



Government of the Republic of Trinidad and Tobago

**Ministry of Trade and Industry**

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***“RESILIENCE IN THE  
FACE OF A GLOBAL  
PANDEMIC”***

***CONTRIBUTION TO THE 2022  
FISCAL APPROPRIATION BILL***

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

OCTOBER 9<sup>TH</sup>, 2021

- Madam Speaker, I thank you for the opportunity to contribute to this debate on the 2022 Fiscal Appropriation Bill.
- I recognize the good and decent citizens of Trinidad and Tobago, as well as the private sector, that have collaborated with the Government in maintaining a robust and resilient economy despite the unenviable challenges inherited from the ongoing pandemic.

## ENCOURAGING RESPONSES FROM THE BUSINESS COMMUNITY

### Confederation of Regional Business Chamber

*“People-friendly budget.”*

### Trinidad and Tobago Manufacturers’ Association

*“A Budget to support exports. TTMA is in favour of the provisions outlined that would assist SMEs.”*

### Trinidad and Tobago Chamber of Industry and Commerce

*“TTCIC recognized the Government’s attempt to address the numerous economic and social challenges and we are pleased that many of our recommendations were included in this year’s presentation.”*

### San Juan Business Association

*“Budget was comprehensive, detailed and well informing. The budget was good and we would give a score rating of 8 out 10.”*

### Supermarket Association of Trinidad and Tobago

*“Welcomes the list of food items that will be exempt from VAT. It shows that the Government is paying attention to SATT and various quarters who have been calling for some relief on the high food prices.”*

**American Chamber of Commerce of Trinidad and Tobago**

*“Budget contained commendable initiatives and Tax incentives clearly designed to encourage and stimulate business activity.”*

**Chaguanas Chamber of Commerce**

*“Pleased with the presentation. Chamber welcomes the initiatives for SME’s to list their companies on the T&T stock exchange. Glad the government placed more attention through incentives and initiatives on SMEs, ICT, and tourism sectors.”*

# SECTION 1

## INFLATION

### *INFLATION*

- Inflation is the measure of the rate of rising prices of a basket (group) of goods and services in an economy over a defined period of time. It is measured by the change in the Retail Price Index over a period of time. The main benchmarks of inflation are **headline inflation**, which shows the overall change in the price of all goods and services over a period of time; **food price inflation**, which shows the change in the price of a basket of food products over a period of time; and **core inflation**, which shows the change in the price of basket of goods that excludes food and energy prices.
- Globally, prices have been rising since the emergence of the pandemic on account of a myriad of factors:
  - (a) **Disruption in supply chains** on account of early quarantine and lockdown measures during the pandemic.

(b) **Shortage in shipping containers** which is causing a rise in freight shipping rates and transportation costs. In fact, freight and shipping rates have tripled, increased by approximately 300% from December 2020 to September 2021.

(c) **Adverse weather conditions** such as floods and wildfires in major agriculture and food producing countries including the United States, Canada, Australia, and European Countries. These conditions have negatively affected crops causing a rise in food prices.

(d) **Decline in industrial output in leading economies** such as China, and countries in Europe.

- To illustrate the inflationary effect globally, the inflation rate for the US as of August 2021 was 5.3%, which is the biggest surge in inflation in nearly 13 years; for Canada it was 4.1%, the highest monthly inflation since March of 2003; and the United Kingdom it was 3.2%, the biggest jump since records began in 1997.

- Within the Caribbean region, many countries are also experiencing high inflation levels. For instance, in Barbados, headline inflation was 5.88% in May 2021 and in Jamaica, headline inflation was 4.3% in June 2021.

Country	Inflation Rate
<b>Canada (August)</b>	4.1% ( <i>highest monthly inflation since March of 2003</i> )
<b>United Kingdom (August)</b>	3.2% (the biggest jump since records began in 1997)
<b>United States (August)</b>	5.3% (biggest surge in inflation in nearly 13 years)
<b>Barbados (June)</b>	5.88%
<b>Jamaica (June)</b>	4.3%

- With regards to international food prices, in August 2021, the FAO's food price index revealed the monthly food price inflation was 4.37%. The price rise was driven largely by increases in sugar (10.55%), oils (10.33), cereals (4.28%) and meat (2.21%).
- When prices are considered over a year, the **global food prices shot up nearly 33% in September 2021 compared with the same period**

**the year before (September 2020)**, reaching levels not seen since 2011.

### **Inflation in T&T**

- According to the CBTT's July 2021 Economic Bulletin, headline inflation for 2020 averaged 0.6%; core inflation averaged 0.1% and food price inflation averaged 2.8%.
- However, according to the CBTT's September 2021 Monetary Policy Announcement in July 2021, food price inflation was 4.9%.
- According to data from the Consumer Affairs Division of the Ministry of Trade and Industry, the prices of some of the products that increased included soya oil (37.47%), garlic (30.81%), peas and carrots (18.09%), vegetable oil (14.74%), onion (14.71%), cedar cheese (13.54%), lentil (loose) (13.24%), channa (loose) (12.3%), split peas (loose) (11.75), potato (11.74%), condensed milk (9.84%), olive oil (9.6%), macaroni (8.97%), and corned beef (8.46%).
- Some of the prices that decreased included grapefruit drink (-8.57%), brown sugar (-4.19%), toilet paper (-3.52%), table margarine (-3.38%),

corn flakes (local) (-3.38%), dishwashing liquid (-3.06%), tea bags (green) (-2.01%), chicken wings (frozen) (-1.89%), orange pineapple juice (-1.5%).

- Some of the products whose prices remained stable (moving by less than 1%) included red beans (tin) (0.99%), infant cereal rice (0.9%), pre-packaged flour (0.9%), mustard (0.38%), smoked hearing (0.38%), powdered milk (full cream) (0.25%), tomato ketchup (0.25%), peanut butter (0.19%), biscuits (unsweetened) (-.03%), cooking margarine (-0.19%), and mauby (-0.34%).

### **Inflation Containment Measures**

- During Fiscal 2021, the Government implemented several measures to address rising prices including:
  - i. Zero-Rating of Basic Food Items
  - ii. The Suspension of the CET on Basic Food Items
  - iii. Increased allocation of Foreign Exchange to the EXIMBANK
  - iv. Implementation of a \$500 Mn. Agriculture Stimulus Package
  - v. Strengthening Linkages between Industry and Agriculture to build sustainable food systems
  - vi. Implementing the Import Substitution

vii. Monitoring Prices through the Consumer Affairs Division (CAD)

### **Zero-Rating of Basic Food Items**

- Schedule II of the Value Added Tax **ALREADY** contains a range of basic Food Items (**Under Legal Notice 17 of 2016**) which are already Zero-rated such as: (a) rice; (b) wheat flour; (c) milk; (d) margarine; (e) white and whole wheat bread; (f) baby formula and baby milk substitute; (g) cheddar cheese and rennet free cheese; (h) corned beef; (i) curry; (j) sardine; (k) smoked herring; (l) yeast; (m) baking powder; (n) uncooked and unstuffed pasta; (o) brown sugar; (p) pure white vinegar; (q) oatmeal, meal or cereal which must be boiled in water or milk to make a porridge; and (r) dried leguminous vegetables.

### **Suspension of the Common External Tariff (CET)**

- In November 2020, the suspension of the CET was sought and obtained on a list of over 20 basic food items. These items include salted fished and canned fish, apple juice, cheddar cheese, canned corned beef, milk and cream, refined sugar, preparations for infant use and soybean and other types of oil for cooking. These items resulted in a reduction in import duties collected by the Government of **approximately TT\$164 Mn annually.**

## **THE TRUTH ABOUT ZERO –RATING OF BASIC FOOD ITEMS**

- Madam Speaker the UNC continues to perpetuate the lie that they removed VAT on over 7,000 food items. These are the facts:
  - Since 2004 under the PNM, **over fifty (50) basic food items were Zero-Rated.** Madam Speaker, a simple review of all of the Amendments made to Schedule II of the VAT Act will show this.
  - By Legal Notice 176 of 2012, the UNC simply added (49) NEW items and itemized sub-items to ITEMS that were already Zero-rated by the PNM. **They simply do not understand there is a difference between ITEMS and STOCK KEEPING UNITS (SKUs) in the Supermarket.**
  - In 2016 (Legal Notice 17 of 2016) the PNM tightened the list of ZERO Rated items to deal with revenue leakages BUT maintained the ZERO-RATING of over **20** basic food items.
  - The Ministry of Finance has this week indicated that **over 45 new** basic food items will now also be ZERO-RATED.
- The Government is also investigating the removal of the CET on several other items which will require COTED approval.

- The suspension of the CET of these products would encourage local consumption of these products, preserve foreign exchange, facilitate job creation, and encourage greater domestic investment.

**Allocation of approximately US\$650 Mn. via the EXIMBANK Ltd**

- Through two (2) specific facilities namely, the FOREX Facility for Manufacturers and the Forex Allocation System (FAS). The FOREX Facility was initially allocated US\$200 Mn, but in September 2021, was allocated an **additional US\$150 Mn** bringing the **total to US\$350 Mn** to assist manufacturers. The FAS was initially allocated US\$200, but was also allocated an **additional US\$100 Mn** in September 2021 bringing the **total to US\$300 Mn**. This FAS targets the importers and distributors of food, pharmaceuticals and other COVID-19 essentials and facilitate the importation of basic and essential items into the country thereby preventing any shortages.
- During the period July 2018 to July 2021, 115 manufacturers, of which 99 are SMEs accessed the FAS facility.

### **Implementing of Agriculture Stimulus Package**

- The Government is also expanding the production and marketing of selected high-demand commodities with short production cycles such as vegetables, legumes, roots and tubers, grains, fruits and small livestock. This Agriculture Stimulus Package *includes* incentives of up to TT\$100,000 for farmers, the provision of access roads and other facilities critical for agriculture and expanding the national seed bank in Chaguaramas to produce additional local seed varieties.
- **TT\$300 Mn** has been allocated to the Agriculture Stimulus Fund in Fiscal 2022.
- In addition, **TT\$30 Mn** has been allocated under the 2022 Development Programme for the development of Farmland Infrastructure in Tobago.

### **Import Substitution of a Selected List of Items**

- Madam Speaker, the Government is also focused on encouraging the production of local goods, generating employment, and maintaining the affordability of goods and services in Trinidad and Tobago. To achieve this outcome, the **Government is focusing on the import substitution** of a selected list of items by boosting production locally coupled with escalation of the CET on a selected list of imported goods.

### **Monitoring Prices through the Consumer Affairs Division**

- The Consumer Affairs Division (CAD) of the Ministry of Trade and Industry (MTI) is tasked with the responsibility for safeguarding the economic interests of consumers through several empowerment and protection initiatives. These initiatives seek to ensure that consumers are provided with information to guide purchasing decisions, and access to an efficient customer complaint redress system.
- The new Consumer Protection and Empowerment Legislation is currently being prepared to repeal the existing Consumer Protection and Safety Act, Chapter, 82:34. This new legislation will be more

harmonized and effective in enhancing consumer protection and fostering more informed and empowered consumers.

- The CAD also has an effective mechanism for monitoring prices in Trinidad and Tobago through the conduct of monthly and quarterly price surveys of key retail outlets, namely supermarkets, poultry shops, hardwares and will soon commence surveys of pharmacies.
- In fact, a monthly Retail Price Survey is conducted amongst supermarkets in the country to track the movement of the prices of 128 basic food items consumed by households.
- The prices of live and processed poultry from 35 poultry shops are monitored on a monthly basis.
- Additionally, prices of building materials such as cement and electrical and plumbing items are also surveyed at hardware establishments on a quarterly basis.

- These surveys are published on the MTI website and other forms of social media.

# SECTION 2

## TRADE PERFORMANCE

### *TRADE PERFORMANCE*

- According to the 2021 Review of the Economy, Trinidad and Tobago registered **TT\$36.6 Bn in total exports for the nine (9) month period October 2020 to June 2021**, which is **TT\$ 7.3 Bn** or **25% more** than the corresponding period in Fiscal 2020 (i.e. **October 2019 to June 2020**).
- Madam Speaker, our total exports have since further improved, adding a further estimated **TT\$6.1 Bn over the period July to August 2021** (source: *TTBizLink*). This has resulted in a much **stronger export base** of an estimated **TT\$42.7 Bn** in exports during the first eleven (11) months of **Fiscal 2021 (October 2020 to August 2021)**. This is **trending towards our pre COVID export levels (i.e. approximately TT\$48 Billion on average per annum)**.
- We are therefore encouraged by our trade performance with total exports **rebouncing by an estimated 22% from Fiscal 2020**.

<b>Table 1: Trinidad and Tobago's Overall Trade for Fiscals 2020 &amp; 2021 (October to June-9 Months) – TT\$ Mn</b>			
<b>Trade</b>	<b>Oct 2019 – Jun 2020</b>	<b>Oct 2020 – Jun 2021</b>	<b>% Change</b>
Total Exports	\$29,317.7	\$36,632.2	25%
Total Imports	\$27,329.9	\$26,343.6	-4%
Net Trade Balance	\$1,987.8	\$10,288.6	

Source: Review of the Economy 2021

<b>Table 2: Trinidad and Tobago's Overall Trade for Fiscals 2019-2021 (October to August-11 Months) – TT\$ Mn</b>					
<b>Trade</b>	<b>Oct 2018 – Aug 2019</b>	<b>Oct 2019 – Aug 2020</b>	<b>Oct 2020 – Aug 2021</b>	<b>% Change</b>	
				<b>2019 vs. 2021</b>	<b>2020 vs. 2021</b>
Total Exports	\$55,687.3	\$34,974.2	\$42,749.3	-23%	22%
Total Imports	\$44,692.4	\$32,917.2	\$35,472.9	-21%	8%
Net Trade Balance	\$10,994.9	\$2,057.0	\$7,276.4		

Source: Central Statistical Office

\*April 2021 to August 2021 – TTBizLink (Provisional)

### **Recovery/Rebound in Non-Energy Exports**

- According to the Review of the Economy (2021), during the first quarter of calendar 2021, the manufacturing sector contracted by 10.5% on account of the public health restrictions. However, it is forecasted that the overall decline for all of the calendar 2021 will be only 3.5% as the sector recovers.

- We have seen a rebound in total exports which is also evident in the growth of our **non-energy**<sup>1</sup> sector exports. During the period, **January to August 2021**, total non-energy exports averaged approximately **TT\$1.3 Bn per month** (source: combination of CSO & TTBizLink data), **an estimated 43% higher** compared to 2020 (i.e. TT\$873.1 Mn per month).
- Furthermore, this average has even surpassed that of the same period in 2019, which was approximately **TT\$1.1 Bn per month (14% increase)**, which would have been considered a ‘normal’ trading period (i.e. pre-Covid level). This is in fact, testament to the resilience of our non-energy export sector (**ref. Table 3**).

<b>Table 3: T&amp;T's Total Non-Energy Exports for the period January to August for 2019, 2020 and 2021 (TT\$ Mn)</b>			
<b>Period</b>	<b>Jan to Aug 2019</b>	<b>Jan to Aug 2020</b>	<b>Jan to Aug 2021</b>
January	\$846.59	\$974.92	\$979.74
February	\$1,063.16	\$778.71	\$1,927.16

<sup>1</sup> For this analysis, the non-energy sector **excludes** energy type petrochemicals such as; Ammonia, Methanol, Urea and Mixtures of Urea and Ammonium Nitrate.

However, Melamine which is a further downstream petrochemical is accounted for under Non-Energy as it is not utilized in the context of an energy source. Melamine has become a popular building material and is widely used in the making of items such as plastic ware, furniture, counters, dry boards etc.

March	\$938.83	\$1,348.39	\$1,015.08
April	\$969.44	\$250.71	\$1,339.98
May	\$1,390.92	\$659.11	\$1,196.28
June	\$1,073.43	\$1,326.93	\$1,044.81
July	\$1,137.45	\$797.41	\$1,333.93
August	\$1,361.24	\$848.21	\$1,175.67
<b>Total</b>	<b>\$8,781.06</b>	<b>\$6,984.39</b>	<b>\$10,012.65</b>
<b>Average</b>	<b>\$1,097.63</b>	<b>\$873.05</b>	<b>\$1,251.58</b>

Source: Central Statistical Office

\*April 2021 to August 2021 – TTBizLink (Provisional)

- Specifically, the rebound in our **non-energy manufacturing sectors<sup>2</sup>**, during the period **January to August 2021**, was predicated on our **Iron and Steel (incl. Waste and Scrap Iron) exports** (mainly Ferrous Products), which **increased by 102% and 35%** (ref. Table 4) when compared to the same eight (8) month period in 2020 and 2019 respectively .

Table 4: <b>Selected</b> Manufacturing Exports for Iron and Steel Sector for the period January to August for 2019, 2020 and 2021 – TT\$ Mn							
Exports	Top Exporters (Jan to Aug 2021)	Main Export Destinations (Jan to Aug 2021)	Jan to Aug 2019	Jan to Aug 2020	Jan to Aug 2021	% Change	
						2019 vs. 2021	2020 vs. 2021
<b>Iron and Steel (incl. Waste and Scrap Iron) Total</b>			<b>\$2,905.3</b>	<b>\$1,941.5</b>	<b>\$3,921.6</b>	<b>35%</b>	<b>102%</b>
Ferrous Products from Iron Ore Reduction	Nu-Iron Unlimited	<b>United States</b>	\$2,680.0	\$1,801.0	\$3,688.3	38%	105%
Waste and Scrap Iron	Raj Recyclers, Trinidad Recycling & Trading Co. Ltd., Eco Scrap Solutions	Hong Kong, Thailand and South Korea	\$149.9	\$106.7	\$171.9	15%	61%

<sup>2</sup> Non-energy Manufacturing refers to domestic exports only.

Domestic exports are exports of goods produced in the domestic economy whereby the country of origin is Trinidad and Tobago.

Source: Central Statistical Office

\*April 2021 to August 2021 – TTBizLink (Provisional)

- Similarly, Trinidad and Tobago experienced a recovery in the export of our **food and beverages manufacturing sector**, which registered an **overall 36% increase** over the same period (January to August) from 2020 to 2021 (ref. Table 5). **This was mainly due to a substantial increase in the exports of Prepared Foods from Cereals (20%), Aromatic Bitters (78%) and Other Non-alcoholic Beverages (27%).**  
This export performance is also **27% higher** than that for the same period in 2019.

- **With respect to our alcoholic beverages, there has also been some recovery in that sector, with exports rising by an estimated 24% over the period (Jan-Aug 2020 vs. Jan-Aug 2021).**

Table 5: <b>Selected</b> Manufacturing Exports for Food and Beverages Sector for the period January to August for 2019, 2020 and 2021 – TT\$ Mn							
Exports	Top Exporters (Jan to Aug 2021)	Main Export Destinations (Jan to Aug 2021)	Jan to Aug 2019	Jan to Aug 2020	Jan to Aug 2021	% Change	
						2019 vs. 2021	2020 vs. 2021
<b>Food and Beverages (Total)</b>			<b>\$1,314.6</b>	<b>\$1,229.5</b>	<b>\$1,670.4</b>	<b>27%</b>	<b>36%</b>
Prepared Foods From Cereals	Holiday Snacks Ltd., Associated Brands Industries Ltd., Universal Foods Ltd.	Jamaica, Guyana, Suriname	\$175.4	\$163.9	\$197.0	12%	20%

Table 5: <b>Selected</b> Manufacturing Exports for Food and Beverages Sector for the period January to August for 2019, 2020 and 2021 – TT\$ Mn							
Exports	Top Exporters (Jan to Aug 2021)	Main Export Destinations (Jan to Aug 2021)	Jan to Aug 2019	Jan to Aug 2020	Jan to Aug 2021	% Change	
						2019 vs. 2021	2020 vs. 2021
Aromatic Bitters	Angostura Ltd., Trinidad Distillers Ltd.	U.S.A, Australia, Brazil	\$83.4	\$106.1	\$188.6	126%	78%
Other Non-alcoholic Beverages	Schweppes International Ltd., Caribbean Development Company Ltd. (Carib), Nestle	Jamaica, Guyana, Barbados	\$107.4	\$79.6	\$100.8	-6%	27%
Alcoholic Beverages	Caribbean Development Ltd (Carib)., Angostura Ltd., Trinidad Distillers Ltd.	Guyana, Netherlands, Canada	\$110.2	\$66.0	\$81.6	-26%	24%

Source: Central Statistical Office

\*April 2021 to August 2021 – TTBizLink (Provisional)

- During the period **January to August 2021 vs the same period in 2020**, recovery was also experienced in the exports of **Plastic and rubber products** (*incl. plastic bottles, tubes, pipes and hoses*) (**52%**), **Glass products** (*incl. bottles for soft drinks, beers, wines and spirits*) (**149%**) and **Electrical Equipment, Machinery and parts** (*incl. plastic insulated copper conductors*) (**110%**) (see Table 6).

Table 6: <b>Selected</b> Manufacturing Exports for Top Sectors for the period January to August for 2019, 2020 and 2021 – TT\$ Mn							
Exports	Top Exporters (Jan to Aug 2021)	Main Export Destinations (Jan to Aug 2021)	Jan to Aug 2019	Jan to Aug 2020	Jan to Aug 2021	% Change	
						2019 vs. 2021	2020 vs. 2021
<b>Plastic and Rubber Products</b>			<b>\$197.28</b>	<b>\$178.26</b>	<b>\$270.49</b>	<b>37%</b>	<b>52%</b>
Tubes, Pipes and Hoses	Electrical Industries Group Ltd., Tricon Company Ltd. Wiman Limited	Jamaica, <b>Puerto Rico</b> , Barbados	\$30.36	\$30.97	\$59.26	95%	91%
Bottles of Plastic	Amcor Rigid Plastics Caribbean Ltd., Resin Converters Ltd., Ansa Polymer	<b>Dominican Republic</b> , Suriname, Guyana	\$50.99	\$32.79	\$46.28	-9%	41%
Sacks and Bags	Trinidad Ropeworks Ltd., Rotoplastics Trinidad Ltd., Global Marketing Enterprise Co. Ltd.	Barbados, Jamaica, Guyana	\$26.13	\$23.90	\$25.13	-4%	5%
Plastic Tanks And Reservoirs	Rotoplastics Trinidad Ltd., Electrical Industries Group Ltd.	<b>Puerto Rico</b> , Guyana, St. Vincent & Grenadines	\$15.62	\$15.06	\$21.66	39%	44%
Doors, Windows & Thresholds, Of Plastics	Domus Windows & Doors Ltd.	Anguilla, Antigua & Barbuda, St. Kitts & Nevis	\$4.13	\$3.45	\$10.02	143%	190%
<b>Glass Products</b>			<b>\$51.82</b>	<b>\$42.47</b>	<b>\$105.80</b>	<b>104%</b>	<b>149%</b>
Glass Bottles	Carib Glassworks Ltd., Caribbean Development Ltd. (Carib)	Jamaica, <b>Dominican Republic</b> , Guyana	\$48.95	\$30.34	\$92.99	90%	206%
Other Glass Containers	Carib Glassworks Ltd.	<b>Mexico</b> , Guyana, <b>Brazil</b>	\$0.03	\$11.78	\$12.24	41857%	4%
<b>Electrical Equipment, Machinery and parts</b>			<b>\$64.52</b>	<b>\$40.40</b>	<b>\$84.82</b>	<b>31%</b>	<b>110%</b>
Plastic-Insulated Copper Conductors	Electrical Industries Group Ltd., TYE Manufacturing Company Ltd.	Jamaica, <b>Dominican Republic</b> , Belize	\$46.86	\$32.26	\$75.61	61%	134%

Source: Central Statistical Office, \*April 2021 to August 2021 – TTBizLink (Provisional)

# SECTION 3

## IMPROVING COMPETITIVENESS

- Madam Speaker, the Ministry of Trade and Industry (MTI) has redoubled its efforts in accelerating the economic recovery of our nation, via implementation and in some cases spearheading initiatives highlighted by the Roadmap to Recovery Committee, as postulated in the Phase Two Report of the Roadmap to Recovery for Trinidad and Tobago.
- The MTI has been given the mandate to create an enabling environment to grow and reposition the manufacturing sector post-COVID as a viable catalyst by making it more globally competitive, innovative and productive. As such the Ministry is currently working on a series of initiatives that will improve the competitiveness of our products and services and improve the ease of doing business.

- The MTI's focus is on: -
  - i) **Deepening and Expanding Trinidad and Tobago's Trading Relationship by improving market access with existing and new trading partners;**
  - ii) **Implementing the Export Booster Initiative (EBI);**
  - iii) **Promoting Economic Integration;**
  - iv) **Enhancing the Competitiveness of the Private Sector by improving our national quality infrastructure;**
  - v) **Combatting Illicit Trade;**
  - vi) **Establishment of a new Trade and Investment Promotion Agency (TIPA);**
  - vii) **SEZ Initiative; and**
  - viii) **Apprenticeship Programme for Non-Energy Manufacturing Sector.**

## **A. DEEPENING AND EXPANDING TRINIDAD AND TOBAGO'S TRADING RELATIONSHIP**

- With respect to expanding and deepening trade, we have been focusing on expanding market access to targeted countries and markets of interest. **International Trade has enormous potential for economic development and poverty reduction of small and developing island states.** In pursuit of a robust trade agenda, Trinidad and Tobago is signatory to a series of trade agreements, which not only include those signed with traditional trading partners such as the United States and the United Kingdom but with territories that provide new market access opportunities for its goods and services. Some of these agreements include: -

- *CARICOM*
- *Caribbean Basin Initiative (CBI);*
- *CARIFORUM-UK Economic Partnership Agreement (EPA);*
- *Trinidad and Tobago – Chile Partial Scope Trade Agreement (PSTA);*
- *CARICOM–Colombia Trade Economic and Technical Cooperation Agreement;*

- *Trinidad and Tobago – Panama Partial Scope Trade Agreement (PSTA); and*
- *CARICOM–Dominican Republic Free Trade Agreement (FTA).*
  
- Madam Speaker, we have managed to see the direct results of the implementation of these key initiatives converting to exports in fiscal 2021. Participants in trade missions consisting of firms from the large, medium and small enterprises sector have exported a wide range of products from various sectors such as printing and packaging; food and beverage; agricultural products, personal products and chemicals to new export markets within the CARICOM region such as St. Vincent and the Grenadines, Suriname, Barbados, Belize and Guyana and extra-regional markets including the United States, Puerto Rico, Canada, Cyprus and St. Marteen.

### ***CARICOM Trade***

- The CARICOM region continues to be a significant export destination for our products valued approximately on average **TT\$8.0 Bn** per year. *(N.B. Calculated using data sourced from ROE 2021 for the years 2016 to 2020).*

- According to the Review of the Economy 2021, Trinidad and Tobago recorded an increase of approximately 33.5% in the surplus on its Balance of Trade with CARICOM countries during the period Oct 2020 to June 2021, which moved to **TT\$5.76 Bn** from **TT\$4.3 Bn** in the corresponding 2020 period (Oct 2019 to June 2020).
- This improvement occurred as a result of a 26.4% expansion in the value of exports which stood at an estimated TT\$6.2 Bn for the period Oct 2020 to June 2021 from TT\$4.9 Bn in the same period for the last fiscal. However, exports to the CARICOM region remains lower than pre-COVID levels (*e.g. total exports valued TT\$7.9 Bn in 2019*) this is mainly attributable to the slowdown in economic activity in tourism based economies in the region.

### ***Caribbean Basin Initiative (CBI)***

- Madam Speaker, with respect to trade with the United States (**our largest trading partner**), in October 2020 the Caribbean Basin Initiative (CBI) between the Caribbean and the United States was **renewed which is a success for foreign and commercial**

**diplomacy efforts, led by the Honourable Prime Minister Dr. Keith Rowley.**

- Trinidad and Tobago recorded a trade surplus with the USA of **TT\$1.9 Billion** in the 2021 period. The main exports during the period included **ferrous products from iron ore reduction, anhydrous ammonia, methanol and urea and food and beverages.**
- According to the Caribbean Basin Economic Recovery Act (CBERA): Impact on U.S. Industries and Consumers and on Beneficiary Countries, Twenty-fifth Report, 2019-20, released on September 30, 2021; Trinidad and Tobago **exports to the United States have become more diversified, *that is, we began exporting a greater number of products and became less reliant on exports of just a few products.***
- This arrangement allows Trinidad and Tobago to benefit from continued duty free access for goods exported to the US market. The Ministry of Trade and Industry, also met with the Chargé d'Affaires at the US Embassy **on July 23, 2021 to further exploit the**

opportunities under the preference arrangement, including promoting Trinidad and Tobago as a site for possible FDI so as to improve supply chain resilience for the US.

***CARIFORUM-UK Economic Partnership Agreement (EPA)***

- Madam Speaker, to maintain and expand trade with the United Kingdom, Trinidad and Tobago, as part of the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM) signed the CARIFORUM-United Kingdom (UK) Economic Partnership Agreement (EPA) in April 2019. The Act to give effect to the Agreement domestically was proclaimed by the President of Trinidad and Tobago on March 31, 2021.
- In 2020, Trinidad and Tobago exported products to the UK valued at approximately **TT\$735Mn** with an average value of exports for the period 2015-2020 at valued **TT\$809Mn**.
- The main non-energy exports to the UK in 2020 were; aromatic bitters, sweetened and flavoured aerated waters, shandy, curry, rum and other alcoholic beverages and sauces and condiments.

- The main energy exports include; liquefied natural gas, methanol and diesel oil.
- The benefits of signing this Agreement include providing continued predictable market access for Trinidad and Tobago's products and services, including a special protocol for creative and entertainment industries, which ensures duty-free-quota-free market access into the UK market.

#### ***Trinidad and Tobago – Chile Partial Scope Trade Agreement (PSTA)***

- On October 20, 2020, Trinidad and Tobago and Chile signed a General Framework Agreement for the negotiation of a PSTA. The TT-Chile PSTA intends to increase trade between the two countries by providing market access at reduced rates of duty, on a limited list of products. Local exporters are expected to benefit from preferential access to a market of approximately 18 million persons. The value of average exports to Chile for the period 2015- 2020 is valued at TT\$1.78Bn.

- **The First Round of negotiations occurred during the period 17-19 August 2021.** Both sides reviewed the Draft Negotiating text in eight (8) Negotiating Groups on Market Access, Legal and Institutional Issues, Sanitary and Phytosanitary Measures (SPS), Rules of Origin and Origin Procedures, Trade Facilitation, Technical Barriers to Trade (TBT), Trade Remedies and Competition Policy.
- The Second Round of negotiation is tentatively scheduled for December 2021 and the Negotiating Groups will meet intersessionally in November 2021. These intersessional meetings are important as the Negotiating Groups will be progressing discussions on the draft negotiating text, as well as exchange information. While the list of products to be covered by the agreement was not discussed at the First Round, it is envisaged that information on trade and tariff data will be exchanged prior to the Second Round.
- This exchange will assist both sides in determining the list of products to be covered by the Agreement. This exercise will of course be undertaken with input by the private sector (recognising sensitive sectors) and an approval by the Cabinet.

## ***CARICOM–Colombia Trade Economic and Technical Cooperation Agreement***

- With regard to the CARICOM-Colombia Trade Economic and Technical Cooperation Agreement, **initial negotiations for the expansion of preferential market access** between the Caribbean Community (CARICOM) and Colombia have commenced.
- Whilst in 2020, Trinidad and Tobago exported products to Colombia valued at approximately **TT\$636 Mn**, the average value of exports for the period 2015-2020 valued was **TT\$1.15Bn**.
- Both CARICOM and Colombia have exchanged request lists and National consultations with Ministries, Agencies and Private Sector are on-going to determine TT Positions on the type of access that can be offered.
- The negotiation process which is usually lengthy, requires agreement from all CARICOM Member States on specific Product Positions and also constant engagement with Colombia. This process is expected to be completed by the end of Fiscal 2022.

## ***Trinidad and Tobago – Panama Partial Scope Trade Agreement (PSTA)***

- The **First Meeting of the Joint Administration Commission** for the Trinidad and Tobago – Panama Partial Scope Trade Agreement (PSTA) was held on April 16, 2021.
- Discussions were focused on trade related issues and other implementation matters regarding the TT-Panama PSTA which included: The Draft Rules of Procedure for the Joint Administration Commission; Transposition of Tariff Lines in Annexes A and B; Unification of Rules of Origin; Market Access Challenges; Exchange of Lists for Negotiation of New Products for Preferential Access for Inclusion under Annexes A and B.
- Trinidad and Tobago is taking action to establish working groups to commence negotiations for expansion of preferential access for goods and the development of Unified Rules of Origin. This will result in increased export opportunities for our manufacturers and exporters.

- In 2020, Trinidad and Tobago exported products to the Panama valued at approximately **TT\$562Mn** with an average value of exports for the period 2015-2020 at valued **TT\$485Mn**.
- The main non-energy products exported to Panama in 2020 were; toilet tissue, sugar confectionary, preparation of fruits, nuts and edible plants, chocolate and other chocolate preparations and pre-cooked foods from cereals. Whereas, the main energy exports include; diesel oil, liquefied natural gas (LNG) and urea.

### ***CARICOM–Dominican Republic Free Trade Agreement (FTA)***

- The Dominican Republic is an important trading partner for Trinidad and Tobago, both as part of the regional bloc CARIFORUM and under the CARICOM-Dominican Republic Free Trade Agreement.
- Trinidad and Tobago has been a net exporter to the Dominican Republic over the period 2016-2020. In 2020, Trinidad and Tobago exported products valued at approximately **TT\$311 million**.

- The main non-energy products exported to the Dominican Republic in 2020 were prepared foods from cereals, plastic bottles, glass bottles, copper conductors and toilet paper. Whereas, the main energy exports include urea and natural gas.
- Both Trinidad and Tobago and the DR will continue to work together to utilize our market space and to explore and capitalize on the complementarity and synergies that exist between both countries.

### ***Export Opportunities to China***

- In 2020, Trinidad and Tobago exported products to China valued at approximately **TT\$1.40Bn** with an average value of exports for the period 2015-2020 valued at **TT\$ 880Mn**.
- The main non-energy products exported in 2020 to China were; iron ore and concentrates, ferrous waste and scrap, aromatic bitters, frozen fish and natural asphalt. Whereas, the main energy exports include; methanol and liquefied natural gas.

- Trinidad and Tobago, through its trade promotion agency, exporTT will participate at the 4th China International Import Exposition (CIIE) in Shanghai, China in November 2021, with an objective to increase and diversify exports to China.
- The CIIE is one of the world's largest platforms for strengthening international cooperation in trade and investment and comprises of three (3) components:
  1. An Online Country Exhibition,
  2. An Enterprise and Business Exhibition and, (which is a physical event)
  3. The 10th China International Oil and Gas Trade Congress (which is a physical event).
- Some of the firms participating at CIIE are Angostura Limited, Vemco, Hadco, Freshstart, KC Confectionery, TT Fine Cocoa, The Chocolate Box, Twigs Natural, Chief Brand Products, CGA Limited and RHS Marketing.

- Some of the products expected to be on display include natural teas, natural coconut oils, rum, curry powder, cocoa, chocolate, seasonings, pepper sauce and aromatic bitters.

### ***Export Opportunities to Europe***

- Trinidad and Tobago experienced a consistent trade surplus with the EU over the period 2012-2019. In 2020 exports totalled **TT\$4.47Bn**, the main exports to the EU include fuel and mining products, notably petroleum gas and minerals, rum, iron ore products, and fertilisers. Manufactured goods also showed healthy performance with further room for local producers to capitalize on the benefits
- The Ministry of Trade and Industry through exporTT will implement the Second Fit 4 Europe Project in fiscal 2022 to develop the export readiness of the manufacturing and services sector for the EU market.
- The First Fit 4 Europe Project successfully built the capacity of twenty-six (26) Trinidad and Tobago enterprises at varying levels of development, comprising, micro and rural based firms, women led businesses, established exporters and business development organisations. The project delivered US\$18 Million “Reported Export

Orders”, in addition to ten companies being in the advanced stages of distributive of partnership agreements.

- The FIT 4 Europe II project will continue the implementation of the CARIFORUM –EU EPA and ensure that exporters are able to benefit from the opportunities under the CARIFORUM –EU EPA.
  - i. To build market intelligence on accessing EU Markets
  - ii. Improve the export-readiness of the enterprises for the new and emerging EU markets.
  - iii. To capitalize on export opportunities available under the CARIFORUM – EU EPA. To further develop the capacity of exportTT staff to deliver trade support services and improve client management

The project will focus on the development of manufacturers under the following key sectors food and beverage, agro processing, chemicals, services, fashion, animation and culture.

## ***B. IMPLEMENTATION OF EXPORT BOOSTER INITIATIVE (EBI)***

- With respect to pursuing the GORTT's diversification agenda, the MTI in collaboration with the Trinidad and Tobago Manufacturers' Association (TTMA) and exporTT developed an Export Booster Initiative (EBI). This flagship programme, was in keeping with an allocation of TT\$50 Mn allocated by Government to MTI in the Fiscal 2020/2021 Budget for overseas market development and export promotion.

An allocation of **TT\$37.8 Mn** has been allocated in Fiscal 2022 for the EBI.

- In line with the TTMA's Manufacturing Export Strategy objective of doubling manufacturing exports by 2025, the objective of the EBI is to increase the value of select manufactured goods **from TT\$2.7 billion in 2019 to TT\$5.4 billion** by 2024. To achieve this target, the EBI will focus on sixteen initiatives under three broad strategic areas namely Export Promotion, Capacity Building and Institutional Strengthening.

## **Export Promotion**

- For the purpose of Export Promotion, funding will be allocated to cover several initiatives. These initiatives include: -
  - I. The Conduct of Virtual Trade Missions;
  - II. The Strengthening of Market Intelligence;
  - III. The Provision of translation and interpretation of support services;
  - IV. The Strengthening of In-market support services;
  - V. The Establishment of a Virtual Expo Platform;
  - VI. The Development of Sector Profiles or Marketing Materials to promote the country's exports and;
  - VII. The establishment of a Trade Facilitation Office and Trade Attaches, which will be discussed later on.
  
- Of the initiatives just mentioned under Export Promotion, two commenced implementation in Fiscal 2021. These are **Market Research** to generate market intelligence and identify export opportunities and the conduct of **Virtual Trade Missions**.

### ***Market Research***

- With respect to Market Research, through exporTT, a series of market intelligence research activities is being undertaken to help exporters identify opportunities and make decisions on market and market entry strategies. **To date, research for two (2) markets have been completed namely the Dominican Republic and Canadian markets. The information generated for these two markets have been shared with 290 persons representing tens of exporters.**
- Several similar research activities are in the pipeline and will be completed soon. The markets being examined include the British Virgin Islands, Curacao, Miami and the United Kingdom. The output from this work will be used to inform the conduct of Virtual Trade Missions including which cities should be targeted and which exporters should participate.

### ***Virtual Trade Missions***

- Despite operating in a COVID-19 environment, exporTT persistent with their mandate to generate export growth and diversification of the non-

energy goods and services sectors; **conducted three (3) virtual trade missions with over fifty-eight (58) participants in attendance.**

- These virtual trade missions were as follows:
  - ✓ Panama (January 2021-April 2021) where four (4) business leads have been generated;
  - ✓ Jamaica (July –August 2021) where six buyers were asked to submit quotations; and
  - ✓ Guyana (July-August 2021); where twenty-nine (29) businesses participated
  
- A Miami VTM is expected commence in November 2021 and is being pursued in collaboration with FashionTT. Other Virtual Trade Missions carded for Fiscal 2022 include:
  - Antigua and Barbuda;
  - Colombia (Cartagena);
  - Canada;
  - Curacao;
  - Dominican Republic;
  - Miami - Food and Beverage;

- New York; and
- United Kingdom
  
- In fiscal 2022, some initiatives for which proposals are being considered include:
  - Translating and Interpretation Services and In-Market Promotion;
  - the establishment of a Virtual Expo Platform to bring buyers and sellers together virtually; and
  - the creation of Sector Profiles or promotional material to promote Trinidad and Tobago's exports to overseas customers.

### **Capacity Building**

- Madam Speaker, I will now speak to Capacity Building, which under the EBI speaks to increasing the capacity or competitiveness of local manufacturers to produce products that are price and quality competitive. There are six initiatives under Capacity Building which include:

- i) International Certification Fund Programme to help exporters meet International Standards;
  - ii) Provision of Innovation Vouchers to encourage Product Development;
  - iii) The Provision of Labelling and Product Testing Support;
  - iv) Establishment of a Tobago Capacity Building Programme;
  - v) Establishment of an Export Accelerator Programme; and
  - vi) Provision of Support for Green Packaging and Manufacturing.
- Madam Speaker, I will now speak to some of these initiatives more in-depth. During fiscal 2021, implementation commenced on the International Certification Fund while commencement of other initiatives is at different stages of implementation.
  - Proposals are currently being considered for the implementation of Innovation Vouchers to encourage product development; the provision of support to companies to transition into using and manufacturing Green Packaging materials; and the rollout of a Tobago Capacity Building Programme.

- Preparatory work has commenced on all these initiatives and it is expected that implementation will commence in the next few months. I will speak to some of these initiatives a little later on in my contribution.

### ***The International Certification Fund (ICF)***

- Madam Speaker, regarding the ICF that has commenced implementation, TT\$20M was allocated to the ICF to help exporters achieve international certification in food/beverage and other product compliance to meet the quality and safety standards of international markets and franchises.
- The ICF provides grant funding to assist qualified firms in building capacity:
  - for exports into new markets;
  - 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 by up to 50%.
- In addition to helping firms meet international standards to export, it also caters to import substitution. To date four (6) applications have been approved and seven (7) are being processed. These applicants represent firms in the agro- processing sector, food and beverage engineering and industrial sectors and construction.
    - ***SCL Trinidad Limited***, a small firm, competing in the engineering and industrial sector, received grant funding in the amount of **TT\$177,480** to pursue an Admixture Testing Standard for their admixture products used in concrete construction material.
    - This certification would help increase the company's ability to compete for larger local contracts and secure contracts in new foreign markets such as Belize, Costa Rica and Turks and Caicos. The potential foreign exchange revenue to be realized as a result is US\$1.9M annually.

- ***Imanex Ltd***, a micro firm, in the food and beverage sector, producing ice-cream cones, received grant funding in the amount of **TT\$20,300** to obtain full Hazard Analysis Critical Control Point (HACCP) certification. For *Imanex Ltd*, HACCP compliance would ensure that all products are safe for consumption and free from contaminants.
  
- Given the need for HACCP certification as a commercial requirement for markets such USA, European Union and Latin America, it would further satisfy the entry requirements of these target markets and help achieve the firm's export growth objectives. The potential foreign exchange revenue to be realized as a result is US\$38,235.29 annually.
  
- ***Kamri Investment Limited***, a small firm competing in the construction sector, received grant funding in the amount of TT\$45,000 to become internationally certified by the Safety Glazing Certification Council (SGCC) to increase the competitiveness of their tempered and laminate glass products.

- With required SGCC certification, *Kamri Investments Ltd* will be able to secure more lucrative overseas construction contracts from regional and Latin American markets, which will allow the company to earn, in the first instance, foreign exchange revenue of approximately US\$240,000 annually.
  
- ***Stuart Brothers Limited***, a medium sized firm competing in the food and beverage sector received grant funding in the amount of **TT\$109,140** to obtain the Food Safety System Certification 22000 (FSSC 22000) which is a certification Scheme for the auditing and certification of Food Safety Management Systems (FSMS). This would allow the company to meet the requirements of their current customers and new export markets.
  
- The company has indicated that many of its local, regional and international partners require the certification to conduct business. This certification will allow Stuart Brothers Limited to export to new markets such as Colombia, Panama and Haiti. With the adoption of this new standard, the potential increased revenue for the firm is estimated at US\$225,000 annually.

- ***Habanero Trinidad***, a micro-sized firm competing in the food and beverage sector known for providing authentic, healthy and natural products received grant funding in the amount of **TT\$309,293**, to obtain the Code of Federal Regulations Title 21 (CFR21) certification for low acidity canned foods and to secure specialist equipment and undergo food safety factory modifications.
- This would help the company increase export sales to their current markets and expand to the USA. By attaining this support, the company expects to earn, in the first instance, foreign exchange revenue of approximately US\$50,000 annually in the first instance.
- ***Rockland Limited***, a micro-sized firm in the food and beverage sector, known for supplying partially baked doughs and pastries, received grant funding in the amount of **TT\$500,000** to obtain the British Retail Consortium (BRC) Standard Audit and secure specialised equipment and factory modification. This certification would allow them to supply their baked goods to a regionally based international franchise as well as to regional hotels. The estimated

additional value of exports expected as a result is USD\$300,000 annually.

- It should be noted that Rockland would be able to engage in import substitution with attainment of this standard. The company will be able to supply product that would normally be imported, to a locally based international franchise. This will save the country in approximately US\$700,000 annually in foreign exchange.
- To secure as many suitable applicants as possible for the ICF programme, exporTT has targeted firms from a list of over 110 of Trinidad and Tobago's top exporters earning between USD100,000 and USD 4 Million in export revenue.
- Based on this list, exporTT has been directly communicating with firms encouraging them to apply, as well as, providing assistance with the application process. exporTT is also working closely with the TTMA and their External Trade Consultant to identify exporting firms who can benefit from the ICF.

- To date more than 28 companies, have expressed interest in the programme. It is anticipated that for fiscal 2022 approximately 40 more applications will be received for support under the ICF programme.

### **Innovation Vouchers.**

- To achieve this TTD\$3.8 Mn has been allocated under the Export Booster Initiative (EBI) to strengthen linkages between research and development (R&D) institutions, the academic community and exporters to drive more innovation at the firm level. Innovation Vouchers will be introduced to finance a cohort of twenty (20) firms in the product development of more innovative exports and the adoption of more efficient and environmentally friendly production practices and processes.
- The value of these vouchers will be up to TTD\$200,000 and will cover activities including Process Automation, Product/Service Development and Acquisition of Technology.

## **Green Manufacturing**

- In order for our exports to reach diverse and untapped destinations as well as maintain market share within our traditional markets, our goods must meet all environmental standards.
- Therefore, it is the government's priority to promote the greening of local manufacturing and encourage exporters to incorporate new greener inputs in their manufacturing process. Support for Green Industries is an opportunity for Trinidad and Tobago to achieve sustained growth and build economic resilience. Under the Export Booster Initiative (EBI), TT\$2.5 Mn has been allocated to encourage activity in green industries.
- Participating companies will benefit from technical and financial assistance to transition to biodegradable and more environmentally friendly packaging practices and production. The initiative will target ten (10) exporters who are transitioning into sustainable 100% recyclable packaging, as well as, companies interested in investing in green packaging manufacturing.

## **Institutional Strengthening**

- Madam Speaker, the third and final area under the EBI, is Institutional Strengthening. Under this area, several initiatives have commenced in Fiscal 2022.
- In the first instance, exporTT has taken action to modernise itself by recruiting a Change Management consultant to improve efficiency and output.
- To build capacity at the TTMA, an External Trade Consultant has also been recruited to help the TTMA obtain its goal of double manufacturing exports in the next few years.

### **C. ENHANCING THE COMPETITIVENESS OF THE PRIVATE SECTOR - TRINIDAD AND TOBAGO ACCREDITATION SERVICE FOR CONFORMITY ASSESSMENT (TTASCA)**

- As articulated in the Trinidad and Tobago Trade Policy (2019-2023), the Government of Trinidad and Tobago aims to enhance the competitiveness and diversification of the economy by improving, the quality of the country's offering of products and services. In order to enhance the competitiveness of the private sector the Government, through the Ministry of Trade and Industry and its state agencies, is currently pursuing two (2) key projects:
  - *Establishing an Independent Accreditation Body for the Manufacturing Sector (TTASCA); and*
  - *Implementing the National Quality Policy (NQP).*
- In commencing work on establishing an independent accreditation body in 2019 for the Manufacturing sector, a consultant was hired to prepare a Legislative Briefing Document and Regulatory Impact Assessment (RIA), which was submitted to the Chief Parliamentary Counsel (CPC) in

December 2020 to facilitate the drafting of the Legislation for the establishment of the TTASCA.

- Legislation to establish TTASCA will be completed by December 2021 to allow local labs (including those involved in food, medical and product testing) to be accredited. A training facilitator has been procured and the training component for staff and assessor transitioning from TTLABS to TTASCA commenced in July 2021.
- A key part of implementing the NQP is the accreditation of public laboratories, thus far 2 (two) local laboratories, the Institute of Marine Affairs (IMA) and National Petroleum (NP) have undergone preparation and accreditation assessment. Since then, the Trinidad and Tobago Bureau of Standards (TTBS) has made a call for assessment of additional laboratories, with two more expected to join the list of accredited labs.
- Madam Speaker, the Government's commitment to building the National Quality Infrastructure is evident in the allocation of **TT\$9.35 Mn** in Fiscal 2021 up from **TT\$2.0Mn** in Fiscal 2020 for the NQI Enhancement Programme being executed by the Trinidad and Tobago Bureau of

Standards (TTBS). In addition to this a Grant in the amount of EU198,000 was received from the European Union for the Project - Building a Quality Culture in Trinidad and Tobago. This Project was launched on October 1, 2021.

***D. NATIONAL ACTION PLAN TO COMBAT ILLICIT TRADE IN CONSUMER GOODS IN TRINIDAD AND TOBAGO***

- A National Action Plan to Combat Illicit Trade in Consumer Goods in Trinidad and Tobago was approved by Cabinet in March 2021.
- The Action Plan includes twenty-six (26) measures aimed at achieving the following general objectives:
  1. Strengthen the legal framework to combat illicit trade;
  2. Strengthen the capacity of Ministries and enforcement agencies to combat illicit trade;
  3. Enhance collaboration among regulatory and enforcement agencies;

4. Promote public-private partnerships towards fighting illicit trade;  
and
5. Increase public awareness of illicit trade and the associated dangers.

### **Establishment of the Anti-Illicit Trade Task Force (AITTF)**

- The Anti-Illicit Trade Task Force (AITTF) co-chaired by the Permanent Secretaries of the MTI and MNS is responsible for implementation of the Action Plan. The AITTF comprises representatives from the:
  - i. Customs and Excise Division;
  - ii. Financial Intelligence Unit;
  - iii. Intellectual Property Office;
  - iv. Trinidad and Tobago Police Service;
  - v. Chemistry Food and Drugs Division, Ministry of Health;
  - vi. Crime Stoppers Trinidad and Tobago;
  - vii. Trinidad and Tobago Chamber of Industry and Commerce;
  - viii. Trinidad and Tobago Manufacturers' Association;

ix. Trinidad and Tobago Bureau of Standards; and

x. Ministry of Agriculture, Land and Fisheries.

- The AITTF has held three (3) Meetings thus far, on April 30, 2021; June 30, 2021 and September 16, 2021. During these meetings the AITTF *inter alia* approved the establishment of:
  - A sectoral sub-working group on legislation that will spearhead strengthening of the legal framework to combat illicit trade and review any legislative related matters to address illicit trade.
  - Working Groups on alcohol, tobacco, cleaning agents and pharmaceuticals to further assess the impact on these sectors and provide sector-specific recommendations.

Thus far, the Working Groups on Alcohol, Cleaning Agents and Pharmaceuticals met during the month of August 2021 to discuss their role and the activities required to combat illicit trade in the respective areas under their remit.

## **The Anti-Illicit Trade Awareness Campaign**

- Currently, work is also on-going on the development of a National Awareness Campaign. The Anti-Illicit Trade Awareness Campaign will be implemented in two (2) phases over a 6-month period commencing in October 2021.
  - Phase 1 quick wins include increased general knowledge of illicit trade, its impact and the different forms it can take.
  - Phase 2 quick wins comprise sector-specific information including ways by which consumers can identify counterfeit goods.
- In October 2021, the MTI will lead efforts to establish Memoranda of Understanding among member organizations of the AITTF to strengthen interagency cooperation and coordination to address illicit trade.
- We are already seeing the effects of increased enforcement by the Multi-Agency Task Force, as several illicit items including tobacco, and alcoholic beverages were recently seized in an anti-crime exercise campaign.

- The Multi-Task Force includes officers of the Customs and Excise Division, the Trinidad and Tobago Bureau of Standards, the Ministry of Labour's Occupational Safety and Health Authority and Agency, and the Ministry of Health's Chemistry, Food and Drugs Division.
- The sum of **TT\$500,000** has been allocated under the Fiscal 2022 Development Programme to support the execution of this Programme.

### **E. The Establishment of a Trade and Investment Promotion Agency for Trinidad and Tobago**

- The establishment of the TIPA is but another initiative aimed at transforming and increasing the competitiveness of the trade and business environment of Trinidad and Tobago. Its establishment is intended to strengthen and modernize the country's export and investment promotion institutional arrangements to be more high profiled and on par with other similar regional and international agencies.

- The TIPA will be the country's premier trade and investment promotion agency, staffed with highly skilled and reputable officers who are ably equipped to represent the country's strategic interests at the highest levels.
  
- By having a single export and investment promoting champion, the proposed TIPA will simplify doing business with Trinidad and Tobago creating one interface for the domestic private sector and making it easier for the country's trading partners to trade and invest.
  
- It is proposed that the TIPA will establish Trade Facilitation/Commercial Offices and where necessary, Commercial Officers with responsibility for Trade and Investment Promotion will be located within T&T Embassies and Missions as follows:
  - Jamaica and Guyana (responsible for Suriname and Belize)
  - England (responsible for EU)
  - US
  - Ghana
  - Beijing China

### ***Readiness of invesTT and exporTT with regard to TIPA***

- A readiness assessment was conducted for invesTT and exporTT. The Readiness Assessment covers key areas of leadership and governance, resources and processes, product and service delivery and measurement results. More specifically the readiness assessment provides details on the mandate, governance, strategic plans, partnerships, organisational structure, physical assets, portfolio of services, client management system, marketing and promotion, communication and client satisfaction mechanism. The readiness assessment demonstrates a good standing for both organisations under these categories.

### ***Overall Benefits to be Gained***

***There are significant Benefits to be gained from the development of the TIPA, these include:***

- Greater impact and results can be achieved through the merger of all trade and investment promotion activities into one organization.

- strengthen and modernize the country's export and investment promotion institutional arrangements to be more high profiled and on par with other similar regional and international agencies.
- simplify doing business with Trinidad and Tobago creating one interface for the domestic private sector and making it easier for the country's trading partners to trade and invest.
- a coordinated and streamlined approach to country imaging and branding. The TIPA will adopt a similar approach and raise the country's international profile and status in the international trading community
- a unified approach in the promotion of the country as well as significant cost savings, were experienced, in the application of an economic diplomacy approach through the establishment of Commercial Officer and where necessary Commercial Officers with responsibility for Trade and Investment Promotion to be located within its Embassies and Missions.

- Reduced duplication and savings on redundant operational expenses allow a more targeted approach to Trade and Investment Promotion and better management through the monitoring and evaluation of the operation and performance of only one entity.

# SECTION 4

## INVESTMENTS

### ***A. Fiscal 2021 Investment Performance***

- In Fiscal 2021, despite being in a pandemic period, the Government facilitated a series of investment projects in targeted areas of economic activity. **The total value of non-energy investments that were facilitated by us and which became operationalized in Fiscal 2021 were ½ a Billion (TT\$491.6 Mn) which demonstrates confidence in the economy and the Government of Trinidad and Tobago. These projects created over 1,090 new jobs across the Manufacturing, Business Process Outsourcing and Agro-Processing sectors, in both new and expanded activities.**

### ***B. Pipeline Investment Projects – Fiscal 2022***

#### ***a. Committed Investments***

- Madam Speaker, there are several “committed” investments carded for commencement in Fiscal 2022 and further on, in several areas including Distribution, Manufacturing, Agro-Processing, Food and

Beverage, Business Process Outsourcing (BPO), Information and Communications Technology (ICT), Agriculture, and Hotel and Tourism. These commitments are a clear indication of investors' confidence in the domestic economy's recovery and in the Government's ability to stay on course. **The total value already “committed” as we speak and to common activities in 2022 is over TT\$ 1 Billion with the potential to create over 1,800 jobs.**

PriceSmart T&T Ltd. – ANCHOR TENANT

- PriceSmart Trinidad and Tobago Ltd. will establish a Regional Distribution Centre on 10 acres of land, at the Phoenix Park Industrial Estate. The development will include warehousing, manufacturing and free zone operations. The project will create 60 jobs during the construction phase and several new permanent jobs thereafter as many existing staff will be absorbed within the facility.
- The Regional Distribution Centre will serve as the hub for PriceSmart's operations in the Caribbean. **The company intends to purchase as many locally produced goods as possible for distribution throughout its retail chain.** In this regard, discussions are ongoing

with several manufacturers of food products, detergents and paper products. **Additionally, the company is desirous of centralizing its manufacturing operations to serve its Clubs in the region. The principal areas under consideration for manufacturing are bakery products and packaged meats.**

- In addition to the Regional Distribution Centre, PriceSmart will invest in two other projects. These include:
  - a Plastics Packaging PET (polyethylene terephthalate) Plant for packing food and beverages. The factory will be located in Point Lisas, and is anticipated to provide employment for 30 persons.
  - a Fresh Produce Distribution Centre, in which PriceSmart will work with local farmers to develop their capacity to supply commodities as directly as possible from the farms to Clubs. PriceSmart has similar operations in Panama, Colombia, Costa Rica and the Dominican Republic. The estimated investment in this venture is expected to create 20 new jobs.

- Madam Speaker, in Fiscal 2022 and beyond, there are continuing investments and new “committed” investments that will generate further commercial activity and new jobs. **It is estimated that these projects will generate upwards of TT\$ 600 Million and over 1,000 new jobs.**

### ***C. Creation of New Economic Spaces***

#### ***Phoenix Park Industrial Estate***

- Madam Speaker, one of the flagship investment projects of the Government is the development of the Phoenix Park Industrial Estate which is on-going and will be completed in Fiscal 2022.
- Hundreds of persons are now employed in the construction stage (95% of which are locals). The Phoenix Park has created opportunities for local employees, local companies and surrounding local communities.
- In addition to the Anchor Tennant (PriceSmart International), three (3) Chinese investors in the areas of logistics and distribution, manufacturing and seafood processing are at an advanced stage of

finalizing their investments and have already made applications to eTeck for setting up at the Park.

- Potential investment by 11 local investors (in the areas of manufacturing and logistics and distribution) are also in the pipeline, 8 of which have already made applications to eTeck for setting up at the Park. These investments amount to approximately **\$395.23 million**.
- The Park will create direct employment for over **4,500 persons when completed.**

### Factory Road Industrial Park

- Madam Speaker, the Government through Eteck, is furthering development of the Factory Road Industrial Park in Chaguanas on 67 acres of land.
- Three (3) companies engaged in agro-processing, manufacturing and distribution and engineering have already entered into lease agreements with eTeck with a likely **total investment of TT \$890 Mn creating approximately 622 new jobs.**

- 8 additional investors with the potential to create another 158 new jobs are also in the pipeline.
- The National Gas Company of Trinidad and Tobago Limited (NGC) and Evolving TecKnologies and Enterprise Development Company Limited (eTeck) have already signed an Engineering, Procurement and Construction (EPC) contract for the supply of natural gas pipeline infrastructure for the Park and this is almost completed.

*Moruga Agro-Processing and Light Industrial Park*

- Madam Speaker, in Fiscal 2020, the Moruga Agro-processing and Light Industrial Park was commissioned. The Park has 5 factory shells and 6 land lots and the Government is focused on tenanting the Park.
- The final Completion Certificate for the Park from the Princes Town Regional Corporation was **only** obtained in April 2021;
- 4 companies have accepted Letters of Offer for 3 factory shells and 1 land lot in the areas of agro processing and food production, including

pepper sauces, chocolate and root crops and representing a total estimated investment of **TT\$12.3 Mn** and **339 new jobs**.

- InvesTT is actively pursuing a pipeline of tenants for the remaining spaces – 1 tenant is advanced proposing to make an investment of and creating 30 jobs. Ten (10) have expressed serious interest in the following areas; pepper and ginger processing, frozen fruits, dehydration and packaging of foods and manufacture of eggless cream liquors.

#### ***D. Virtual Investment Forum***

- In order to promote investment opportunities in Trinidad and Tobago and to market the country as a premier investment destination a Virtual Investment Forum will be held in during 2-3 November 2021, as a joint initiative between InvesTT Limited and Caribbean Export Development Agency (CEDA). We expect as many as 250 attendees across the two-day event.
- To ensure the event's success, invesTT has hired the services of two international firms, namely:

- Conway Inc. a US based company that provides comprehensive services offering for investment promotion agencies around the globe has been hired to drive participation in the event.
  - Wavteq, to set up 10 b2b meetings in and around the event to ensure qualified investment leads are generated from the event.
- The Forum will promote the country as a preferred destination for investors given the country’s notable advantages, and explore all the available investment opportunities within the economy, with emphasis on the Non-energy sectors. It will position Trinidad and Tobago as a vibrant and unique destination for transformative investments in priority areas, including, inter alia:
    - *Manufacturing/ Electricity Intensive Manufacturing;*
    - *Logistics and Distribution;*
    - *Offshore Transshipment & Ship Layups;*
    - *Business process outsourcing with a focus on Voice Contact Centers/Technical Support;*
    - *Agriculture/ Agro-processing/ AgriTech;*
    - *Hotel Development;*
    - *Digital technologies;*

- *Renewable energy; and*
- *Infrastructural investments.*

# **SECTION 5**

## **ENTREPRENEURIAL ECOSYSTEM**

### **1. START-UPS (< 1 YEAR)**

- a) Research and Development Facility (RDF) – exportTT
- b) Innovation Envelope – Export Booster Initiative (Manufacturing)
- c) Business Incubators
  - CARIRI
  - UWI Ventures
  - Innovation Incubator Project
- d) Tax Incentives (for Start-ups)

### **2. EARLY-STAGE FIRMS (1-5 YEARS)**

- a) NEDCO Grant
- b) SME Capacity Building Enhancements
- c) Scale up Trinidad and Tobago
- d) Credit Union Soft Loans
- e) Junior Stock Exchange
- f) Grant Fund Facility
- g) e-Commerce
- h) She Trades

i) Steelpan Manufacturing Grant Fund Facility

**3. MATURE FIRMS (> 6 YEARS)**

a) Expansion of Government-Guaranteed Loan Programme

b) Research and Development Capital Allowance

c) VAT Refunds

d) Export Booster Initiative<sup>3</sup>

e) National Quality Infrastructure

f) EximBank Facility

g) New Manufacturing Sector Allowance – 5% reduction in tax

h) New Corporation Tax reduction

