



Government of the Republic of Trinidad and Tobago

**Ministry of Trade and Industry**

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# *The Revitalization of the Yachting Industry*

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FEATURE ADDRESS

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

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## **SALUTATIONS**

- Minister of Tourism, Culture and the Arts – Senator the Honourable Randall Mitchell
- President of Trinidad and Tobago Coalition Services Industries (TTCSI) – Mr. Mark Edghill
- President, Yacht Services Association of Trinidad and Tobago (YSATT) – Mr. Peter Peake
- Chief Executive Officer, Trinidad and Tobago Coalition Services Industries (TTCSI) – Ms. Vashti Guyadeen
- Vice President, Yacht Services Association of Trinidad and Tobago (YSATT) – Mr. Jesse James
- Stakeholders within the Yachting Community
- Members of the Media
- Ladies and Gentlemen

Good morning

I am pleased to announce a new TT\$10 million dollar grant fund facility for micro and small enterprises in the yachting industry. The Government of the Republic of Trinidad and Tobago (GORTT) has heard your concerns and remains committed to working with you to return yachting to the viable economic industry that it once was with considerable potential for growth and development.

#### Snapshot of the Industry

The Yacht Services Association of Trinidad and Tobago (YSATT) estimates that there are on average 150 businesses catering to the local yachting industry of which 84% are characterized as Micro and Small Enterprises (MSEs). This industry employs approximately 1,700 persons skilled and unskilled workers over a number of services including storage, repair, maintenance and ancillary services. Approximately:

- 64% of companies are involved in repairs and maintenance services;
- 19% of companies providing services for hospitality, haul out facilities, storage facilities and dock spaces; and
- the remaining 17% of companies facilitating other Services such as retail shops, travel agencies and yacht brokerage.

Being strategically located below the hurricane belt, Trinidad and Tobago is an ideal destination for foreign yacht owners and has a geographic advantage over many other territories. In addition to being ideal for storage purposes during the hurricane season, the industry has become known to provide world class yacht repair and maintenance services.

Recognizing the advantage and potential of our local yachting industry, the Government, in 2017, approved the Yachting Policy of Trinidad and Tobago 2017-2021 to guide the sector's development and optimize its economic contribution towards the sustainable development of Trinidad and Tobago. The approval of this Policy came at an opportune time when the yachting industry was declining and required strategic direction.

A number of initiatives from the Policy were implemented such as the Safety Programme for the Yachting Industry of Trinidad and Tobago, also known as the Float Plan, to mitigate instances of piracy, as well as an International Awareness Campaign to promote Trinidad and Tobago as an ideal destination for yacht visitors during the hurricane season.

These initiatives positively impacted the sector and were reflected in increased yacht arrivals. In 2018, there were 771 yacht arrivals, a 17% increase when compared to 2017 with in 2019, there were 684 yacht arrivals, a slight decrease from 2018 mainly on account of the attempted piracy attack in April of that year. In 2020 notably, the yacht arrivals for the calendar months of January and February actually surpassed the arrivals for the same period of 2018 and 2019 by 20% and 26% respectively and was projected to be one of the better years.

However, in March 2020 everything changed with the onset of the Pandemic. In an effort to mitigate the virus, the Government implemented a number of public health measures which included the closure of the nation's borders. This resulted in an overall decrease in yacht arrivals for 2020 and the closure of some businesses bringing the domestic industry to a near halt.

A visit to boatyards in late October 2021 by the Ministry of Trade and Industry (MTI) along with the Trinidad and Tobago Coalition of Services Industries (TTCSI) revealed that boatyards were operating considerably below their full capacity with occupancy rates at the major boatyards including Coral Cove Marina, Power Boats and Peake's Boatyards and Marina, ranging from 20% to 53%, primarily for local vessels. Additionally, it was evident that existing development incentives available to businesses in the leisure marine sub-sector were incapable of addressing the current needs of the MSEs in the industry.

With the reopening of borders and the priorities outlined in the Roadmap for Trinidad and Tobago: Transforming to a New Economy and a New Society, there is an urgent need for initiatives to assist Micro and Small Enterprises (MSEs) within the yachting sector.

#### Grant Fund Facility

In this regard, it is my distinct pleasure to announce that the Government just last week approved the establishment of a Grant Fund Facility in the sum of TT\$10 million solely for the Micro and Small Enterprises within the yachting sector.

- Micro businesses (classified as companies with less than or equal to \$250,000 in annual turnover) will be eligible for a cash grant of up to TT\$20,000.00 to cover 100% of business costs; and
- Small businesses (classified as businesses with more than \$250,000 but less than or equal to \$8 million in annual turnover) will be eligible for a cash grant of up to TT\$50,000.00 to cover 75% to 100% of particular business costs.

This Grant Fund Facility has been created to assist with working capital needs, such as business rent, utilities, raw material purchases and purchase of machinery equipment and tools. This is about the resumption of business activity and getting persons back to work. We have therefore, deliberately eased the qualifying criteria for applicants wishing to access this Grant. Applicants must:

- Be a national of Trinidad and Tobago; and
- Provide proof of evidence of experience in the industry

The Ministry of Trade and Industry (MTI) will establish an Evaluation Committee to assess applications and present recommendations to the Minister of Trade and Industry for approval.

We recognize that it is the skilled labour force that really drives this sector and therefore this facility will cater to those of you who offer services such as Fibreglass work, welding, woodwork, upholstery services, sail making, electronics and electrical work, painting, and rigging. This Facility will also be available for those involved in the other services such as hospitality services, haul out facilities, storage facilities, dock spaces, retail shops, travel agencies and yacht brokerage.

Note that this one-time cash grant will provide relief in the short-term to keep you afloat and/or better equip you as we move toward a post-pandemic environment. The roll out of this Grant Fund Facility is immediate. Forms will be available on the Ministry of Trade and Industry's website and at YSATT's office as early as this Friday and the application turn around process is estimated to be no more than three (3) weeks.

Let me remind all businesses in the yachting industry that the original Grant Fund Facility which was established in 2017 for local manufacturers and agro-processors was expanded in 2019 to include sectors such as Maritime Services. Under the 2019 Grant Fund Facility, small and medium sized businesses can access up to a maximum of TT\$250,000 to finance 50% of the cost of the acquisition of new equipment, software and tools, if you are involved in:

- Ship building, repair and maintenance;
- Servicing of vessels, including yachts, such as fiberglass work, welding, woodwork, upholstery services, sail making, electronics and electrical work, painting and rigging;
- Hospitality services;
- Travel agency services; and
- Yacht brokerage.

Additionally, other development incentives are available to businesses in the leisure marine sub-sector. These include:

- 150% deduction allowance on actual expenditure under the Corporation Tax Act to any company which promotes or sponsors yachting up to a maximum of \$450,000;
- exemptions from customs duty and building materials under the Tourism Development Act for tourism projects, including marinas, boatyards, dive operations, water sports, charter boats, cruise activities and tour operations by sea; and
- full exemption from Customs Duties on importation of boats, boats and navigation equipment, marine engines, machinery and raw materials in the tourism sector under the Customs Act.

The Government of Trinidad and Tobago is committed to the development and growth of the sector and is making every effort to ensure that support is available to you. I, therefore urge you to take advantage of these opportunities and maximise your business potential. This also allows for an opportunity to venture into emerging and niche areas that can propel our comparative advantage over other regional service providers.

It is this Government's strong belief that a bolstered yachting sector augers well for our economy, as this can put us back on the map in terms of providing world class services that can compete with the very best.

Let me take this opportunity to commend YSATT and the Trinidad and Tobago Coalition Services Industries (TTCSI) on your advocacy efforts and the continued engagement with the Ministry of Trade and Industry.

Through such collaboration, the MTI has been able to develop a marketing and promotional plan geared toward encouraging the return of cruisers to Trinidad and Tobago. Starting this month, these advertisements will be published in a number of international magazines to promote Trinidad and Tobago as an ideal destination for storage, maintenance and repair services; poised and ready to accommodate visitors during the upcoming hurricane season and beyond.

Additionally, the long anticipated Single Harmonized Form which has been approved by Cabinet, is required to be in place in the soonest.

With respect to the shared responsibility for this sector, the MTI continues to partner with relevant Ministries such as National Security, Finance, Health, Works and Transport and Tourism, Culture and the Arts to provide the necessary framework for further development of the sector. Note that your contribution is integral to the sustainable development of the Yachting Industry and to the growth and development of the wider economy.

Ladies and gentlemen, I thank you.