



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

Budget Presentation- Fiscal 2019

.....

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

.....

08TH OCTOBER, 2018

DOMESTIC OVERVIEW

Madam Speaker, since coming to office in late 2015, this Government has demonstrated both **prudence** and **decisiveness** under the astute leadership of the honourable Prime Minister Dr. Keith Rowley. We adopted a fiscal stance that has stemmed the tide and turned around the economy and for this we must thank our Minister of Finance. **NOW IS THE TIME** for us to move forward to expand and transform the economy into a more sustainable one.

NOW IS THE TIME to redouble our efforts towards economic growth and a comfortable living for all - a society which is fair and just.

I wish to thank the business community for their support to the Government (through the Chambers) for the very difficult decision which we faced and which we took regarding PETROTRIN.

Our economic challenges of the last few years are well-known:

- **Taxes from oil companies** declined from TT\$25 billion in 2008 to TT\$0.472 billion in 2017 – a 98% decline.
- **Energy sector revenues, taxes and royalties** dropped from TT\$15.7 billion in 2010 to TT\$2.1 billion in 2017 – an 87% decline.
- **Transfers and subsidies** increased from TT\$17 billion in 2007 to TT\$27.8 billion in 2016 – a 64% increase.
- Despite these challenges and in light of the urgent need to return this country to fiscal responsibility, we have done just that; leaving our macro-economic fundamentals in place.
- Since Fiscal 2015, we have been able to reduce Government Expenditure from **TT\$62.8 billion** to **TT\$48.80 billion** in Fiscal 2018.

Years	Tot Govt Exp TT \$Bn
2010	46.70
2015	62.8
2016	52.90
2017	49.12
2018p	48.80
2019	51.77

ECONOMIC PERFORMANCE

- Economy projected to grow in real terms by **1.9%** in 2018 (up from negative growth of -**1.9%** in 2017); **1.9%** in 2019 and **2.1%** in 2021
- Headline inflation fell to historic lows of **1.9%** in 2017 from **3.1%** in 2016
- Productivity of all workers in all industries in Trinidad and Tobago rose by **1.8%** in fiscal 2017; reversing the **5.0%** decline recorded in fiscal 2016
- Trinidad and Tobago is currently assigned **Credit Ratings of investment grade** by S&P (**BBB+/A-2**) and CariCRIS (**CariAA+** and **ttAAA**)
- The Current Account recorded a substantial **surplus of US\$1,979.6 million in 2017** moving from a deficit of **US\$670.1 million** in 2016, as energy exports rebounded in the latter half of 2017 and the value of goods imported declined
- As at August 2018, Gross Official Reserves amounted to **US\$7.6 Billion** or **8.3 months** of import cover
- The Net Asset Value of the Trinidad and Tobago HSF stood at **US\$5.9 Billion** as at September 21, 2018, a 3.9% increase from the **US\$5.7 Billion** recorded a year ago.

DIVERSIFICATION

THE MANUFACTURING SECTOR

- Madam Speaker, I now turn to The Manufacturing sector. According to the **Page 80 of the 2018 Review of the Economy (RoE)**, the overall percentage growth of the Manufacturing sector was **7.3%** over 2017. The Sector contributed **TT \$32.05 Billion (or 20%)** to the overall GDP of Trinidad and Tobago.

- The source of this data is the Central Statistical Office and the presentation and categorization of the data - the same as last year.
These are the facts!!

- “Manufacturing” is broken down into:
 - i. Food, beverages and tobacco products (which grew by **5.62%**);
 - ii. Textiles, clothing, leather, wood, paper and printing (which grew by **1.46%**);
 - iii. Petroleum and chemical products (which grew by **9%**); and
 - iv. Other manufactured products declined by TT \$100 Million or (**6%**).

- The overall growth is encouraging and in the petrochemical sector, we are pleased for the increased output on account of natural gas availability.

- Even in this category we have asked for a breakdown as we believe there to be some overlap of traditional manufacturing eg. electrical items.

- Another reason to be hopeful - demand has been down, here on account of the recessionary period and also in the Region - it has been a global recession - few have escaped - **so the increase, it is believed is from exports.**

- In support of the above,

Selected Areas of Growth in Manufacturing for 2018

Products	% Change 2017 vs 2018
Manufacture of malt liquors and malt; and manufacture of soft drinks; production of mineral waters and other bottled waters	20.30%
Manufacture of bakery products	13.39%
Manufacture of chemicals and chemical products	12.09%
Manufacture of chemicals and chemical products	11.60%
Manufacture of grain mill products, starches and starch products; and manufacture of prepared animal feeds	8.16%
Manufacture of basic metals and fabricated metal products, except machinery and equipment	7.62%
Processing and preserving of fruits and vegetables; processing vegetable and animal oils and fats	5.82%
Manufacture of basic pharmaceutical products and pharmaceutical preparations	3.46%
Processing and preserving of meat	2.67%
Manufacture of textiles, wearing apparel, leather and related products	2.31%
Distilling, rectifying and blending of spirits; manufacture of wines	0.58%
Manufacture of electrical equipment	0.42%
Manufacture of wood and paper products; printing and reproduction of recorded media	0.25%

Source: CSO

TRADE PERFORMANCE

Looking at our export figures:-

- Estimates from the Central Statistical Office show that total exports (energy and non-energy) increased from \$50.91 Billion TTD in 2016 to \$62.02 Billion TTD in 2017, **a rise of \$11.11 Billion TTD (21.8%)**.
- There was also an increase in **non-energy exports**, a growth of **\$3.35 Billion TTD (25.9%)**, going from **\$12.91 Billion TTD** in 2016 to **\$16.26 Billion TTD** in 2017.

The table below highlights key estimates for total exports, non-energy exports, the trade balance and the non-energy trade balance.

	2016 (TT\$ Billion)	2017 (TT\$ Billion)	% Change
Total Exports Increased	50.91	62.02	21.82
Total Imports Declined	53.7	46.78	-12.88
Trade Balance SURPLUS	-2.79	15.23	645.51
Non-Energy Exports Increased	12.91	16.26	25.94
Non-Energy Imports Decreased (appetite for food/cars/etc)	39.56	35.26	-10.88
Non-Energy Trade Deficit	-26.65	-19	28.71

Source: Central Statistical Office

- NON-ENERGY DEFICIT lessened by 28%.

UP TO DATE FIGURES

- Madam Speaker, during the period Jan – Sept 2018 vs January-December 2017, we have seen significant increases in our non-energy exports in several major markets.

	Country Name	Jan - Sept 2017 (TT\$)	Jan - Sept 2018 (TT\$)	% Change
1.	United States	\$2,210,113,321	\$3,181,380,664	43.95%
2.	CARICOM	\$2,203,933,433	\$2,324,375,155	5.46 %
3.	Costa Rica	\$2,654,204	\$3,573,893	34.65 %
4.	Colombia	\$12,464,000	\$12,787,802	2.60 %
5	Canada	\$27,293,280	\$29,038,658	6.39 %

- *So Madam Speaker, the fact remains that we have seen improvements in just three (3) short years.*
 - *Minister of Finance said we are doing it our way. Question is, what are we doing differently? How did we achieve this?*
 - *PRODUCTS (Insert)*
1. This Government's excellent working relationship with manufacturers through the TTMA. It's a solid partnership and the MTI understands its role of Facilitation.
 2. Providing appropriate Incentives/Allowances
 - a. Fiscal Incentives
 - b. Import Duty Concessions - on raw materials, machinery and equipment, packaging material.
 - c. Promotional Expenses Allowance
 - d. Capital Expenses Allowance
 - e. Depreciation allowances on machinery and equipment

3. Services by exporTT whose mission is to develop a sustainable and diversified export sector with a focus on increasing non-energy exports, and increasing the number of exporters, and this involves working with new/small exporters.

exporTT Co-Financing Services are geared towards new exporters

- This Co-Financing Service is designed to offset the costs of certain export related activities that companies may incur while penetrating or expanding in export markets.
- Export related activities that can be co-financed include Trade Show attendance and Booth Rental, Shipping of Samples, product testing, company and brand Registration in overseas markets, international capacity building workshop attendance and translation fees.
- The value of the Co-Financing was initially TT \$15,000 per company but has since been increased to TT \$20,000 per company.
- For 2018, some 25 companies have benefitted.

4. Trade Missions

The Ministry of Trade and Industry (MTI) adopted an aggressive programme to support, attend and host trade missions. Since coming into office, the MTI has supported and participated in ***fifteen (15) trade missions to twelve (12) markets with over one hundred (100) participating companies*** in the non-energy sector.

Some of the trade missions are:

- Costa Rica
- Panama
- Jamaica
- Guyana
- Colombia
- Dominican Republic
- Cuba
- other markets to be explored in 2018 are Haiti and Canada

This is apart from missions by the TT Chamber.

The success is in the numbers.

The focus again must be on new markets - extra regional markets - the Latin American market.

(b) Trade Agreements

Madam Speaker you would recall that in 2017, the MTI, on the authorisation of Cabinet, established with the Government of Chile a working group to facilitate exploratory discussions towards a Partial Scope Trade Agreement. I am pleased to say that both parties have concluded exploratory discussions and will now proceed to negotiate. We will work to achieve this soonest.

We are implementing the Panama Partial Scope Agreement and reviewing Guatemala and El Salvador.

5. The Grant Fund Facility (GFF)

- TT \$25 Million Grant Fund Facility (GFF) was launched in November 2017 and provides financing up to a maximum of TT \$250,000 per applicant.
- GFF is aimed at supporting SMEs, export-oriented entrepreneurs and import substitution-gearred businesses for the acquisition of machinery and equipment.
- The priority sectors targeted include cocoa, coffee and chocolate processing, aquaculture, local beverages, and wood and furniture works.
- **To date, two (2) applications under this Facility have been approved and six (6) are currently being processed. A total of approximately TT \$351,377.88 have been disbursed from the Facility thus far.**

6. FOCUS ON RESEARCH, DEVELOPMENT AND INNOVATION

Madam Speaker, Theme IV of the Vision 2030 National Development Strategy (NDS) recognizes the importance of developing globally competitive businesses. To be competitive businesses must invest significantly in Research and Development activities and work towards developing innovative products.

Revised Research and Development Facility (RDF)

- The enhanced RDF (under exporTT) was approved in October 2017.
- Grants up to a maximum of TT\$1 Million per beneficiary in the non-energy sector - in particular manufacturing and services.
- The aim is to stimulate and support investment in new and advanced technology and innovation as a competitiveness enhancement tool.
- These firms must develop innovative products, processes, systems and services.
- To date, three (3) applications were approved totaling **TT \$787,500** whilst five (5) are being processed.

Madam Speaker, some of the above-mentioned programmes have already started to bear fruit. A series of new and innovative products have already been developed in Trinidad and Tobago some of which have achieved a high level of success in recognized export markets while others have won awards internationally. Such products include **Chai Rum (innovative), Dark Chocolates (Harrods of London), Twigs Naturals Tea (Global Tea Championships 2017 – 2nd and 3rd Place in different categories), Moruga Hill Rice and Sweet Potato Fries.**

7. Foreign Exchange Facility – EXIM Bank Ltd

- The Government is cognizant of the challenges experienced by manufacturers in accessing foreign currency especially US dollars. As such, in response to this challenge the Government launched a Foreign Exchange Facility via the EXIM Bank Ltd. in May 2018 with a capitalization of US \$100 Million in the first instance.
- This facility is now in full operation, and will provide support to small and medium sized manufacturers in particular.

8. Incremental Foreign Exchange Earnings Tax Credit

- In the last Budget, we would have announced an Export Allowance for Manufacturers. There would have been collaboration with the TTMA who proposed this new format which has been accepted by the Government.

- The Incremental Foreign Exchange Tax Credit will be implemented in Fiscal 2019 subject to the appropriate legislation being put in place. **The tax credit is to be applied on incremental exports only, to the previous year.**

- We have given manufacturers what they have asked for.

- This will boost exports and enhance foreign exchange earnings, and will be compatible with Trinidad and Tobago's multilateral World Trade Organization (WTO) commitments.

- Approved industries include those in:
 - Agriculture and Agro-processing
 - Food and Beverage
 - Other non-energy and non-petrochemical industries as approved by the Minister of Trade.

Madam Speaker, the question sometimes is what products/industries should be ventured into.

The Alutech Project

- **Madam Speaker, on Wednesday last week this Government launched yet another major project the Alutech facility which is a manufacturing plant to produce aluminium wheel rims from imported ingots.** This launch represents a defining moment in the development of the downstream Aluminum industry in Trinidad and Tobago and is really a continuation of the journey that commenced in 2005, but was purposely derailed by those on the other side.
- You will recall that construction of this particular plant began under a PNM Government in 2009 and the objective was to revolutionize the downstream aluminium production using new technology and enhancing T&T's competitiveness in the industry.
- However, May 2010, when we demitted office, construction came to a complete halt with no activity over the period 2010-2015.
- Now what could ever have been the reason for this? Did you review the plans? What?
- As a consequence, the customized building remained unfinished and the opportunities for foreign investment and export business were lost and substantial already secured valuable manufacturing equipment, left idle. It is the taxpayer who bore the cost for works completed as well as termination costs to the then contractor, Carillon Limited.
- In termination fees alone - the taxpayers lost TT \$ 20 Million.
- It is this Government's commitment and resolve to complete this facility.
- In mid-2016, the Standing Committee on Energy under the Chairmanship of the Honourable Prime Minister did an extensive review of the downstream aluminium project, among others and Cabinet took the decision to move ahead with the project.
- In January, eTecK engaged the services of KS&P Ltd, a local civil and structural engineering firm to :
 - (i) Review the construction drawings and specifications of the facility to ensure that the designs meet Alutech Limited's requirements;

(ii) conduct analyses of existing structural and services design for compliance with new codes; and

(iii) prepare an engineer's estimate with a detailed report to show the derived estimated cost for completing the building facility

- Fortunately the existing structure of the Alutech Facility was found to be in generally satisfactory condition with some restoration works needed in particular areas. However no major discrepancies were noted to its main structure.

- Now Madam Speaker - this facility is actually the first industry occupant at Tamana InTech Park. As you know they stopped that too! As a result, business formerly earmarked have gone to other countries. As a result industry lost out on significant business opportunities.

- Madam Speaker, as you may be aware the value of the global Aluminum industry is projected to be worth around US \$200 Billion by the year 2022.

- The Alutech Project is a joint-venture company between Sural Canada Inc. and National Energy Corporation (NEC) of Trinidad and Tobago Limited. The Project will comprise a Wheel Plant Facility at Tamana Industrial Park, a Cable and Wire Plant and an Aluminium Flats Plant both of which are to be located at Union Estate, La Brea.

- The Wheel Plant Facility will be housed in a 70,000 square foot building which will be constructed and owned by eTecK at the Tamana Industrial Park and leased to Alutech. The Wheel Plant is expected to be operation in 18 months. It will produce up to 400,000 (light vehicle and forged truck) wheels at full capacity, as well as, alloy billets for export.

- Madam Speaker, the Wheel Project will be a significant generator of foreign exchange. The project is estimated **to generate US \$1.2 Billion** in export earnings over the next 20 years.

- Just think of the lost revenues and foreign exchange earnings had this project been continued in 2010.

- The project will create about **100 direct jobs and more than 500 indirect jobs**.
- The S.C.G (Caribbean) Group Limited, a subsidiary of the Shanghai Construction Group, has been awarded the contract to construct the Alutech Facility at an estimated cost of just over TT \$87 million. eTecK has secured a fixed rate loan facility of TT \$87 million from ScotiaBank. The project is to be completed within 443 days; however, we remain anxious for an earlier completion date. The contractor will utilize 60% local labour, including local subcontractors, and bring benefits to the people of Wallerfield and environs from the start of construction.
- The development of the Facility is timely as it dovetails well with the Government's infrastructural development agenda for the East-West corridor, which includes:
 - the Curepe Interchange
 - the Valencia to Toco Highway, which is now moving to the construction phase, and;
 - the Churchill Roosevelt Highway Extension to Sangre Grande which is being constructed in three phases.
- The Arima Hospital is scheduled for completion in July 2019 and the new Sangre Grande Hospital is scheduled to begin construction in 2019.
- Madam Speaker, these are all strategic development initiatives targeted ultimately at improving the well-being of the people of the East - West Corridor, in particular.
- The proposals for the other projects in this sector are a Cable and Wire Plant and the Aluminum Flats Plant which are in the advanced stages of project development. Further information on these projects will be disseminated as the projects progress.
- **These two (2) projects are expected to create 1,000 direct and 3,000 indirect job combined when they are fully operational.**
- What is the potential for the industry?
 - Its use in several industries including Transport, Building and Construction, Electrical Engineering, Consumer Goods, Foil and Packaging and Machinery and Equipment.

- Madam Speaker - this is Diversification.

NEW ECONOMIC SPACES TO SUPPORT MANUFACTURING

You had announced some 7 parks formerly in UNC areas - nothing ever became of these

Phoenix Park Industrial Estate

Madam Speaker, to satisfy the ongoing demand for new economic spaces, the Government is proceeding to develop an Industrial Estate at Phoenix Park on which work is expected to commence in January 2019 for completion twelve months later. This project cost US \$104 Million which will be sourced through a concession loan facility with the CHinese EximBank. This new Industrial Estate is proposed for an area spanning 133 acres with plots ranging in size between 0.8 and 1.3 acres (or 3,237 and 5,261 square meters). The targeted areas of business are high value and light manufacturing, warehousing and distribution, emerging industries including electronic technology and biotechnology. Initially, the new estate will also contain five (5) factory shells 5,000 square meters each in size. Madam Speaker this is to be a state of the art, modern park with distinguishing features for environmental protection, energy savings and functional and aesthetical value.

In June this year, eTeCK signed a Memorandum of Understanding with Beijing Construction Engineering Group (BCEG) to develop the Phoenix Park Industrial Estate. Under the current engagement, BCEG will be required to guarantee the operations of at least ten (10) Chinese firms. Interest has been shown in the following:

- Unmanned Aerial Vehicle manufacturer
- Glass powder manufacturing facility
- Air conditioner manufacturing facility
- Paper converting operation
- Ceramic manufacturing facility
- Wood processing facility
- Communication equipment facility
- Building materials facility
- Integrated housing manufacturing facility
- Food processing facility

BCEG will source 60% local labour and purchase at least 50% of the building materials in Trinidad and Tobago.

This initiative is a direct result of the visit by the Honourable Prime Minister and his delegation to China and is a feature of the Chinese Government's Belt and Road Initiative (BRI), which aims to promote increased market integration and economic co-operation in strategic countries and regions across the globe. As it is, Chinese investors are actively seeking to enter or expand their interest in the Latin American and Caribbean market. **The GORTT is committed to making Trinidad and Tobago the gateway for China to South and Central America.** As such the new Phoenix Park Industrial Estate can be positioned to facilitate China's expansion into Latin America and the Caribbean.

Net Present Value of Phoenix Park Industrial Estate

Madam Speaker, this is a major capital investment and it's expected annual inflows are substantial. Based on our conservative estimates, this will be a profitable and successful project bringing employment opportunities to the people of Pointe-a-Pierre, San fernando, Plaisance Park and Claxton Bay. 1000 jobs are to be created during the construction period and when fully operational, more than 4500 jobs.

Project update:

- Loan Application in;
- Feasibility study prepared; and
- Negotiation of the Commercial Agreement will begin in mid-October. This Park will be completed by December 2019.

Moruga Agro-Processing & Light Industrial Park

Madam President, the MTI through eTeck, commenced the construction of the Moruga Agro-Processing and Light Industrial Park in May 2018 and it is projected that this project **will be completed in May 2019.**

The Park will occupy approximately eighteen (18) acres of land and comprise five (5) factory shells with potential for processing Moruga Hill rice, cassava and other root crops, fish, pineapple and other fruits, cocoa, hot peppers and lumber products.

This initiative is a component of a wider national policy which prioritizes the creation of a strong, modern, prosperous and competitive agriculture sector and the improvement of the nation's food security. It is estimated that the total expenditure on the Project will be approximately TT \$77,646,937.

Comments by Member for Oropouche West

- Why build this Park?
- The Member saw no value in conducting light manufacturing and agro-processing activities.
- The member accused this Government of giving this construction contract to “friends” implying that there was no transparent process.
- Trade Missons

Obviously, Oropouche West sees no value in manufacturing and agro-processing and does not want to see the people of Moruga progress.

- Has no idea of development and developing all of Trinidad and Tobago
- Does not wish to attend to the needs of all.

Madam Speaker let me assure this Honourable House of a meticulous approach to this project including a Master Plan already completed and which involved a consultation process with farmers and residents of Moruga and environs.

There was a transparent tendering process for the selection of a contractor with some 12 proposals received. After compliance checks and the technical evaluation, the contract was awarded to Ruscon Limited - which has 30 years experience in steel design and fabrication and engineering and who have completed several construction projects.

False accusations by the Member for Oropouche West - No basis for your opinions and allegations. Very disappointing.

When a former PNM Government took the decision to develop the petrochemical industry, they could have put it on the East-West Corridor or in La Brea, a strong PNM Constituency - but we decided on Point Lisas - hence the prosperity of Couva nad Chaguanas. So give Moruga a chance!

THE FURTHER DEVELOPMENT OF THE MARITIME SECTOR

Currently, there are 3 private dry dock and ship repair facilities in TT which accommodate small and medium sized ships up to 230 metres long.

Dry Dock and Ship Building/ Ship Repair Facility

A major project that is expected to transform and revitalize the south-west peninsula is the New Dry Dock and Ship Building/ Ship Repair Facility and the people of La Brea and Point Fortin are indeed anxious. A cooperation agreement has been signed between the National Infrastructure Development Company (NIDCO) on behalf of the Government and the China Harbour Engineering Group.

This project comprises of two (2) major businesses that will be established in La Brea, namely: i) a dry dock with a ship-building and ship repair facility and ii) a transshipment port. During the construction phase 3,500 direct and 5,700 indirect jobs will be created; during operations phase the project is expected to generate 2,700 direct jobs and 13,000 indirect jobs, thereby re-energizing and modernizing the communities of the south-west peninsula. At the national level, this project is expected to generate approximately US\$500 Million annually towards government revenue, by the fourth year of operations.

That is why, Madam Speaker, the Minister of Finance referred to it as a *game changer*—this project will last for decades and positively impact on generations to come.

There are significant opportunities for companies to provide support to the shipyard including but not limited to steel processing, paints and lubricant production, electromechanical equipment, as well as increased demand for lodging, catering, medical and entertainment, which will directly boost the local economy.

Beyond employment is empowerment of locals—the shipyard operator will cooperate with local institutions such as the University of Trinidad and Tobago (UTT) to train professionals and transfer technology to local partners in the shipbuilding and associated industries.

This project, Madam Speaker, is in many ways an example of how social and economic needs can be stymied as a direct result of poor decisions by ineffective and indifferent politicians.

Under the past regime, this project was approved by their Cabinet, an agreement was signed, consultations were done - But again, they knew very well that it would go nowhere as they had exceeded their borrowing limits during their period of profligacy and bad spending. A Total Shame.

Madam Speaker, in preparation for the US\$5.4 Billion expansion of the Panama Canal to allow for the largest cargo ships in the world (post-Panamax), to facilitate and spur increased trade between Asia and the Americas, ports on the United States' East Coast and Gulf of Mexico were racing to expand and make room for larger vessels and more cargo. In fact, the American Association of Port Authorities said close to US\$155 billion will be invested by 2020 to help US ports handle bigger ships.

Countries all around us were preparing to take advantage of this tremendous opportunity - even Jamaica.

To understand the opportunities lost as a result of this project being abandoned by the PP Government.

- Since the opening in mid 2016, 3,000 new Panamax ships has crossed the canal expansion during its first 20 months of operation
- cargo through the Canal increased by 23% in the first nine months
- traffic at U.S. East Coast ports was up 29 percent
- Liquefied Natural Gas (LNG) ships began using the waterway for the first time after the opening of the Expanded Canal. More than 90% of the LNG world's fleet can now transit the Panama Canal.

Madam Speaker, think of what La Brea would have looked like if this project had commenced a few years ago! Think of the jobs, the infrastructure, the commercial activity, the overall well-being of the people of La Brea and environs! It would have been something they would be proud of, something we would all be proud of!

Poised to capture the South American and Panamanian shipping traffic, this project, Madam Speaker, is ideal economically, logistically and environmentally, and will be the new focal point of economic activity in the

Southern region.

Madam Speaker, continuing with the Maritime sector. This sector continues to demonstrate strong untapped opportunities for economic growth. As such, Our Government is sparing no efforts in fostering the development of our Maritime sector.

Madam Speaker, development of the Maritime sector continued unabated during Fiscal 2018 when a series of projects were launched.

a. Ship Repair and Dry Docking

In Fiscal 2018, a ship repair and dry docking facility (RSR Holdings Limited) received approval for financing to expand its existing operations.

This expansion project includes upgrading its docking facility and extension of its jetty. Given the high demand for services in this Industry, such an undertaking will contribute to an increase in Government revenues, foreign exchange earnings, as well as, an increase in employment.

b. Transshipment and Cold Stacking

In February 2018, Cabinet agreed to the Guidelines for the legal, institutional and administrative Framework for the Expansion of Transshipment and Cold Stacking of vessels in Trinidad and Tobago. InvesTT is responsible for the marketing of these initiatives.

1. The Yachting Sector

a. Yachting Policy for Trinidad and Tobago 2017-2021

Madam Speaker, as part of the Government's diversification thrust, the Ministry of Trade and Industry developed a Yachting Policy 2017-2021 for Trinidad and Tobago which was

subsequently approved by Cabinet in June 2017 and is currently being implemented. To date, the achievements include:

- i. The completion of a sector specific marketing and promotional plan that is now guiding stakeholder efforts to, inter alia, increase the number of yacht arrivals.
- ii. The drafting of a Single Harmonized Immigration Form which will benefit leisure marine visitors as it will provide a more efficient and customer oriented experience for persons entering the country by pleasure craft.
- iii. A Safety Programme to ensure the safety of the cruisers at sea and while in the country has been completed.
- iv. the development of Standard Operating Procedures (SOPs) for Immigration Officers
- v. The document Guidelines for the environmental practices for marinas and boatyards in Trinidad and Tobago has been completed.

Madam Speaker, you and this country will be delighted to know that the implementation of the Yachting Policy has already started to positively impact the Yachting sector in Trinidad and Tobago; **as yacht arrivals have already increased from 545 yachts during the first half of 2017 to 683 yachts during the corresponding period in 2018 (25% increase)**. This represents an increase in yacht arrivals by approximately 25% over the period under consideration.

b. Marina for Tobago

Madam Speaker, conversations with the Tobago House of Assembly (THA) has revealed that marina development is of significant importance to Tobago, given that yachting is an important tourism niche for the island.

To this end, in Fiscal 2018, the Standing Committee for the Development of the Maritime Sector will be focusing on developing the Marina sector on the island of Tobago. In this regard, the National Infrastructure Development Company Limited (NIDCO) has already issued a Request for Proposal for the development of a marina facility in Tobago. Tenders were closed on July 27, 2018.

c. Marina for Invader's Bay – Trinidad

Madam Speaker, The Government has also identified Invaders Bay as a suitable venue to develop and establish a national Marina/Ferry Terminal. Invaders Bay is strategically situated to attract

sustainable revenue streams in the multi-billion dollar industries such as sports, entertainment, fashion, art and music.

In July 2018, the Urban Development Corporation of T&T Limited (UdeCoTT) issued a request for Expression of Interest (EOI) to identify suitably qualified entities to submit proposals to develop Invaders Bay in accordance with its Conceptual Development Plan. The deadline for proposed EOIs was August 30 2018.

DEVELOPMENT OF CREATIVE INDUSTRIES

Madam Speaker, the development of the Creative Industries is strategic to the expansion of our economy. Our strategy is based on enlarging our pool of creative talents, promoting R&D within the Industries and facilitating the entry of our creative enterprises into the global market - exports.

Unlike the previous Administration which used CreativeTT to give ‘hand-outs’, the impact of our targeted support is well illustrated, where 3 major initiatives have been implemented resulting in employment and revenue generation; and there are many more opportunities to come in the medium to long term.

- 1. Live District Programme**
 - a. The Launch of a Live Music District (LMD)**

Live music is a fundamental pillar of the global music industry and music cities are seen as economic drivers and tourism development catalysts. Notably, there are over twenty (20) Music Cities across the globe, each intrinsically varying by culture, demographics and dynamics.

The pilot project was launched in March 2018; providing a platform for live music performances in strategic areas such as Ariapita Avenue, Rust Street, the Savannah and NAPA. 160 artistes benefited financially as they performed at 31 venues which showcased 340 performances.

Apart from restaurants, performances were also in public spaces, Woodford Square and South Quay. Many steelband performances were employed.

Going forward, the Government will expand the Live Music District and continue to improve collaboration between venues, hotels and other stakeholders, and key Ministries. This being a strong tourism and cultural offering.

2. Fashion Value Chain Investment Programme (FVCIP)

A Fashion Value Chain Investment Programme (FVCIP) was established in March 2017. Since its launch, this Programme has trained five (5) Designers, enabling them to be better positioned to execute their respective business plans, increase their exports and better equip them to compete on the international market. Notably, some of these Designers are currently exporting to new markets such as St. Lucia, Antigua, and Barbados.

Due to the success of this Programme FashionTT launched another installment of the FVCIP in June 2018. The Programme will now incorporate four (4) tiers which are as follows:

- a) The Global Value Chain (GVC) - for ready exporters;
- b) The Non-Global Value Chain (Non-GVC);
- c) Incubator; and
- d) Futures.

3. The Bespoke Tailoring Programme

The Bespoke Tailoring Programme which commenced on March 5th, 2018 is being facilitated by Professor Andrew Ramroop of the Saville Row Academy and is expected to end on February 28th, 2019.

This programme is integral to building export capacity, successfully positioning local customized tailor-made products in international markets, creating sustainable employment and generating increased foreign exchange. A total of twenty-eight (28) students are currently enrolled in the programme.

You talk about diversification? Here it is coming alive.

This one (1) year Certificate Bespoke Tailoring Programme will provide certification in Bespoke Tailoring, Pattern Drafting, Cutting and Fitting.

Due to the overwhelming success of this Programme, FashionTT is now evaluating an advanced programme that will target persons already trained in Ultra Bespoke Tailoring and include overseas participants.

Summary

In the Fashion Sector, four programmes were conducted with a total of 120 persons trained.

Let me address the delay in the garment Production Facility which is a joint project between UTT and FashionTT

- UTT has budgetary constraints.
- We are forced to rescope the project.
- We believe we can source grant funding under the 11th EDF.
- We should have something to report by midterm.

Projects Facilitated in Music Sector Fiscal 2016-2018

Project Name	2016	2017	2018	Total
Song Writing & Production, Mixing & Mastering, and Remixing Workshop	100 practitioners trained	No funding available	No funding available	100 practitioners trained
Music Intellectual Property Valuation workshop	175 practitioners	No funding available	No funding available	175 practitioners trained
Music Publishing Workshop	120 practitioners	No funding available	No funding available	120 practitioners trained
Open Calls for Proposals	7 music practitioners sponsored	No funding available	No funding available	7 music practitioners sponsored valued (TT\$300,000)
Artiste Management and Branding Production Programme	No funding available	150 artists trained	30 artists trained	180 artists trained
Live Music District	No funding available	No funding available	341 performances	341 artists performances

Summary

In the Music Sector, four (4) Music related workshops were conducted with a total of 575 music practitioners trained and 341 performances under the Live Music District were conducted within the Port-of-Spain area.

Summary

The Film Sector is now off on a clear path; the strategic plan is completed. During this fiscal, nine (9) awards were made valued at TT\$90,000 and additionally eight (8) producers are now to receive Film Rebates at a total value of TT \$6.559 Million.

EXPECTED RESULTS FROM DIVERSIFICATION PROJECTS

Sector	Total Minimum Estimated Job Creation
MANUFACTURING	<ul style="list-style-type: none"> ▪ 2,000 jobs that will be created during the projects phase ▪ 9,100 job creation after the projects are completed
MARITIME	<ul style="list-style-type: none"> ▪ 9,200 jobs that will be created during the projects phase ▪ 15,700 jobs will be created after the projects are complete
CREATIVE	<ul style="list-style-type: none"> ▪ Unavailable data.
AGRICULTURE	<ul style="list-style-type: none"> ▪ 50 jobs will be created during the project stage ▪ 1,300 jobs will be created after project completion
TOURISM	<ul style="list-style-type: none"> ▪ 2,000 jobs will be created after projects are completed
TOTAL MINIMUM ESTIMATED JOB CREATION IN ALL SECTORS	<ul style="list-style-type: none"> ▪ Minimum of 11,250 jobs will be created during the operation of all projects ▪ Minimum of 28,100 jobs will be created after all projects are completed

IMPROVING THE BUSINESS ENVIRONMENT

Madam, Speaker improving the domestic business and investment climate remains one of the key objectives of the Ministry of Trade and Industry. This is in keeping with theme 4 of the National Development Strategy-**Building Globally Competitive Businesses**. Specifically, Goals 2 and 3 speak to building a business environment that is conducive to entrepreneurship and making T&T a more attractive destination for investment and trade.

According to the 2018 Doing Business Report, Trinidad and Tobago is ranked 102nd out of 190 economies, Trinidad and Tobago maintains a favorable ranking in the following indicators.

- Getting Electricity – 33rd
- Getting Credit – 55th
- Protecting Investors – 62nd
- Starting a Business – 71st
- Resolving Insolvency – 72nd

While we are not where we want to be, we continue to address Trinidad and Tobago's performance on the Doing Business Report to ensure transformation to the way business is done in Trinidad and Tobago. To this end, the Government approved a comprehensive suite of reforms.

The MTI continues to work assiduously on the following:

- 1) **Improving the Ease of Doing Business**
- 2) **Its Investment Framework for the Approval and Facilitation of Investments in the Non-Energy Sector**
- 3) **Strengthening of the Single Electronic Window (SEW) for Trade and Business Facilitation (TTBizLink)**

The following projects were completed in fiscal 2018:

- **Work permit applications:**
 - the full utilization of the e-Work Permit Module on TTBizLink for the processing and granting of individual work permits;
- **Visa Waiver applications:**
 - internal electronic system to manage workflow of visa waiver application more efficiently and effectively;
- **Obtaining a water connection:**
 - the acceptance of electronic payments at the Water and Sewerage Authority (WASA);
 - the use of dedicated resources at WASA to install connections;
 - ensure Stores Department reserves supply of material for new connections; and
 - modify financial system to create separate financial codes for new connections. This will ensure that money paid for new connections will be specifically reserved for the service.
- **Implementation of a Secured Transactions and Collateral Registry System** - in April 2018, Cabinet approved the Policy to Enhance the Secured Transactions Regime in Trinidad and Tobago. This will be completed by mid-2019.
- **Harmonization of the Bankruptcy and Insolvency Act** with other pieces of legislation, including the Companies Act, through the World Bank, which follows, following an official Supervisor of Insolvency being appointed in June 2017.
- **Operationalization of the fixed container scanner and two mobile scanners** at the Port of Port of Spain in October 2018 and November 2018 by the Ministry of Works and Transport and the Port Authority.
- the Plant Quarantine Services, Ministry of Agriculture, Land and Fisheries fully transitioned to TTBizLink for Plant Import Permits and began the roll out of its use of the **e-Mobile Inspection**, and the Pesticides and Toxic Chemicals Division, Ministry of Health, fully transitioned to the **e-Permits and Licence Module** on TTBizLink.

The following major reforms will be completed in fiscal 2019:

· **Consultancy to Develop and Implement an Integrated Risk Management System**

This Consultancy will enable officers in the relevant agencies to make risk based decisions within their day to day border operations, using an advanced automated risk management system which will result in reduction in clearance times and border compliance for importers/ businesses. In addition, there will be improved accuracy and targeting of high risk cargo

· **Develop and Implement an Automated Construction Permit System**

This System will improve Trinidad and Tobago's Doing Business ranking in the area of "Dealing with Construction Permits". The existing construction permit processes will be re-engineered to increase efficiency, there will be a significant move from a paper based system to an automated online system therefore process time and effort will be drastically reduced; and most noteworthy, this online system will be seamlessly integrated with all relevant stakeholders' database management systems including but not limited to TTBizLink and Geographic Information System (GIS) databases.

CONCLUSION

To review, Madam Speaker, we've come a long way from where we were three years ago. Although the road has not always been an easy one, we have stabilised the economy and are well on our way to economic growth. This PNM Government is steadfast in doing what is necessary for the country—not for any one group, but for everyone, and for generations to come.

We have enjoyed decades of prosperity, primarily on account of our natural resources. However, the very things that have differentiated Trinidad and Tobago, now require us to reconstruct our economy ensuring that the non-energy sector assumes more relevance; undertake the necessary reforms and think differentiation and innovation and act with purpose and in good faith, all the while ensuring that society's most vulnerable are protected and assisted; staying true to our original aspirations of putting people first.

The goals and objectives of the Vision 2030 National Development Strategy will continue to guide our way forward. This is no easy feat. What it required is commitment, a willingness to be objective and sincere, and above all an acceptance of our roles and responsibilities, as Members of the Government and as individuals and as a society to make the changes that are necessary.

While the past Administration was focused on self-aggrandizement, nepotism, favoritism, corruption, and a twisted view of how our society should be governed, this PNM Government has its citizens, as it always has, at the heart of national policy and governance.

Madam Speaker, from our perspective at the MTI, we have had the right priorities over the past three years which the Minister of Finance outlined in this Presentation and we will continue to:

- building the non-energy economy with the production of goods and services for the domestic and foreign markets;
- ensuring that these goods and services are sufficiently competitive for accessing export markets with the associated generation of foreign exchange;
- securing investors for our new industrial estates in our drive to secure foreign direct investment for diversifying our economic base, for enhancing foreign exchange earnings and for creating increasing levels of employment opportunities;
- focusing on high value and light manufacturing and emerging industries; and
- facilitating inflows of foreign direct investment for our development process by establishing the infrastructure on which industrial and commercial businesses could strive.

The programmes put in place to strengthen local businesses are meant to assist them in expanding their businesses, lifting standards, creating new products aimed particularly at import substitution, and providing jobs and opportunities for others.

Madam Speaker, if we take a glance at our history, even the most traumatic times, we have always recovered, and in most cases, we have come out better than before. The economy will always have its ups and downs, but strong leadership is about looking towards the future and making the best decisions necessary for us as a country.

The economy has turned around and is on a path of growth and stability. The signs are encouraging and the positive results of most of our programmes and policies will be felt in the short- and medium-term. We can all agree that our country is moving in the right direction under a stable and capable Government and astute leadership.

And with Team Rowley now at the helm of our great party - Government and Party with one voice, there is no stopping Trinidad and Tobago.

I thank you.