organization (WCO);
- Promotion of the use of modern risk analysis techniques which allows compliant importers and exporters to have access to automated import procedures;
- Increased administrative capacity to deal with and implementation of advanced rulings;
- Institution of an automated payment system;
- Harmonizing border procedures and custom legislation within the CSME;
- Conclusion of customs cooperation and mutual assistance agreements with development partners in order to assist and build capacity in the simplification and computerization of customs operations;
- Increased use of post release audits (as opposed to inspections)
- Improving port, handling, storage, laboratory testing and accreditation facilities;
- Implementation of integration of ASYCUDA World (Automated System for Customs Data) into the Single Electronic Window (SEW) for Business and Trade Facilitation;
- Enhanced coordination and cooperation between the Ministries of Trade, Finance, Agriculture, Works and Transport, as well as Customs Division, Bureau of Standards, and Chemistry, Food and Drug Division and with counterpart Ministries in other CARICOM Member States;
- Institutionalizing technical assistance and development cooperation initiatives with international and regional organizations such as the World Trade Organization, the International Maritime Organization, the United Nations Conference on Trade and Development and the CARICOM Secretariat with a view to building institutional capacity and complementing national programmes and initiatives; and
- Establishing national contact points for all the agencies, Ministries and issue areas highlighted above and ensuring heightened collaboration among them.

3.5.2 Fair Trading

The reduction of border measures necessitates an accompanying regulatory framework to reduce the adverse effects of anti-competitive, trade and production distorting practices such as dumping and subsidies.

The regulatory and legislative framework will be modernized to address weaknesses pertaining to the making of determinations. The capacity of the Antidumping Authority will be enhanced through training in areas such as Investigations and expert witnesses. Safeguard legislation will be developed and enacted to provide for import surges. Furthermore, given the critical role of Competition Policy in disciplining anti-competitive behaviour, the Fair Trading Commission will be established. The operation of the Commission would address issues such as price fixing, operation of illegal monopolies, and transparency in procurement as well as uncompetitive mergers.

3.6 Objective 5: Strengthening the Institutional Framework for Trade

In order to address the structural impediments to Trinidad and Tobago's international competitiveness the trade and investment institutional framework will be streamlined to facilitate increased operational

efficiency and transparency. In this respect, inter-Ministry and cross-agency linkages have already commenced with responsibilities clearly delineated as follows:

- InvesTT will implement Government's investment policy;
- The Economic Development Board will advise Government on new business development for the non-energy sector and the development a new economic space;
- The Council for Competitiveness and Innovation will advise Government on investment climate reforms;
- The Trinidad and Tobago International Financial Centre Management Company Limited will have responsibility for growing and developing the financial services sector;
- The National Energy Corporation of Trinidad and Tobago Limited will develop the downstream energy sector;
- The Tourism Development Company Limited will develop and market T&T's tourism product and improve the local tourism sector;
- ExporTT will support the creation of internationally competitive firms in the non-energy manufacturing and services sectors; and
- The Ministry of Trade, Industry and Investment will assume responsibility for Sector Secretariats under ExporTT i.e. the Food and Beverage Industry Development Committee (FBIDC); Maritime Industry Development Company (MIDC); Printing and Packaging Industry Council (PPIC); and the Yachting Steering Committee (YSC).

With respect to the Standards regime, the role and functions of the two institutions responsible for the setting and enforcement, i.e. Trinidad and Tobago Bureau of Standards (TTBS) and the Chemistry Food and Drugs Division (CFDD), will be streamlined; human resource capacity enhanced; and facilities, regulations and legislation modernized. On one hand, the TTBS operates under the aegis of the Ministry of Trade, Industry and Investment and has the responsibility for the quality of goods and services, which are subject to trade in Trinidad and Tobago with the exception of food, drugs, and cosmetics. On the other, the Chemistry Food and Drugs Division (CFDD) which is a department under the Ministry of Health and responsible for the administration of the Food and Drugs Act is tasked with the establishment and enforcement of standards for food, drugs, cosmetics and medical services.

The deficiencies in the operations of the CFDD, have led to costly delays and difficulties in accessing the local market. As such, the proposed changes to the current regime include:

- A Plan of Action for the establishment of standards for Food, Drugs and Cosmetics,

- A Plan of Action for the establishment and enforcement of standards in the areas of antibiotics, narcotic drugs and poisonous drugs given the unique needs of this segment of the pharmaceutical sector and its ability to directly affect public health;
- The Ministry of Health will also retain the Pesticides and Toxic Chemicals Inspectorate and the Laboratory Services of the Chemistry, Food and Drug Division;
- Capacity building activities; and
- A Plan of Action for the maintenance of standards for Food, Drugs and Cosmetics as well as the enforcement of the relevant Prohibitions defined currently under the Food and Drugs Act, Chap 30.01.
- The establishment of a cross ministerial team, involving the Ministry of Health and MTII to supervise the implementation of the changes

3.7 Objective 6: Mobilizing Resources to Finance the Needs of the Trade-Related Sectors

The continued successful integration of the domestic economy into the multilateral trading system necessitates not only increased market access but also complementary support to strengthen the trade-related infrastructure; diversify production and exports; increase domestic productivity and competitiveness at the firm, industry and aggregate levels; address structural deficiencies and improve the capacity to trade; as well promote technology and innovation development.

Despite its relatively high per capita income, the GORTT views development financing as playing an important role in addressing adjustment costs attendant to trade liberalization, as well as in improving productive and regulatory capacity. A combination of development finance and technical cooperation is also necessary to assist in implementing trade capacity building measures.

The consolidation of the country's Aid for Trade needs into a single coherent strategy document will provide a framework for structured dialogue with IDPs or investors who may have an interest supporting the development of the country's trade capacity.

Hence, the GORTT will also formulate an Aid-for-Trade⁴⁴ Strategy, which will identify production and trade related capacity building need, articulate the rationale for Aft and prioritize domestic Aft priorities and projects.

The Aft Strategy would also serve as a guide for international cooperating partners desirous of supporting Trinidad and Tobago's trade agenda. It is envisaged that the Strategy will outline projects and priorities necessary for, *inter alia* redressing supply-side constraints, modernizing key economic infrastructure, diversifying exports, enhancing competitiveness and trade facilitation, and expanding trade and improving the country's utilization of bilateral trade agreements.

Consequently, the GORTT will pursue development and technical cooperation arrangements and south-south Aid-for-Trade initiatives with selected countries with a view to eliciting resources to address supply-side constraints. In addition, when negotiating FTAs, Trinidad and Tobago will, where appropriate, seek to broaden its focus to include functional and development cooperation components geared at redressing supply side capacity constraints and improving all levels of trade-related infrastructure. Such functional cooperation with international developed partners and advanced developing countries will cover areas such as technology transfer, innovation, infrastructure development, competitiveness and institutional development.

⁴⁴ Aid for Trade is a subset of Official Development Assistance (ODA). In the broadest sense refers to the flow of development finance/aid from developed (and multilateral funding agencies) to developing countries for the purpose of enhancing their participation in the multilateral trading system.

The GORTT will enhance its collaboration with international organizations such as COMSEC, ITC, WTO, UNCTAD, WIPO in seeking technical assistance to build its trade capacity and advance its trade related agenda. Trinidad and Tobago Enhance will also promote regional cooperation at the level of CARICOM and with western hemispheric partners to enhance trade capacity (e.g. via promotion of joint trade related institutions).

3.8 Objective 7: Mainstreaming Trade Policy into the Wider Macro-Economic and Development Policy-Setting

Trade plays a central role in the economic development by improving the standard of living, generating employment, earning foreign exchange and raising domestic incomes. Hence, policy initiatives which seek to improve performance have increasingly been highlighted in Trinidad and Tobago's development planning. However, mainstreaming trade policy into the wider macro-economic and development policy-setting requires the cultivation of mutually reinforcing policies, across government departments, agencies, the private sector and the donor community. This will assist in creating the requisite inter-sectoral synergies and highlight the cross-cutting nature trade and the important role it plays in economic development.

Hence for the GORTT integrating national Trade Policy and Strategy into the strategic planning and policy-making processes is seen as a key tool for leveraging economic development. Efforts in this regard will be centered on infusing the Policy and Strategy, and the trade expansion it has the potential to deliver, into policy prescriptions geared at addressing national challenges such as poverty eradication, gender equity and employment generation, as well as achieving the MDGs. Success, however, also requires mainstreaming at the private sector, civil society, institutional and international cooperation levels.

Moving forward, in adjusting the current Policy and in formulating new policies and negotiating positions, the MTII will also institute mechanisms to accommodate stakeholders that, for various reasons including resources reasons are not adequately represented under the normal consultative channels. (TCC, SCBD, or via membership to private sector support bodies such as, TCSI, TTMA and TTCIC). This will include putting in place innovative mechanisms such as "online networks" and Specialist Sources (which act as a think tank along the lines of 'shaping tomorrow' foresighting networks)⁴⁵. Consultations moving forward will focus on increasing inter-Ministerial and sectoral dialogue to ensure that trade-related policy is integrated into the relevant sectoral development strategies and work programmes.

⁴⁵ Specialist sources would draw on the expertise as key resource persons to brainstorm on current issues and engage in forecasting. These would include retired nationals with expertise and experience in trade related issues, academicians, and entrepreneurs. This would complement and minimize the weaknesses of the traditional consultative approach that uses the TCC and private sector support organisations.

3.9 Objective 8: Regional and Hemispheric Integration and Cooperation

The integration process in which Trinidad and Tobago is currently engaged is reflective of the ‘*new regionalism*’ process, in that it is dominated by the classical features of reduction in trade barriers due to the implementation of GATT commitments and engagement in several bilateral trade agreements, openness to foreign investment and privatization⁴⁶. The creation of the CARICOM Single Market and Economy represents an avenue for overcoming the challenges presented by the small size, through the pooling of resources and increasing market size thereby facilitating a pragmatic approach to integrating into the global economy.

For the GORTT, instituting trade agreements and mainstreaming trade-related policies are seen as necessary precursors to the achievement of this desired production and export growth. To this end Trinidad and Tobago is party to a series of trade arrangements with the EU, Venezuela, the Dominican Republic, Colombia, Cuba, Costa Rica and Panama, and benefits from preferential agreements with the USA (CBI, CBPTA and CBERA) and Canada (CARIBCAN).

As a consequence, a significant proportion of the country’s exports are accorded duty-free access into the markets of its major trading partners, as well as strategic Western Hemispheric countries.

Securing a series of bilateral FTAs and Cooperation Agreements with Western Hemispheric, global trading partners and donor agencies can serve to enhance Trinidad and Tobago’s attractiveness for FDI thereby leveraging private sector development and future trade expansion.

⁴⁶ Rivera-Batiz and Oliva, *International Trade*, Oxford, 2003.

4. Implementation and Monitoring

Appendix II outlines an implementation plan for the Trade Policy and Strategy. The Appendix sets out the national policy objectives and the cross-cutting policy initiatives and projects geared towards achieving same; outlining the applicable implementation timelines, implementing Ministries or agencies and performance indicators. Annex III will be the primary tool for coordinating the implementation of the Trade Policy and Strategy as well as monitoring its performance.

Institutionally, the Ministry of Trade, Industry and Investment will have oversight and responsibility for implementation the Trade Policy and Strategy, particularly the projects, policy measures, legislation and trade negotiations and trade agreements emanating from the robust developmental and reform agenda foreshadowed. The Cabinet of Trinidad and Tobago will receive semi-annual reports from the MTII on progress made in implementing the Policy and Strategy.

The following agencies will each nominate a focal point for participation in a Trade Policy Implementation Committee (TPIC):

- MTII
- Ministry of Food Production
- Ministry of Planning and Development
- exporTT
- Trinidad and Tobago Bureau of Standards

- Economic Development Board
- Chemistry, Food and Drugs Division

The Committee will also contain membership from the private sector, private sector organizations, civil society and academia. This broad-based approach to management of implementation of the Policy is intended to facilitate sharing of responsibility among institutions and will enhance transparency and information sharing. The MTII will be the driver of the process and will therefore chair the Committee.

The TPIC will undertake the following activities –

- Support the development of projects and policies consistent with the priorities identified Chapter 3 and Annex III – the Implementation Plan and identifying sources of Aid for Trade resources;
- Identify the appropriate technical assistance resources and avenues for development cooperation;
- Maintain and share information that tracks the progress in implementation, particularly in policy instruments and initiatives; legislative enactment; investment growth; private sector development; and export expansion; and
- Review the Policy and Strategy periodically and recommend adjustments in light of changing circumstances.

The GORTT will seek to integrate the trade policy into national development planning. This is necessary since trade has played a central role in the country's economic development, acting as an engine for employment generation, foreign exchange earnings and raising domestic incomes. Hence, policy initiatives which seek to improve the country's export performance, increase investment in the non-energy sector and promote private sector development will be increasingly integrated into macro-economic policy-setting. The Trade Policy and Strategy will be a key tool for leveraging economic development; and the policy prescriptions advocated therein will complement economic policy measures as well as social programmes geared at addressing national challenges such as poverty alleviation, gender equity and reduction of unemployment.

Such efforts will not be limited to the policy development but extend to the institutional and international cooperation levels. The streamlining of institutions foreshadowed in this Policy is intended to create a functional framework for increased efficiency and cooperation across Ministries, government departments, agencies and institutions, as well as the private sector and the donor community so as to support implementation of the trade policy and the achievement of its development goals.

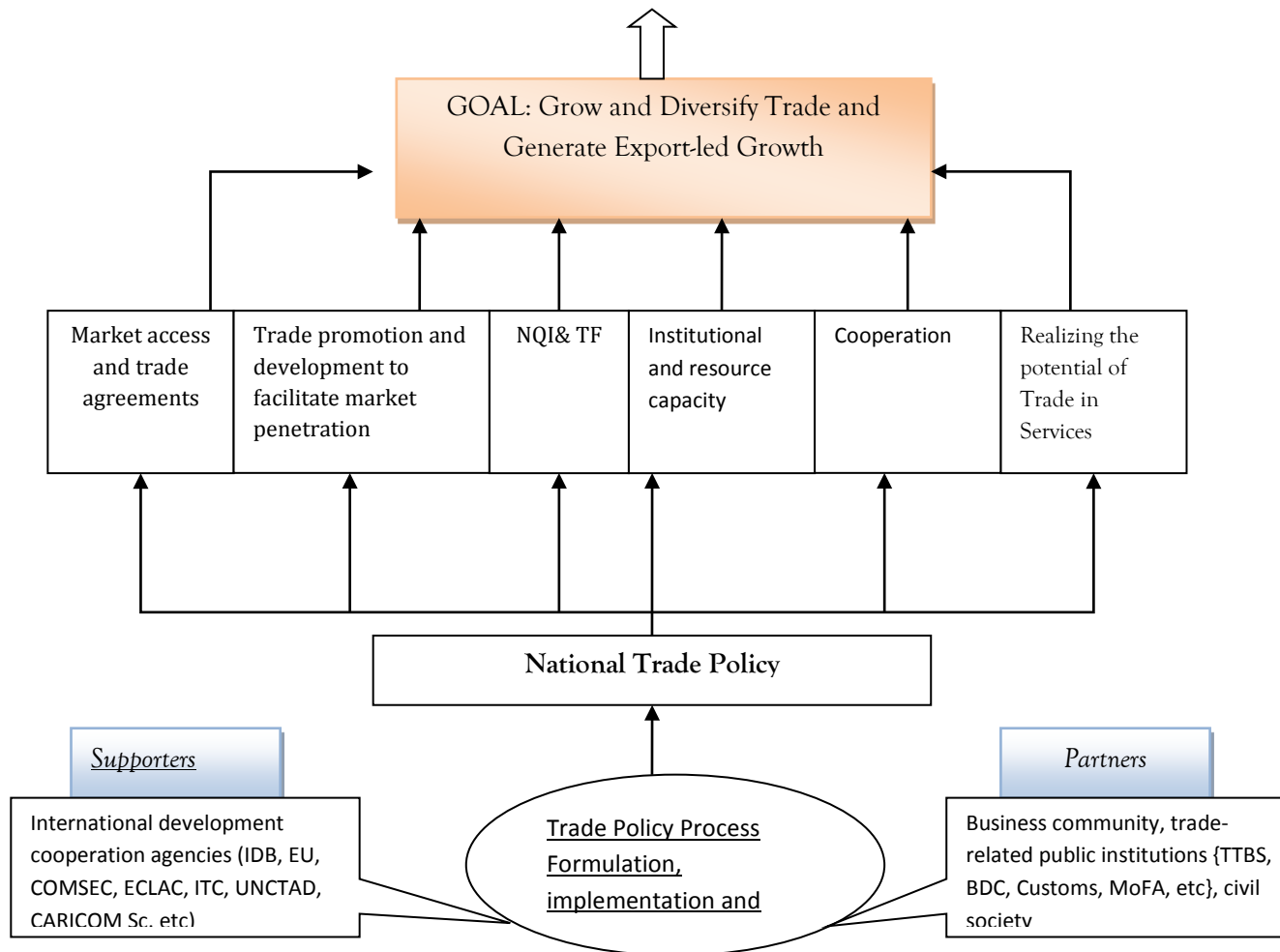
The initiatives outlined in the Trade Policy and Strategy financed by a combination of State resources, Aid for Trade resources, Development Cooperation and loans will involve the Ministry of Planning and

Development. It is envisaged that the Ministry of Planning and Development will be involved in the resource mobilization effort. The capacity of the MTII will also be enhanced to allow it to play a greater role in not only the technical design, implementation and monitoring of projects and programmes emanating from the Policy and Strategy, but also converting project ideas contained in Annex III to actual project proposals to be tabled for financing.

With regard to international development cooperation, the Policy and Strategy will be shared the Governments of all the country's major trading partners as well international development partners (IDPs), as part of a strategy of highlighting the nation's areas of focus for expanding and diversifying its exports. This however will be done within the framework of Trinidad and Tobago's external trade, development cooperation and foreign relations agenda. Bilateral meetings and CARICOM-wide Summits with Third States and groups of Countries will provide avenues for engaging strategy trading partners in dialogue on key elements of the country's trade-related policy.

A graphical illustration of the Framework for implementing the Trade Policy and Strategy of Trinidad and Tobago, 2013-2017 is depicted in Figure 2 on page 60.

Fig 2 - Framework for Implementing the Trade Policy and Strategy



Appendix I: List of Organisations Consulted

1. Agriculture Development Bank
2. Caribbean Feminist Research Association
3. Chemistry, Food and Drugs Division, Ministry of Health
4. Intellectual Property Office, Ministry of Legal Affairs
5. Ministry of Energy and Energy Industries
6. Ministry of Foreign Affairs
7. Representatives of the International Trade Negotiating Unit
8. Representatives of the Trinidad and Tobago Coalition of Services Industries;
9. Technical Staff of the Ministry of Trade, Industry and Investment
10. The Joint Consultative Council for the Contractors Association;
11. The South Chamber of Commerce
12. The Trinidad and Tobago Manufacturers' Association
13. Trinidad and Tobago Bureau of Standards
14. Trinidad and Tobago Chamber of Industry and Commerce
15. VEMCO Ltd., Diamond Ville Industrial Estate

Appendix II: Adjusted Logical Framework Matrix – Trinidad and Tobago Trade Policy

DEVELOPMENTAL OBJECTIVE: 1				
EXPANDING MARKET ACCESS FOR TRINIDAD AND TOBAGO GOODS AND SERVICES GLOBALLY AND REGIONALLY				
OUTCOME 1	Indicatorsⁱ	Means of Verification	Responsible Ministry/Agency	Assumptions
Increased exports of goods and services to traditional and non-traditional markets	Percentage share of exports: * by destination * to GDP * by sector Value of exports to traditional and non-traditional markets	Review of the Economy publication, Ministry of Finance & the Economy	MTII	Timely supply information by stakeholders Timely publication of data by national and international data providers
Outputs				
Project 1.1 Develop proposals to overcome trade-barriers faced by domestic exporters	No of proposals implemented for overcoming restrictions in targeted markets	Results of survey of exporters Records of database	Ministry of Trade Industry and Investment	
Project 1.2 Develop proposals for improving the domestic trade related policies, institutional and legislative framework	No of proposals for improving the domestic trade related policies, institutional and legislative framework	Organizational achievements reports and Gazette respectively	Ministry of Trade Industry and Investment Ministry of Foreign Affairs	
Project 1.3 Develop a National SPS Infrastructure Development Strategy	Strategy for National SPS Infrastructural Development	Sectorial Plans	Ministry of Food Production Ministry of Health Trinidad and Tobago Bureau of Standards Chemistry Food and Drug Division	
Project 1.4 Prepare a NQI Infrastructure Development Roadmap	Roadmap for NQI Development	Annual Work Programmes of TTBS	Trinidad and Tobago Bureau of Standards	

DEVELOPMENTAL OBJECTIVE 2				
SAFEGUARDING SENSITIVE PRODUCTIVE SECTORS				
OUTCOME 1	Indicators	Means of Verification	Responsible Ministry/Agency	Assumptions
Growth of exports from sensitive sectors	Percentage share of exports by sector Percentage share of exports to GDP	Review of the Economy publication, Ministry of Finance & the Economy		Timely supply of information by stakeholders Timely publication of data by national and international data providers
Outputs				
Project 2.1 Develop a strategy for treating with sectors for trade negotiations	No of strategies developed for trade negotiations by sectors	Negotiating briefs	Ministry of Trade Industry and Investment	
Project 2.2 Modernize national Standards infrastructure for testing and enforcement mechanisms.	No. of national standards and improvements in infrastructure for testing and enforcement	Work plans of TTBS, CFDD , and MFP	Trinidad and Tobago Bureau of Standards Chemistry Food and Drug Division Ministry of Food Production	
Project 2.3 Revise the national Antidumping and Countervailing Duties Regulations	Amended national antidumping regulations	Gazette and MTII website	Ministry of Trade, Industry and Investment	
Project 2.4 Develop Policy on Safeguard Legislation	National policy position developed on Safeguard application	Report on the application of Safeguard legislation	Ministry of Trade, Industry and Investment	
Project 2.5 Establish a Fair Trading Commission	Fair Trade Commissioners appointed and Commission became operational	Proclamation Notice	Ministry of Trade, Industry and Investment	

DEVELOPMENTAL OBJECTIVE 3				
INCREASING PRODUCTION, COMPETITIVENESS AND EXPORT OF HIGH VALUE GOODS AND SERVICES PARTICULARLY IN THE NON-ENERGY SECTOR				
OUTCOME 1	Indicators	Means of Verification	Responsible Ministry/Agency	Assumptions
Enhance production of value added for goods and services	Quantitative improvements in value added outputs for targeted sectors	CSO Reports		Timely supply of information by stakeholders Timely publication of data by national and international data providers
Outputs				
Project 3.1 Develop proposals for customs procedure and legislative harmonization	No of proposals for customs procedures and legislative harmonization implemented	Administrative Reform documents and Budget Speech Gazette	Customs and Excise Division	
Project 3.3 Develop a National Export Strategy	No of Action Plans and Programmes in the Strategy implemented	National Export Strategy	Ministry of Trade, Industry and Investment	
Project 3.4 Develop a strategy to grow exports and to increase competitiveness amongst domestic exporters.	No of improvements identified in domestic firms	Achievement Reports of exporTT	exporTT	
Project 3.5 Develop a R&D and Innovation Mainstreaming Action Plan	No of measures contained in R&D and Innovation Mainstreaming Action Plan	National Framework documents)	Ministry of Planning & Sustainable Development	4QTR2017
Project 3.6 Develop trade negotiating strategy for Energy Services	No of Strategies implemented for increasing the contribution of energy exports to GDP		Ministry of Energy and Energy Affairs	4QTR2013

DEVELOPMENTAL OBJECTIVE 4 and 5				
IMPROVING THE BUSINESS AND TRADE – ENABLING ENVIRONMENT STRENGTHENING THE INSTITUTIONAL FRAMEWORK FOR TRADE				
OUTCOME 1	Indicators	Means of Verification	Responsible Agency	Assumptions
Improve services provided to businesses by Government institutions	% change in services provided to businesses by Government institutions	Ease of Doing Business Report		Timely publication of data by national and international data providers
Outputs				
Project 1.1 Integration of TTBizLink and Customs Border Control System	TTBizLink and Customs Border Control System integrated Reduced time taken in the conduct of customs transactions	Publication of Administrative Notices from MTII and the Customs and Excise Division World Bank Ease of Doing Business Report	Ministry of Trade, Industry and Investment Customs and Excise Division	
Project 1.2 Review and modernize national trade and commercial laws and related administrative procedure, including intellectual property rights	No of completed policy positions to guide the development of legislation	Legislative and Administrative Review and Recommendations	Ministry of Trade, Industry and Investment Ministry Legal Affairs CPC and Attorney General's Office	

DEVELOPMENT OBJECTIVE 6 & 8				
MOBILIZING RESOURCES TO FINANCE THE NEEDS OF THE TRADE RELATED SECTORS REGIONAL AND HEMISPHERIC INTEGRATION AND COOPERATION				
OUTCOME 1	Indicators	Means of Verification	Responsible Agency	Assumptions
Enhanced application of technical cooperation to trade related needs.	Percentage change in ODA inflows	Published OECD Aft Statistics, OECD Website UNCTAD, World Investment Report		Trinidad and Tobago respective stakeholders supply information in a timely manner to international organisations Timely publication of data by national and international data providers
Outputs				
Project 1.1 Develop a national Aft Strategy	Aid for Trade Strategy developed and implemented	National Aft Strategy Report	Ministry of Trade, Industry and Investment	
DEVELOPMENT OBJECTIVE 7				
MAINSTREAMING TRADE POLICY INTO THE WIDER MACRO-ECONOMIC AND DEVELOPMENT POLICY-SETTING				
OUTCOME 1	Indicators	Means of Verification	Responsible Ministry/Agency	Assumptions
Integrating public, private partnership for improving economic development.	Human Development Index Ranking	International Human Development Indicators		Timely supply of information by stakeholders Timely publication of data by national and international data providers
Outputs				
Project 7.1 Formulate policy for improving the standard of living, generating employment earning foreign exchange and raising domestic incomes.	Policy for improving the standard of living, generating employment earning foreign exchange and raising domestic incomes completed	National Policy Framework	Ministry of Planning & Sustainable Development	

¹Selected indicators are measurable to facilitate comparisons in performance over time

MINISTRY OF TRADE, INDUSTRY, INVESTMENT AND COMMUNICATIONS

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