



Government of the Republic of Trinidad and Tobago

Ministry of Trade and Industry

***A CARIBBEAN BUSINESS FORUM
“ESTABLISHING NEW
BUSINESS
RELATIONSHIPS”***

SPEAKING NOTES

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

FEBRUARY 17TH, 2021

SALUTATIONS

- Dr. the Rt. Honourable Keith Mitchell, Prime Minister of Grenada and Chairman Emeritus of the World Bank Small States Forum
- Dr. Didacus Jules, Director General of the Organisation of Eastern Caribbean States
- Mr Jai Leladharsingh, Coordinator of the Confederation of Regional Business Chambers
- Ms Franka Costelloe, President of the Trinidad and Tobago Manufacturers Association
- Other Panellists
- Specially invited guests
- Members of the media
- Ladies and gentlemen

QUESTIONS FOR PANEL

Question 1

With the advent of COVID-19 what are some of the ways that businesses could innovate in this environment?

Let me begin by saying thanking the Honorable Prime Minister Keith Mitchell for his contribution which focused on relationships and the importance of trade and regional integration for the economic benefit of all member States in the Caribbean.

The focus on building business relationships remains a priority for all countries globally and especially for developing countries such as ours in CARICOM.

In Trinidad and Tobago there are over 20,000 SMEs accounting for approximately 85% of all registered businesses contributing more than 30% to the country's GDP.

With the current pandemic fundamentally changing the way we live and do business, SMEs must now become more *creative*.

Pivot suggest staying on course and survival and looking to growth in a post Covid era. However, we are still experiencing the effects of Covid-19 and as a result the Government's focus is on ensuring our SMEs in particular are able to survive through these challenging economic times.

The Government of Trinidad and Tobago implemented a suite of business support measures to mitigate the impact of the COVID-19 Pandemic:

Over 5,000 SMEs with a VAT cycle threshold of up to TT\$500,000 received in cash accelerated VAT refunds.

Over 500 companies with up to TT\$10 Mn in refunds per VAT cycle received fully tradable VAT bonds amounting to TT\$3 Billion;

Firms received zero interest government-guaranteed loans via a Small and Medium Enterprises Stimulus Loan Facility which was allocated a sum of TTD\$300 Million and administered through the commercial banks.

TT\$200 Million was provided to the Co-operative Credit Union League and Central Finance Facility to provide low interest loans to individuals and businesses affected by the Pandemic.

The EXIM BANK Ltd was recapitalized with two (2) lines of financing of approximately US \$400 Million to (i) facilitate the importation of raw materials and inputs into manufacturing, as well as (ii) facilitate the imports of essential items and emergency supplies.

A new National Enterprise Development Company (NEDCO) **Grant Facility** was introduced to support the existing NEDCO Loan Facility by **providing funding to small and micro-sized entrepreneurs with income less than TT\$1Mn in annual sales revenues that are seeking to start or expand their business ventures.**

Companies must also seek to innovate while looking to grow in a post-Covid era. It is about the development of new ideas with a strong focus on research and development. This can include *developing New and Improved Niche Products and Services into the Regional and Extra-regional niche markets*; Ensuring that the goods or services meet the necessary quality standards and certifications at an affordable price. For those in manufacturing it involves adopting new processes and making the right technological advances and interventions. This can come in the form of changing/ upgrading your packaging, accessing new and different markets and sourcing raw materials from different markets both regionally and extra-regionally. Pivoting in this environment requires reducing expenses, re-negotiating rents, outsourcing services such as marketing and merchandising and building capacity in the sector by upgrading skills. ICT Adoption and E-Commerce - technology needs to be at the centre of SME growth not only in the way products are manufactured, but also in the way they are marketed and delivered in the global marketplace via the internet. E-Commerce is essential to get your goods to market.

Question 2

What are some of the practical things the Ministry of Trade and Industry is doing to support businesses in these challenging times?

WHAT SMEs REQUIRE?

To meaningfully address this question it is important to first consider *What Do SMEs Require?*

BUSINESS FINANCING

Access to finance for growth is perhaps the biggest need of Entrepreneurs and Small businesses throughout the Region. To overcome this constraint, Governments must develop financial solutions targeted at businesses of various sizes depending on their stylized needs.

To alleviate the financing obstacles faced by SMEs, the Ministry of Trade and Industry (**MTI**) **has capitalized three (3) facilities** namely; the Grant Fund Facility (GFF); The Research and Development Fund (RDF) and Steelpan Manufacturing Grant Fund Facility (SMGFF).

Enhanced incentives have been recently enacted to encourage Small and Medium Enterprises (SMEs) to list on the Junior Stock Exchange. The purpose of these incentives is to facilitate greater access to equity funding for such enterprises. These incentives are now on par with similar incentives in other jurisdictions such as Jamaica which has been extremely successful in attracting SMEs to list on its Stock Exchange.

Look at what you can do well and monetize it and market it to the rest of the world.

Question 3

Do you have advice for businesses with regard to developing new business relationships and also expanding to new markets? What type of support are you offering with regard to new markets and partnerships?

EXPLOITING THE DIGITAL ECONOMY AND E-COMMERCE

In order to develop new business relationships and expand into new markets, SMEs need to easily reach customers and suppliers and transact business electronically. Member States throughout the Region must therefore **fully embrace the Digital Economy** and encourage their firms to engage in e-Commerce.

In this regard, the MTI has developed and is implementing a **National e-Commerce Strategy** which is aimed at creating an enabling environment that facilitates and promotes e-commerce for local businesses to serve domestic and international consumer markets.

Through implementation of the National E-commerce Strategy, the MTI continues to offer training and support for e-commerce in areas where businesses may lack awareness such as digital payments, financing options, logistics etc.

For example, later this week, the MTI in collaboration with the Bankers Association of Trinidad and Tobago (BATT), will host a Webinar on Digital Payments which will provide information for SMEs to engage in e-commerce and receive and make payments online.

EXPORT BOOSTER INITIATIVE

The Ministry of Trade and Industry, in collaboration with exporTT and the Trinidad and Tobago Manufacturers' Association (TTMA) have developed an Export Booster Initiative (EBI).

The Export Booster Initiative is made up of sixteen initiatives under three (3) broad strategic areas:

Export Promotion (Accelerating Internationalization)
Capacity Building
Institutional Strengthening

EXPLORING NEW BUSINESS OPPORTUNITIES

To expand into new markets, SMEs must also **explore New Business Opportunities**.

While Caribbean Governments have typically led the way for economic development in sectors such as manufacturing, tourism, agriculture and tourism services, SMEs must now adopt a more strategic approach to identifying new, non-traditional business opportunities.

For example, several large firms throughout the Caribbean are constantly seeking to outsource aspects of their operations based on cost efficiencies. Therein, lies the opportunities for SMEs to partner and add value to these firms.

EXPLOITING REGIONAL INITIATIVES

Exploiting Regional initiatives will also allow our firms to expand into new markets both within and outside of the Caribbean.

For example, Trinidad and Tobago and five (5) other Regional Member States, including Barbados, Guyana, Dominica, Jamaica and St. Lucia recently established the Caribbean Manufacturers' Association (**CMA**) in November 2020.

The CMA's immediate mandate involves implementing the provisions of the Revised Treaty of Chagaramas with regards to trade policy, labour and human resource development, skills development and ease of movement of CARICOM nationals.

The mandate and initiatives currently being executed by the **CARICOM Private Sector Organization (CPSO)** are also assisting our firms in establishing new business relationships.