



Government of the Republic of Trinidad and Tobago

Ministry of Trade and Industry

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***Factory Tour of West
Indian Tobacco Company
Limited (WITCO)***

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REMARKS

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

MARCH 11TH, 2022

SALUTATIONS

- Mrs. Ayleen Alleyne-Ovid, Permanent Secretary in the Ministry of Trade and Industry
- Mr. Anthony E. Phillip, Chairman of the Board of Directors of The West Indian Tobacco Company
- Mr. Arturo Rodriguez Lordmendez, Member of the Board of Directors of The West Indian Tobacco Company
- Mr. Laurent Meffre, Managing Director, WITCO
- Ms. Tricia Coosal, President, Trinidad and Tobago Manufacturers' Association
- Mr. Ramesh Ramdeen, CEO, Trinidad and Tobago Manufacturers' Association
- Mr. Ian de Souza, Chief Executive Officer at the Trinidad and Tobago Chamber of Industry and Commerce
- Mr. Taran Persad, Manufacturing Manager at WITCO
- Representatives of the Ministry of Trade and Industry
- Other specially invited guests
- Members of the media

INTRODUCTION

I am pleased to be here today to tour the Facility of the West Indian Tobacco Company Limited (WITCO) and to participate in the commissioning of new equipment. As the Minister with responsibility for trade, business development and investment, it is encouraging to witness the growth and success of private sector companies; as this signals the inherent commitment to propelling and sustaining national economic growth.

This venture represents yet another milestone for WITCO and demonstrates the foresight of the Company's leadership in promoting the manufacturing sector as a key industry for this country's economic future and prosperity. In this regard, I wish to congratulate WITCO for successfully undertaking this investment, and also contributing to the private sector's thrust to earn valuable foreign exchange for this country.

WITCO OPERATIONS

I have been advised that the capital investment to be commissioned represents over TT\$85 million dollars and will allow WITCO to remain competitive and maintain sustainability in the local and regional markets. I am also aware that WITCO engaged in significant upskilling and capacity building for its employees in an effort to onboard the new equipment, which is indeed commendable and bodes well for their own advancement and marketability.

In terms of market access, I am told that WITCO currently services seventeen CARICOM markets and associate countries, including, Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, Bermuda, British Virgin Islands and the Cayman Islands. The installation of this new equipment, will now position the Company to be a contingent supplier to South and Central America. I

applaud WITCO for taking this initiative, which would allow you to access new markets and indicate that the Government will provide the required support as necessary.

RETURN TO GROWTH

You may recall that last Friday (March 4) our Prime Minister, Dr. The Honourable Keith Rowley, addressed the Parliament on the status of this country's response to COVID-19 and indicated that we are preparing to move from the acute phase of the pandemic into the endemic phase of COVID-19. Indeed, the manufacturing sector exhibited resiliency and while we remain cautiously optimistic, our move towards this endemic phase will call for the private sector's ability to adopt innovative business strategies and models to ensure economic recovery and further growth.

Growth has been projected in 2022 for our economy by the Central Bank of Trinidad and Tobago and it is anticipated that a full year's production in non-energy sectors will surpass 2021 levels¹. This continues the trend of growth particularly for the manufacturing sector, which recorded growth of 1.1 per cent in the third quarter of 2021. The Government is appreciative of the needs of the private sector and businesses and commits to the necessary support as we work together in the furtherance of boosting economic growth.

MANUFACTURING & TECHNOLOGY

A strong manufacturing sector creates a sure path to economic prosperity and our manufacturing sector is a longstanding and important pillar of economic development, contributing to GDP and job creation. According to data from the Central Statistical Office, in 2021, the manufacturing sector contributed just over TT\$26 billion (or 18%) to the overall GDP.

However, if Trinidad and Tobago is to remain competitive, continued investment in manufacturing is essential. We need investment in cutting-edge technology and in policies and practices that are progressive and in line with global standards. As business models evolve, growth of high-value manufacturing-related services such as research and development, engineering, logistics and maintenance are a must. Economies which have the requisite skilled workforce and infrastructure will be better positioned to gain from this shift to higher-value advanced manufacturing and services.

With the pandemic demanding a shift toward technological advancements, the global economy has entered a phase where the pace of technological change is transforming the manufacturing environment. Many economies across the globe have welcomed the fourth industrial revolution employing technology-intensive manufacturing such as smart automation, advanced robotics and 3-D printing. All of these have begun to dominate the manufacturing landscape, and firms that employ such an approach are at the forefront of their fields.

¹ Central Bank of Trinidad and Tobago Economic Bulletin – January 2022

For this reason, I applaud WITCO for adopting the relevant state of the art technology in order to remain competitive, maintain sustainability and ensure that the Company continues to produce best-in-class products for the Trinidad and Tobago and Caribbean market.

GOVERNMENT INITIATIVES

Allow me to update you on some initiatives being pursued by Government to assist the private sector.

Special Economic Zones

I am pleased to indicate that the Special Economic Zones Act was partially proclaimed on January 31, 2022 and paves the way for a new SEZ Regime by replacing the old Free Zones Act. This is a progressive and necessary move by the Government to not only modernize and create a more internationally competitive and attractive investment climate, but also to meet our international obligations that seek to ensure a level playing field in terms of the tax regimes.

This SEZ Regime will provide for the designation, development, operation, and management of Special Economic Zones; for the establishment of the Special Economic Zones Authority; and for the regulation of Special Economic Zones. The Ministry of Trade and Industry is currently working with the Ministry of the Attorney General and Legal Affairs and the Ministry of Finance to develop the SEZ Regulations, as well as taking steps to operationalize the SEZ Authority. The Act has empowered the SEZ Authority to establish an inspection programme to monitor compliance with the requirements of the legislation as well as the terms and conditions of licenses. This measure is aimed at reducing corrupt activities and incidence of the ever-growing illicit trade.

Combatting Illicit Trade

As it relates to illicit trade, I am well aware that WITCO remains committed to employing sound strategies that will address the negative economic and social impact of illicit trade in the industry. Illicit trade is a problem that has become the focus of many governments, international organizations, companies and non-governmental organizations worldwide. Trinidad and Tobago has seen a rise in the presence of illegally traded consumer goods such as tobacco, alcohol and cleaning agents on the local market.

In this regard, the Ministry of Trade and Industry jointly chairs with the Ministry of National Security the Anti Illicit Trade Task Force comprising several Ministries, non governmental and private sector bodies to undertake measures to combat illicit trade.

One of the key achievements of the Task Force thus far, is the establishment of working groups to estimate the levels of illicit trade and develop recommendations to combat illicit trade in Tobacco, Pharmaceuticals, Cleaning Agents, Alcohol. A working group has also been established to Review Legislation. The Working Groups on Pharmaceuticals, Cleaning Agents and Alcohol have already begun developing and executing recommendations for combatting illicit trade in these sectors.

As it relates to Tobacco, the AITTF established the Working Group at its latest meeting held in February 2022. This Working Group will specifically

- Estimate the current level of illicit trade in tobacco in Trinidad and Tobago
- Identify enablers of illicit trade locally
- Review current level of taxation and its potential to incentivize illicit trade nationally
- Develop recommendations to combat illicit trade in tobacco in Trinidad and Tobago for execution

WITCO will be pleased to know that the Working Group on Tobacco will hold its first meeting on Monday (March 14) where the Team will begin developing recommendations.

The Ministry will also launch a nation-wide Awareness Campaign at the end of the month, aimed at improving consumer identification of illegal goods and building awareness of the impact of illicit trade on our local businesses and potential health risks to consumers.

CONCLUSION

As I conclude, I wish to convey the Government's commitment to providing the requisite support to WITCO as you continue to expand and contribute to the economic prosperity of this country. I thank everyone here for their support and commitment and I am hopeful that this investment is one of many, and a sign of Trinidad and Tobago's transition into an international model of growth and innovation.

I thank you.