



Government of the Republic of Trinidad and Tobago

**Ministry of Trade and Industry**

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

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PRESS CONFERENCE

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MINISTER OF TRADE AND INDUSTRY

MARCH 1<sup>ST</sup>, 2021

I am very pleased to be here in Tobago, to launch the Export Booster Initiative for the Manufacturing Sector which is a strategic and targeted initiative to promote the exports of manufactured goods.

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 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 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.

Some of the sub sectors covered under the EBI include *inter alia* food and beverage, leather and other craft products, textile, garments and footwear, chemical and cleaning products, beauty and personal care products, environmentally friendly packaging, printing, wood products and agro - processing ( sugar and confectionery, cocoa, chocolate meat, fish, dairy). There are a large number of innovative entrepreneurs within these sectors in Tobago and therefore this initiative provides a major opportunity to transform these entrepreneurs into successful exporters.

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. We will also collaborate closely with the Tobago House of Assembly.

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

Let me share with you the initiatives and opportunities that will apply for the development of Tobago Businesses.

The first strategic area, **export promotion (Accelerating Internationalization)**, is focused on improving the rate at which our manufacturing firms are able to penetrate and establish a presence in international markets. Approximately 12.9 million will be allocated to eight initiatives under this strategic area.

The first and major initiative is the **Establishment of Trade Facilitation Offices** to unlock opportunities in the Central American Market. It is expected that 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.

The second initiative under this strategic area is **the Establishment of Trade Attachés** 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.

The fourth and fifth initiatives look at **improving market intelligence and conducting 12 virtual trade missions in 2021**. Companies will be selected to participate in these missions based on their level of export readiness. Over 100 companies are expected to benefit from this.

The sixth initiative under this strategic area will provide **translating services to facilitate business transactions** and will support especially those small and medium businesses that do not have in-house resources.

**Other initiatives under this strategic area include:** In-market promotions to support exporters in maintaining a sustained market presence, **the establishment of a Virtual Expo Platform** aimed at providing buyers with 24/7 access to local exporters and **the development of Sector Profiles**, which are short professional videos and sector brochures and will be used as promotional tools to increase brand awareness for manufactured goods in Trinidad and Tobago and more importantly increase exposure of smaller companies which are not known in regional and diaspora markets.

The second strategic area is **Capacity Building**. A sizable sum of approximately 32 million will be allocated to six initiatives under this area. The initiatives in this Strategic area will be beneficial to Tobago businesses as its focus is to increase the productivity and competitiveness of our manufacturers and will assist in overcoming supply side constraints and ensure compliance with international standards.

A major initiative under this Capacity Building Strategic Area is a **Certification Programme to Meet International Standards**. It is a known fact that a main challenge to growing exports is the ability of our manufacturers to meet international standards. The cost of attaining international certification can be quite high. As such, the Government has allocated TT\$20 million 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;
- in infrastructural modifications to comply with standards implementation; and
- in reducing the cost of certification.

The Programme is also geared towards firms seeking to engage in manufacturing to achieve international certification in a range of applicable food/beverage and other product standards so as to contribute to import substitution.

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

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

##### 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 be noted that based on an analysis of the 2019 benchmark of existing non-energy exporters in Trinidad and Tobago, approximately 100 firms may qualify to be eligible for grant funding under **Objective I**. 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.

Of course, in designing this Export Booster Initiative, consideration was given to the unique challenges faced by Tobago Companies. While Tobago companies will be eligible to benefit from any of the other 15 initiatives, the fourth initiative under the Capacity Building strategic area is specifically focused on converting Tobago companies into exporters. This initiative entitled **the Tobago Capacity Building Programme to Develop New Exporters** will provide tailored support to 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 business –to-business (B2B) and business-to-consumer (B2C) sales of small batch, high margin specialty products will also be provided.

A clear example of the possibility of converting Tobago Companies into exporters is seen through our most recent recipient under the Grant Fund Facility, J Mac Industries. This company, working closely with exporTT, has managed to experience an increase in revenue, production capacity and competitiveness. Further, they are making significant strides in entering the CARICOM Market. We have also seen other success stories from other Tobago companies in the fashion and beverage sectors.

Every time I visit Tobago, I never leave without sugar cake and beneball. Tobago is well known for its sugar and confectionary products and I feel strongly that its time these products are not only sold domestically but exported to the rest of the world. With the support of this EBI to establish proper packaging and labelling and product testing, this can become a reality, using as well some of our locally grown products.

I am very happy to inform that exporTT is working closely with the Tobago House of Assembly's Business Development Unit and its Strategic Business Unit and has developed an action plan for Tobago to implement this initiative. You may recall that a Memorandum of Understanding was signed between exporTT and the THA, with the main objective being to form a strategic alliance of support to Tobago's entrepreneurs to become regional and international exporters. I am delighted to see the benefits of this MOU materialize today as it has formed the basis for this collaboration between exporTT and THA for the development of this action plan. The Plan addresses specific areas identified from an in depth analysis of the companies on this island. This plan will seek to ensure that these companies have all the support they require to start exporting.

Quarterly meetings will take place to monitor the progress of these collaborative efforts. Matchmaking and marketing to Trinidad's suppliers also forms an integral part of the plan and ensure companies increase scales and make the necessary improvements in packaging, pricing and distribution.

The other initiatives included under the Strategic Area for Capacity Building are **innovation vouchers to encourage product development** and will help existing and new exporters foster and develop linkages with public and private sector knowledge providers including universities and public and private research institutions, **product labelling and product testing services** to ensure that Trinidad and Tobago's products qualify for entry in their intended markets, **an Export Accelerator Programme to Transform Companies to New Exporters** which is expected to fast-track the transformation of potential local business into first-time exporters and **Green Packaging and Manufacturing to Support New Export Products** to assist firms to adopt more environmentally friendly or Green product packaging.

The third Strategic Area is the **Institutional Strengthening of EXPORTT AND TTMA**. Under this pillar, a total of \$2.9 million has been allocated for the transformation and modernization of exportTT into a leading export promotion agency. Resources will be also allocated to a Change Manager to support and guide exportTT through the implementation of the institution's strengthening activities. exportTT will also be developing the skills, competencies and knowledge base of its office in Tobago so that they are better equipped to support our Tobago companies and work with our partners in the THA.

Further, in order to accelerate sector- wide recommendations and export plans for the expansion and growth of all manufacturing businesses, large, medium and small, the initiative will also focus on strengthening the capacity of the TTMA by securing the services of a suitably qualified consultant with a focus on external trade.

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.

We also understand what is required for the businesses in Tobago and based on a detailed assessment, really developed initiatives tailored to the needs of the Tobago businesses. We look forward to working closely with the THA on the implementation of this initiative with the aim to increase in the number of exporters coming out of **Tobago**. The Country 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 our economy.