



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

TTGPA 5th Annual Breakfast with Professionals

“Diversification and Confidence for Trinidad and Tobago”

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FEATURE ADDRESS

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MINISTRY OF TRADE AND INDUSTRY
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Good morning.

Over the years, Trinidad and Tobago's economy has experienced negative external shocks impacting the energy industry, with oil prices plummeting as low as US\$27 dollars per barrel in 2016. In an effort to chart a way forward toward economic prosperity, the Government developed the National Development Strategy (2016-2030) more commonly known as Vision 2030, which clearly articulates Government's plans to restore economic stability and ensure prosperity for all.

Guided by this strategy, there is progress towards achieving economic stability. Overall economic growth for 2018 is forecast to be 1.9% (IMF), 1.6% (S&P) and 1.5-1.8% (Ministry of Finance). Additionally, growth projections for 2019 and 2020 are 2.2% and 2.9% respectively, across the energy and non-energy sectors.

There is still work to be done. Our efforts in diversification, must be targeted, effective and able to create the necessary impetus for growth and employment. It is therefore timely and very relevant that the Trinidad and Tobago Group of Professional Associations Limited (TTGPA) has taken the initiative to organize this breakfast meeting to discuss these issues, which are on the minds of everyone and applicable to every citizen.

As the lead Ministry for the non-energy sector, the Ministry of Trade and Industry has responsibility for the expansion of the manufacturing sector, the maritime sector and the creative industries, and also to provide support in the development of other segments of the economy.

Manufacturing Sector

Several initiatives are being pursued to facilitate the expansion and increased competitiveness of the manufacturing sector, including:

- The introduction of a **Grant Fund Facility** in the amount of TT\$25 Mn to (a) facilitate the acquisition of machinery and equipment by export oriented small and medium sized local manufacturers; (b) assist locally-based firms to become global; and (c) encourage greater investment by existing private sector companies in manufacturing and agro processing.

- An enhanced **Research and Development Facility (RDF)** which offers tiered funding for firms, through exporTT, to stimulate innovation and use of technology in the non-energy sector. The new Facility provides up to a maximum of US\$1 million per applicant.
- A US\$ 100 Mn **foreign exchange facility** to assist export oriented manufacturers to secure foreign exchange to purchase raw materials. Small and medium-sized manufacturers with a lower level of export production, but who have a feasible export plan will also be favourably considered.
- The Minister of Finance is also advancing a **new Business Development Fund** for small locally-owned businesses, with each applicant able to access as much as TT \$100,000 in grant funding.

The Government understands that quality is critical to competitiveness and is committed to create an environment where non-energy exports can surpass regional and international competitors. This objective is being met through the implementation of a new **National Quality Policy** geared towards improving Trinidad and Tobago's Quality Infrastructure by developing the human capital, physical infrastructure, governance arrangements, and implementing of legal reforms.

Maritime Services Sector

The Maritime services sector is also prioritised for diversification. Particular focus is being placed on:

1. Ship Repair and Dry Docking
2. Transshipment and Cold Stacking; and
3. Leisure marine or Yachting

Creative Industries

The creative industries also have unbridled potential. The Inter-American Development Bank (IDB) reports that in 2015, more than \$124 billion in revenue was generated and employment provided to more than 1.9 million people in the Latin American and Caribbean region in this sector. These industries comprise the dynamic sectors of Film, Music and Fashion are part of the MTI's diversification thrust.

1. Film

The Trinidad and Tobago Film Company Limited (FilmTT) has recently completed a strategic plan to develop a viable, profitable and sustainable film and audio-visual industry over the next 5 years. Some of the projects being pursued under the strategic plan include:

- a. Marketing Trinidad and Tobago as a globally attractive Caribbean production location;
- b. A World Class Film Skills Training and Certification Programme; and
- c. A revised Film Production and Expenditure Rebate Programme.

2. Music

MusicTT has identified live music as a fundamental pillar of the global music industry. The City of Port of Spain currently serves as the geographic space for the pilot phase of the Live Music District. When fully implemented, the project is expected to increase tourism, generate revenue, and job opportunities.

In order to build capacity, MusicTT is also implementing an Artiste Portfolio Development Programme aimed at creating a strong, balanced portfolio of artistes whose music will be readied for commercialization and international export.

3. Fashion

As it relates to the fashion industry – FashionTT has embarked on a few capacity building projects such as:

- the Fashion Value Chain Investment Programme: which focuses on the business elements of designers’ value chain, better positioning them to execute business plans, export and compete on the international market.
- a one-year Certificate Programme in Bespoke Tailoring, Pattern Drafting, Cutting and Fitting facilitated at the Metal Industries Company’s Macoya Campus.
- FashionTT is also collaborating with the University of Trinidad and Tobago (UTT) to establish a Local Garment Production Facility, to assist in increasing local production capacity.

Tourism Sector

The initiatives being undertaken for the growth of the Creative Industries will undoubtedly place Trinidad and Tobago in a position to further tap into the global tourism market which is worth over US\$8 trillion and employs approximately 10% of the global population (World Travel and Tourism Council).

As part of its tourism developmental goals, the Ministry of Tourism, launched its first tourism mobile application in 2017 – GoTrinBago, and created the LIME 365 calendar of events that positions Trinidad and Tobago as a destination with daily offerings year round. Additionally, the enhancement of ANR International Airport is a key initiative in supporting tourism development in Tobago and Trinidad.

There are plans for major upgrades to sites and attractions, an increase in the room stock and the introduction of two five star hotels – all of which aim to ensure that Trinidad and Tobago is one of the most sought after destinations in the Caribbean.

Confidence in T&T

It is well known that investor confidence is inextricably linked to the business and investment climate. Data published by the Central Bank of Trinidad and Tobago in its Monetary Policy Report reflect stronger business confidence.

To maintain this momentum of increased business confidence the Ministry of Trade and Industry is rolling out several projects that will not only improve the ease of doing business but also increase and retain steady streams of quality foreign direct investment required to restore economic prosperity, including:

1. Creating Economic Spaces in which investors can operate;
2. A new Framework for the Approval and Facilitation of Investments in the Non-energy sector;
3. Implementation plan for Measures to Improve the Ease of Doing Business; and
4. Strengthening and expansion of the Single Electronic Window for Trade and Business Facilitation – TTBizLink.

The Government has listened to those seeking economic spaces. To this end, the Ministry through eTeCK is developing several industrial parks across the country. Just last week, a Memorandum of Understanding was signed between eTeCK and the Beijing Construction Engineering Group to develop a state of the art industrial estate at Phoenix Park, California.

Last month, the sod was turned to officially commence work on the Moruga Agro-Processing and Light Industrial Park. This Park will occupy approximately eighteen (18) acres of land and comprise eighteen (18) lots of varying sizes and five (5) factory shells. There is potential for processing Moruga hill rice, cassava and other root crops, fish, pineapple and other fruits, cocoa, hot peppers and lumber products. Already, agro-processors in some of these areas have expressed interest in the Park.

Cabinet also approved a new framework for the approval and facilitation of investments in the non-energy sector designed to improve investment facilitation and reduce the bureaucracy faced by current and potential investors. An inter-Ministerial Committee established in 2017 has since facilitated eight (8) investment projects totaling approximately US\$85 million, with the potential to create an estimated 1,300 jobs, in sectors such as information and communications technology (ICT) services, business process outsourcing, food and beverage, manufacturing, and distribution.

While these initiatives aim to promote Trinidad and Tobago as a leading investment destination, there are indications that this country is already well positioned as a hub for regional headquartering and back office operations for multinational corporations. For example:

- BHP Billiton moved its accounting functions from Houston to Trinidad;
- Scotiabank consolidated its customer service operations; and
- The establishment of the UNICOMER's Regional Head Office in Freeport.

In respect of measures to improve the ease of doing business, reforms have begun of a robust package of administrative and legislative reforms. These include:

- a. Improving access to credit;
- b. Improving the efficiency when trading a cross borders; and
- c. Making it easier to start a business.

As it relates to the strengthening and expansion of TTBizLink, the Government, in April 2016, entered into a US\$25 million loan agreement with the Inter-American Development Bank for strengthening and expanding TTBizLink. Several consultancies are ongoing many of which will have direct impact on the ease of doing business and investment facilitation, in particular:

- the recently launched *Automated Construction Permit System*. This system will be developed and implemented to reduce the administrative burden for obtaining construction permits.
- *Consultancy for advisory services to assist in the implementation of an Electronic Funds Transfer Framework* which will give effect to electronic payments.

We have made progress in improving the services offered through TTBizLink, this includes:

- Full utilization of the e-Work Permits Module which allows for the application and processing of individual work permits to be done completely online; and
- full utilization of the e-Permits and Licences Module by the Plant Quarantine Division of the Ministry of Agriculture, Land and Fisheries.

These are some key initiatives of the Government to promote diversification and restore confidence in our economy. However, we must be mindful that the achievement of such an outcome can only be made possible through the collaborative effort and commitment by the private sector. I therefore commend the TTGPA for doing its part by hosting such an important event; I wish you all a fruitful meeting as we work together to restore economic prosperity to our nation.

I thank you.