



Government of the Republic of Trinidad and Tobago

Ministry of Trade and Industry

***National Export Booster
Initiative for the
Manufacturing Sector
2021***

PRESS CONFERENCE

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

FEBRUARY 16TH, 2021

SALUTATIONS

- Mr. Ashmeer Mohammed, Chairman, exporTT Limited,
- Ms. Franka Costelloe, President, Trinidad and Tobago Manufacturers Association,
- Members of the Media,
- Ladies and Gentlemen

As you would recall, the Honourable Minister of Finance announced in the Fiscal 2020/2021 Budget, the Government's vision for the continuing evolution of the Manufacturing sector to one which is globally competitive, productive, and innovative, in the post-Pandemic era. True to our word, I am very pleased to inform that Cabinet has approved the implementation of an Export Booster Initiative for the manufacturing sector valued at Fifty Million TT Dollars (TT\$50 million). The objective of this strategic and targeted initiative is to promote the exports of manufactured goods.

The Manufacturing sector in Trinidad and Tobago remains an important and dynamic sector in the domestic economy. It is a major contributor to the country's GDP, a net foreign exchange earner and a major employer, employing over 52,000 persons.

On average the manufacturing sector has exported approximately TT\$3 billion worth of goods annually.

The Ministry of Trade and Industry, in collaboration with exporTT and the Trinidad and Tobago Manufacturers' Association (TTMA) developed this Export Booster Initiative (EBI) to increase the export value of manufactured goods from TT\$2.7 billion in 2019 by 10% at the end of the fiscal year 2020/2021 and to double that to TT\$5.4 billion by 2024.

Gone are the days of working in silos, this Export Booster Initiative will complement and ramp up existing initiatives being pursued by MTI and ExporTT as well as target many of the initiatives outlined in the TTMA's Manufacturing Export Strategy with a particular focus on doubling of manufacturing exports by 2025.

The Export Booster Initiative is made up of sixteen initiatives under three broad strategic areas namely:

1. Export Promotion (Accelerating Internationalization);
2. Capacity Building; and
3. Institutional Strengthening

EXPORT PROMOTION: ACCELERATING INTERNATIONALIZATION

This area is a critical step towards increasing exports with a focus on improving the rate at which our manufacturing firms are able to penetrate and establish a presence in international markets. The eight initiatives expected to address this include: (i) Establishment of Trade Facilitation Offices, (ii) Establishment of Trade Attachés, (iii) Market Intelligence, (iv) Virtual Trade Missions, (v) Translating Services, (vi) In Market Promotion, (vii) Virtual Expo Platform and (viii) Sector Profiles.

Trade Facilitation Office (TFO) to Unlock Opportunities in Target Markets

Trinidad and Tobago currently experiences very good success from its Trade Facilitation Office in Cuba. As such, the government will allocate TT 3 million for the establishment of a Trade Facilitation Office to promote export growth in Panama, Costa Rica and neighboring Central American countries.

The Central American market offers significant potential for local exporters. The region's purchasing power is in excess of US\$270 billion and has a combined market size of over 51 million consumers. In 2019 Trinidad and Tobago exported \$288.79 million worth of non-energy goods to the region representing a 48% increase from 2017. In the last four years, Panama, Belize and Guatemala have been

our top three export markets in the region, responsible for more than \$275 million or 95% of Trinidad and Tobago's non-energy exports in 2019 alone.

This Office will be modelled in accordance with the TFO in Cuba and we are currently in discussions with the Ministry of Foreign Affairs to determine the most suitable location. A physical presence will significantly raise awareness of the country's trade and export profile, deepen market access, assist with overcoming bureaucratic and regulatory hurdles and provide critical support to resolving disputes and problems as they arise.

Trade Attachés to Increase Support in Overseas Markets

Another specific initiative is the assignment of trade attaches which are trade experts attached to the Trinidad and Tobago Embassy. This is being considered for markets such as Jamaica and Guyana to further improve market penetration. These markets together with the United States have been the top markets of interest among local exporters for the last three years based on ExporTT's Markets of Interest Surveys.

A Trade Attaché in Guyana will also be responsible for trade activities within Suriname and will also focus on facilitating the export of energy services, as well as, other non-energy exports and services. Trade Attaché based in Jamaica will be responsible for the Dominican Republic and Haiti markets. Both Attachés will provide real time information to exporters on challenges and opportunities in the markets, and assistance in navigating through the regulatory and legal frameworks. New and existing exporters are expected to benefit from this initiative.

Market Research to Identify and Exploit Opportunities and Virtual Trade Missions to Reach New Markets

ExporTT will ramp up its existing research to generate necessary market intelligence and will provide primary and secondary market research services. It is expected that 6 market surveys will be executed and 100 exporters provided with customized market intelligence reports this year.

Further, 100 companies will be selected based on the level of export readiness for the specific market, to participate in 12 Virtual Trade Missions (VTMs) in collaboration with the Trinidad and Tobago Manufacturers' Association, the Chamber of Industry and Commerce and the Ministry of Trade and Industry scheduled for fiscal 2021. The markets identified are:

- Guyana
- Jamaica
- Colombia (Cartagena)
- Curaçao
- New York
- Chile
- Haiti
- Dominican Republic
- British Virgin Islands
- Canada,
- Florida
- Panama

Translating Services to Facilitate Business Transactions

To assist exporters in penetrating new markets with language barriers, translation services will be provided to facilitate business transactions. This new initiative will support exporters, especially those small and medium enterprises that do not have in-house resources to follow up with their potential buyers.

In-Market Promotion

It is important that exporters have a sustained market presence to continuously generate export revenue. ExporTT will allocate \$1.5 million to provide the in-market promotion activities which include shelf stocking fees, shipping of samples for tastings and in-store promotions. This initiative will target 20 companies.

Virtual Expo Platform to Bring Buyers and Sellers Together

A Virtual Expo Platform will be established for continuous use across multiple sectors aimed at providing buyers with 24/7 access to local exporters. Approximately 400 companies are expected to benefit. We are considering doing this through the TTMA.

Sector Profiles to Promote Trinidad and Tobago's Exports

ExporTT will utilize \$1.5 million to develop short professional videos and sector brochures to be used as promotional tools to increase brand awareness for manufactured goods in Trinidad and Tobago. This is necessary to ensure continuous promotion and increase exposure of smaller companies which are not known in regional and diaspora markets.

STRATEGIC AREA 2: CAPACITY BUILDING

Building capacity will increase the productivity and competitiveness of our manufacturers. This will include the provision of equipment, up skilling of employees, innovation and digitization to improve operations. It will assist in overcoming supply side constraints and ensure compliance with international standards.

Approximately TT \$32 million will be allocated to the following six initiatives under this strategic area during fiscal 2020/2021.

Certification Programme to Meet International Standards

A major challenge to growing exports is the ability of our manufacturers to meet international standards. While the government is actively implementing a National Quality Policy to strengthen the National Quality Infrastructure and improve the availability and reliability of testing and certification services in the long term, it is critical this is addressed in the immediate term. The cost of attaining international certification can be quite high and is dependent on factors such as the size of the firm, type of specialized equipment and infrastructural plant modifications required.

As such, the Government has allocated TT\$20 million to implement a certification programme that will assist exporters in achieving international certification in food/beverage and other product compliance to meet the quality and safety standards of international markets and franchises. This programme will be administered by ExporTT and is expected to provide grant funding to assist firms to:

- build capacity in the conduct of standards audits, inspections and/or implementation;
- in the acquisition and operation of specialized equipment required for the adoption of standards; and
- in infrastructural modifications to comply with standards implementation; and
- in reducing the cost of certification.

In order to ensure that the objectives of the Programme are realized and that resources are strategically targeted it is proposed that the following categories of companies benefit:

ELIGIBILITY CRITERIA/BENEFIT

Objective (I): Boosting the Production of Non-Energy Exports using 2019 export figures as a benchmark

Export Sales (US\$)	% of Certification Cost Funded up to Maximum of TT\$500,000
Less than 1,000,000	100
Less than 2,000,000	75
2,000,000-4,000,000	50

It will also provide for firms engaged in import substitution

Objective (II): Import Substitution

Sales Turnover (TT\$)	% of Certification Cost Funded up to Maximum of TT\$500,000
Less than 25,000,000	100

It should also be noted that a firm seeking grant funding under **Objective II** must demonstrate that it already has actual commercial arrangements in place or is actively seeking to negotiate same to achieve import substitution as a result of the implementation of a particular standard.

Innovation Vouchers to Encourage Product Development

Twenty (20) companies are expected to benefit from the allocation of innovation vouchers to encourage product development resulting in more competitive exporters as a consequence of having developed more innovative exports and/or adopted more efficient and environmentally friendly production practices and processes.

To drive and promote more research and development and innovation at the firm level, approximately 3 million will be allocated to provide Innovation Vouchers to help existing and new exporters foster and develop linkages with public and private sector knowledge providers including universities and public and private research institutions. The value of the vouchers will be up to \$200,000.

Eligible activities to be covered include Process Automation, Product/Service Development and Acquisition of Technology.

Labelling and Product Testing Support

To ensure that Trinidad and Tobago's products qualify for entry in their intended markets, \$2 million will be allocated to assist exporters improve their product labelling and reduce the cost of product testing services. Some markets require modifications to a product's labelling and packaging. In many cases, product labels are required to provide nutritional and allergen information and in some cases they need to meet language; color; imagery; or product naming requirements including front-of-label requirements.

Food, beverage and cosmetic products are generally required to be tested in accredited facilities approved by the receiving state. These accredited testing facilities are often located outside of the region and can cost as much as \$5,000 per product line, per test. To reduce the financial burden on exporters, greater support will be offered to help exporters meet the statutory and legal requirements for goods entering targeted markets. This initiative will target 50 exporters.

Tobago Capacity Building Programme to Develop New Exporters

This programme will provide tailored support to possibly as many as 40 (forty) Tobago-based businesses to address logistical challenges; access to financing/ funding; market entry and on-the-ground marketing in target countries; and product development, modification and testing as they seek to penetrate export markets. Individualized consultancy support and training will also be provided to companies to fill the gaps in transitioning into exporting. Extensive e-commerce support to enable B2B and business-to-consumer (B2C) sales of small batch high margin specialty products will also be provided.

Export Accelerator Programme to Transform Companies to New Exporters

To fast-track the transformation of potential local business into first-time exporters, \$2.2 million will be allocated to establish an Export Accelerator programme at exporTT. Several local companies exist with innovative products and international appeal, however they require targeted support to take their businesses and products to international markets. This programme will assist 10 companies to transition from only selling locally to exporting to regional and international markets.

Green Packaging and Manufacturing to Support New Export Products

In recognition of environmental and climate change issues and to help improve the competitiveness and consumer appeal for local exports, \$2.5 million will be allocated to assist firms to adopt more environmentally friendly or Green product packaging. Green packaging is a new and emerging trend amongst manufacturers' globally and environmentally conscious consumers. It includes the use of biodegradable and recyclable materials such as plant based plastics, recycled paper, cardboard and plastics over materials such as plastic and Styrofoam.

This initiative will target 10 exporters who are transitioning into sustainable 100% recyclable packaging, as well as, companies which are thinking about making an investment in green packaging manufacturing. Participating companies will benefit from technical and financial assistance to transition to more environmentally friendly packaging practices and production.

STRATEGIC INITIATIVE 3: INSTITUTIONAL STRENGTHENING OF EXPORTT AND TTMA

A total of \$2.9 million has been allocated for the transformation and modernization of exportTT into a leading export promotion agency. ExportTT performs an important role in providing key information, training, advice and guidance to businesses. The selected areas for modernization were informed by the recommendations of the International Trade Centre's (ITC) 2013 and 2019 Benchmark Reports on the performance of exportTT. Resources will be also allocated to a Change Manager to support and guide exportTT through the implementation of the institution's strengthening activities. The expectation is an increase in the quality of service provided to exporters by exportTT.

Further, in order to accelerate sector- wide recommendations and export plans for the expansion and growth of all manufacturing businesses (large, medium and small), \$1.5 million will be allocated to strengthening the capacity of the TTMA by securing the services of a suitably qualified consultant with a focus on external trade. The Consultant will operate from the office of the TTMA for a period of 12 months and will be primarily tasked with the development, commencement and operationalization of a framework for delivering on the TTMA's target to double exports with clear targets.

In closing, I would like to reiterate that the Government of Trinidad and Tobago understands the critical role of the Manufacturing Sector in diversifying and transforming the economy and the attention required to further expand trade into extra-regional markets. It is clear from my presentation this morning that this export booster initiative specifically targets the existing needs of manufacturers, particularly the small and medium sized, and new and existing exporters. It is therefore expected that through the implementation of this initiative Trinidad and Tobago will see an increase in exports which will contribute to increasing the availability of foreign exchange and increased revenue to support the continued growth of the economy.