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INTRODUCTION

Vision

Vision Statement – The Ministry of Trade and Industry will be the dynamic organization leading the expansion of Trinidad and Tobago’s non-energy sector through realization of investment, business and export-led trade to achieve sustainable growth and development.

Mission

Mission Statement – To create the environment for business to compete globally through innovative policies and strategies developed in partnership with our stakeholders and delivered by professional staff.

Executive Summary

MTI'S OBJECTIVES DEFINED

In fulfilment of the Vision 2020 Development Agenda, the Ministry of Trade and Industry has identified three (3) key policy objectives that will contribute to the achievement of Trinidad and Tobago's National Strategic Plan as well as, the overall **Vision** and **Mission** of the institution. For fiscal year 2008, the three (3) key policy objectives are:

- **Diversifying the local economy away from its heavy reliance on oil and gas.**
- **Creating an enabling environment conducive for investment, competitive businesses and trade to achieve sustainable growth and development**
- **Becoming a more dynamic and pro-active institution responding astutely to the needs of all clients and changes in the business environment.**

STRATEGIES TO REALISE MTI'S KEY POLICY OBJECTIVES

To realise the three (3) key policy objectives, MTI has innovated several strategies. These are inter alia:

- Development of seven (7) targeted industries of the non-petroleum sector;
- Development of the Services Sector;
- Expansion of trading opportunities for local businesses via the creation of new arrangements with new export markets;
- Formulation of an appropriate policy framework to support inward and foreign investment;
- Development of new air routes to strengthen trading links;
- Inclusion of adequate safeguards to ensure effective and workable competition;
- Construction of light industrial parks to support the growth and further the development of new and existing businesses;
- Development of a bilingual society, making Spanish the country's First Foreign Language;

- Establishment of a Trade Facilitation Office to stimulate more trade and investment between this country and its foreign trade partners;
- Extension of technical assistance and capital funding to other CARICOM member-states desirous of improving their country's trading capacity;
- Restructuring MTI to strengthen its capacity to fulfil its mandate; and
- Enhancing the intellectual capacity of technical and support staff at the Ministry to deliver quality results and superior service.

ACHIEVEMENTS: 2007 TO 2008

SECTION ONE: TRANSFORMING THE NON-PETROLEUM SECTOR

The Plan to Transform Trinidad & Tobago

At present, the global economy is grappling with many crises. Foremost is the global financial crisis that appears to be crippling the assets of those in the developing world whom have had no hand in the making of this. Nonetheless, Trinidad and Tobago is in a relatively stronger position to cope with these challenges as we continue to capitalize and build our economy using the windfalls generated from the energy sector to develop competitive industries in the non-energy sector.

Under this Plan, the Ministry of Trade and Industry has been entrusted the responsibility of realising Pillar III which speaks to “Enabling Competitive Business”. In light of this, the Ministry of Trade and Industry has positioned itself to:

- Develop and grow the country’s trade, particularly domestic exports;
- Develop and grow both foreign and domestic investments; and
- Develop and grow business, including the internationalization of Trinidad and Tobago’s business.

There are also new drivers stimulating economic growth. The most salient of these include the presence of knowledge-based industries with the capacity to utilize highly skilled workers to innovate new products and processes that compete not only on price and quality but, more importantly, on their uniqueness, availability and efficiency.

Draft Trade Policy and Strategy

The MTI is in the process of developing a Trade Policy and Strategy (2010-2014) with the aim of examining Trinidad and Tobago's past trade performance, highlighting the elements of the current trading environment, setting objectives to guide the direction of the trade sector and offering policy prescriptions to grow and diversify trade.

A first draft Trade Policy was prepared in mid March 2009 followed by a presentation to MTI Directors and Technical Staff on March 31, 2009. Currently, a team of technical officers has been appointed to review the Draft Trade Policy and offer suggestions for improvement. To promote the inclusion of ideas from a wider cross-section of stakeholders, the Draft Trade Policy once revised will be open for limited public consultation.

Green Paper on the Investment Policy of Trinidad and Tobago

The Investment Policy of Trinidad and Tobago was circulated as a Green Paper to stakeholders in July 2007 followed by a Stakeholder Forum which convened on September 11, 2007.

Comments from the public consultation indicated that more work was needed on the policy and as a result, a cross-functional team of MTI technical officers was appointed to review the document as well as, the comments submitted by stakeholders. Coming out of the analysis was the recommendation to rework the policy.

The policy has been revised and resubmitted for comments from the technical staff at the Ministry of Trade and Industry. The final document is now being submitted to Cabinet as

a White Paper for approval before being re-circulated to selected stakeholders for comment.

This Policy recommends new legislation to replace the existing Foreign Investment Act, 1990. The new legislation is in keeping with the investment provisions outlined in investment promotion and protection agreements signed by the GoRTT with foreign countries, free trade agreements, as well as with the draft CARICOM Investment Code. The Investment Policy features the following elements in the proposed Investment Promotion Act:

- i. Asset-based definition of Investment;
- ii. Definition of foreign investor;
- iii. Treatment of key personnel;
- iv. The issue of land ownership;
- v. Share ownership for foreign investors;
- vi. Provision for foreign investors to transfer funds;
- vii. Provisions against unlawful expropriation;
- viii. Mechanisms for dispute resolution, both state-to-state and investor-state; and
- ix. Specific requirements regarding the behaviour of investors and their commitment to corporate social responsibility.

Development of the Seven Targeted Sectors

In the area of developing targeted industries, Government has identified seven (7) specific industries for priority support and development. These are as follows: Entertainment; Film; Fish and Fish Processing; Food and Beverage; Merchant Marine; Printing and Packaging; and Yachting. The emphasis of the MTI has been on implementing the initiatives outlined in the Cabinet approved Strategic Plans of these seven (7) industries.

The MTI has provided administrative, financial and technical support to these industries. However, each industry is at a different stage of development and thus requires varying degrees of development assistance. For example, the MTI provided support for the

development of the global players within the Food and Beverage and Merchant Marine industries, which yielded innovative and new business clusters for the non-energy sector. On the other hand, efforts with the creative industries of Film and Entertainment have required more assistance in creating incentives to help respective stakeholders realize their potential.

For the period under review, all seven (7) industries have conducted training workshops in consultation with an array of international and local institutions to build the institutional capacity and capability of private sector industry stakeholders whom are desirous of penetrating and competing in world markets. The achievements for each of these targeted industries over the fiscal period October 2007 to September 2008 are outlined below.

ENTERTAINMENT

- Creation and implementation of a Revolving Investment Arrangement (RIA);
- Hosting of Familiarization Tours of Trinidad and Tobago for international executives and Trinidad and Tobago Art Professionals residing and working abroad;
- Establishment of archives to facilitate proper collection of historical creative works;
- Creation of an Entertainment Directory; and
- Hosting of workshops through T & T for upcoming artistes on the basics of entering the music business.

FILM

- Conduct of Production Assistance and Script Development Programme;
- Conduct of Feature Film Programme. Five projects have received awards in the fiscal 2007/2008;
- Hosting of first TV Film Festival with participation from TV6, CNMG, Gayelle, IETV, WIN TV and Channel 5 – Tobago Synergy TV;
- Facilitation of 27 film crews; and

- Sponsorship of Trinidad and Tobago Film Festival and the Movietown Annual Secondary School Film Competition.

FISH AND FISH PROCESSING

- Training in the following areas:
 - Safety and Seaman IV Training;
 - Financial Literarcy;
 - Supply Chain Management and Processing Technology
 - Quality Assurance; and
 - Good Hygiene and Sanitary Practice On-board Fishing Vessels.
- Studies conducted and ongoing include:
 - Fish Trans-shipment;
 - Installation of an Ice Making Facility at the Toco Fishing Centre;
 - Conduct of a Fish and Fishery Products Survey; and
 - Needs Assessment Study of the Fishing Sector.
- Publication of a Seafood Cookbook promoting less-preferred fish species.

FOOD AND BEVERAGE

- Development and implementation of a Food Safety Awareness Campaign which includes the creation of a National Agricultural Health and Food Safety Agency;
- Workshops in Market Intelligence and Supply Chain Management conducted;
- Training in Supply Chain Management;
- Hosting of a Research and Development Symposium; and
- Hosting of a seminar on investment opportunities in the industry.

MERCHANT MARINE

- Completion of a new drafting Shipping Bill;

- Development of business plans for four (4) clusters: Ship Ownership, Ship Building and Repair, Transhipment and Marine Construction; and
- Creation of a Maritime Awareness Promotional Video.

PRINTING AND PACKAGING

- Completion of a Workforce Development Study for the sector;
- Development of a Training Plan for entry-level workers in the industry;
- The conduct of consultations to align university education with industry;
- Conduct of a Needs Analysis for the establishment of a Packaging Laboratory; and
- Preventative Maintenance Training designed to introduce decision makers and senior management to the methodologies and potential benefits of structure maintenance strategies.

YACHTING

- Facilitation of an incoming familiarization tour; and.
- Promotion of T & T Yachting industry through advertisements placed in regional and international yachting publications

Industrial Parks

The Evolving TecKnologies and Enterprise Development Company Ltd. (eTeck) has responsibility for the development of Industrial Parks or Estates in Trinidad and Tobago. These parks facilitate the economic diversification process by providing an industrial area for non-energy companies to operate. At present, there are seventeen (17) operational Industrial Parks; namely, these parks are situated in Abattoir; Beetham; Biljah; Chase Village; Diamond Vale; East Dry River; Frederick Settlement; Harmony Hall; Macoya; Morvant; O'meara; Plaisance Park; Point Fortin; Point Lisas; Sea Lots; Trincity; and Milford (Tobago). Eight (8) additional Industrial Parks are scheduled for development.

Some of the services provided by the Property Management Division of eTeck are client selection, asset valuation, lease management, infrastructure upgrade and maintenance, and site selection. Infrastructure upgrade and construction services were carried out on several of the Industrial Estates over this fiscal year. For example, upgrade works were completed on Diamond Vale; Macoya; Morvant; O'Meara; and Plaisance Park Industrial Parks, whilst Infrastructural work on the Beetham Light Industrial Estate Extension is approximately 77% complete.

In addition, the development of the Wallerfield Industrial and Technological Park (Tamana InTech Park) continued on schedule. The purpose of this InTech Park is to establish a platform for a knowledge driven economy that will create sustainable industries and provide job opportunities for highly skilled citizens.

Based on the milestones and deliverables achieved for fiscal 2007/2008, these projects have delivered value for money and are on course to achieving their objectives, despite that most of the works are behind schedule. This is mainly due to the inordinate length of time it takes to obtain statutory approvals and land approvals that could not be accurately predicted.

SECTION TWO: OUTWARD ORIENTATION TO GLOBAL MARKETS

Developing New Export Markets

Trinidad and Tobago's Vision 2020 Draft National Strategic Plan has identified trade as one of the critical levers for achieving developed nation status. There is an obvious need to expand trading opportunities for local industries. Trade represents a large proportion of national income for Trinidad and Tobago's economy and identifying new market access opportunities becomes necessary when the rigidities inherent in the small size of our domestic market; namely the lack of economies of scale and scope, limit the growth of the economy.

Trinidad and Tobago, as a Member State of CARICOM and a leading player in the trade negotiation arena, continually seeks to establish new trading arrangements and penetrate new markets that may be of benefit to our local manufacturers and services providers.

However, MTI believes that before Trinidad and Tobago develop new export markets, exporters must first strengthen trade opportunities within existing CARICOM trade arrangements before widening the range of potential trading partners and or the depth of obligations within any new agreements.

The focus of Trinidad and Tobago's trade policy over the past five years has been on the expansion and deepening of our existing trading arrangements with Europe, Latin American, Canada, and the U.S., along with furthering the integration process with CARICOM Member States. This fiscal year has seen the implementation of the CARIFORUM-E.U. Economic Partnership Agreement (EPA) and negotiations on the

formation of a CARICOM-Canada Trade and Development Agreement. The negotiation theme of these agreements is largely development assistance.

Currently, the MERCOSUR trading bloc and Asia are being assessed as new markets, which now give focus to South-South trading arrangements. There is also a highlight on the development of Trade-in-Services, particularly energy services with some West African States.

Furthermore, the Government had the unique opportunity to showcase this Nation's strengths as a forum for international business, trade and investment through the hosting of the 5th Summit of the Americas this year. Additionally, nearing the close of this calendar year, Trinidad and Tobago will be hosting the Commonwealth Heads of Government Meeting (CHOGM) 2009 in Port-of-Spain on the 27-29 November, giving this Nation a broader group of countries to which we may market our uniqueness of products and services.

Utilization of Market Access Opportunities

Given the disparity in size and economic development between this domestic market and the developed countries, the theme of trade negotiations has been mainly on gaining or locking in special and differential treatment with respect to tariff and non-tariff barriers that impede the trade of goods and services. The past trend for Trinidad and Tobago and much of the developing world has been the attainment of duty-free/quota-free market access into developed states whilst maintaining a protected market to facilitate growth and development of the local manufacturing sector.

More recently, the focus trade negotiations is toward a phased liberalization of trade barriers within the developing countries as a means of encouraging development and competitiveness, coupled with modalities on trade-in-services, investment, and even labour and the environment. In compensation, developed nations are willing to offer financial and technical cooperation to assist in economic development.

Trade negotiations generally take place at three levels: the Multilateral, Bilateral and Regional levels. At the Multilateral level, Trinidad and Tobago has membership in the World Trade Organization (WTO) and the Association of Caribbean States (ACS). Within the CARICOM Region, Bilateral is used generally in the context of the various CARICOM trade arrangements whilst Regional refers to CARICOM and the integration process known as the CARICOM Single Market and Economy (CSME).

The negotiating team of the MTI always seeks to win convincing positions that permit some measure of flexibility within the trade policy space to further the development objectives planned for the economy.

MULTILATERAL NEGOTIATIONS

WORLD TRADE ORGANIZATION (WTO)

At the multilateral level, the MTI continues its active participation in the current Doha Development Round of WTO negotiations. The Doha Development Agenda (DDA) of multilateral trade negotiations under the World Trade Organization (WTO) was launched during the Fourth WTO Ministerial Conference at Doha, Qatar in November 2001. The Doha round addresses globalization via the phased reduction or removal of trade barriers, agricultural subsidies and further service liberalisation supported with commitments to strengthen assistance to developing countries. The negotiations have been highly contentious and no agreement has been reached despite intense discussions.

During the most recent round of negotiations in Geneva (July 2008) key divergences in negotiations continued on industrial products and agricultural subsidies. While the Special Safeguard Mechanism (SSM) for agricultural products was widely seen as the proximate cause of the collapse; the deadlock on the SSM meant that other contentious issues, notably cotton-specific subsidy cuts and protections for location-based food were not discussed.

The DDA negotiations are being driven by two parallel processes. The first is the efforts of the chairs of the negotiating groups on Agriculture and Non-Agricultural Market Access (NAMA) on the new draft agreement texts based on Members contributions. The second is a series of meetings outside the WTO among various groups of major Members. Nonetheless, the new negotiating texts (Agriculture, NAMA and Rules) circulated in December failed to stimulate movement toward consensus and to date formal negotiations on the Doha Development Agenda have not resumed.

A Ministerial Conference will take place in Geneva from November 30 – December 2, 2009 under the general theme “The WTO, the Multilateral Trading System and the Current Global Economic Environment”. The Conference will not focus on the DDA, but rather establish a new model of ministerial-level meetings conducive to good governance and overall review of the WTO.

Trinidad and Tobago’s main interest in the negotiations is to ensure that the development dimension is at the heart of any outcome of the Round with special and differential treatment (with respect to difference in economic size, levels of development, production competencies and resource endowment) being afforded to Small and Vulnerable Economies. As a member of the WTO, Trinidad and Tobago continues to follow the negotiations and participate through its membership in groups such as the G33, the Small and Vulnerable Economies and the African, Caribbean and Pacific (ACP) Group.

BILATERAL NEGOTIATIONS

CARICOM TRADE AGREEMENTS

Most visible at the bilateral level are the efforts of the MTI in pursuing closer economic ties with the neighbouring states of Latin America. Trinidad and Tobago as a member of CARICOM has been designated to take the lead in advancing free trade agreements with other countries on behalf of the region.

As a result, agreements have already been signed with Venezuela, Colombia, the Dominican Republic, Costa Rica, and Cuba. The primary objectives of these FTAs are not only to expand market access opportunities for local businesses, but by extension, to improve the existing trade relations for industries in the region.

CARICOM-Venezuela

Although there were no major developments within this trade arrangement for this year, Venezuela had proposed the conversion of the *Partial Scope Agreement on Trade and Investment* into a reciprocal agreement that would allow Venezuelan goods to be granted preferential access into the markets of CARICOM MDC's. The CARICOM Secretariat and Member States had begun the necessary research and approval processes to facilitate determination of an offer to be made to Venezuela. To date, this exercise is still ongoing as Member States do not view the Venezuelan market or the Agreement as a priority at this time. In addition, Venezuela's request to accede to MERCOSUR has added a further dimension to the consideration of altering the current trade relationship.

CARICOM-Dominican Republic

The Fourth Meeting of the Joint Council under the *Free Trade Area between CARICOM and the Dominican Republic* was to be convened to address, inter alia, the treatment of elapsed timelines and the expansion of the list of products receiving preferential treatment under the Agreement. However, the parties had not been able to meet in 2009. The need for addressing issues under the Agreement has become more imperative given the 'Regional Preference' clause within the CARIFORUM-E.U. EPA. Regional Preference states that, "Any more favourable treatment and advantage that may be granted under this Agreement by any Signatory CARIFORUM State to the EC Party shall also be enjoyed by each Signatory CARIFORUM State." – Article 6.2 of the Final Provisions in the CARIFORUM-E.U. Economic Partnership Agreement. Essentially, this means a deepening of CARICOM items that are allowed duty free access into the D.R. and vice-versa.

CARICOM-Costa Rica

There have been no recent developments within this Agreement. Yet, information from the CARICOM Secretariat indicated that since Trinidad and Tobago's enactment of the *CARICOM Costa Rica Free Trade Act of 2005*, the only other CARICOM Member States that have ratified the FTA are Dominica, Barbados and Guyana. This lack of a CARICOM consensus has led to the lapse of several agreed timelines under the Agreement and has contributed to the non-convening of the Joint Council. Negotiations for the accession of Panama and the Central American Four (El Salvador, Guatemala, Nicaragua and Honduras) to this Agreement were to continue after the launch in August 2007. It is envisioned that these negotiations will be completed by 2010.

CARICOM-Cuba

Trinidad and Tobago and Cuba have exchanged their respective lists of signatories eligible to authenticate goods that meet the Rules of Origin criteria, as specified in the *Trade and Economic Cooperation Agreement between CARICOM and Cuba*. The Joint Commission to oversee this Agreement is expected to convene its third meeting later this year.

EPA IMPLEMENTATION

Trinidad and Tobago, as a part of CARIFORUM signed the EPA with the E.U. on 15 October, 2008 and the provisional application of the Agreement commenced on 29 December, 2008. The EPA is a new trading regime which seeks to replace the Cotonou Agreement. Unlike the Cotonou, the EPA is reciprocal in nature and seeks to provide duty-free and quota-free access to all markets party to this contractual arrangement.

CARIFORUM Member States are working toward the fulfilment of specific obligations under the Agreement and, in order to fulfil these obligations, Trinidad and Tobago has engaged in the following activities:

- (i) Cabinet Approved Implementation Plan – On December 11 2008, the Cabinet of Trinidad and Tobago approved an EPA Implementation Plan that outlines

the obligations under the Agreement and the Ministries and Agencies with responsibility for implementation. In the plan, the MTI has overall responsibility for coordinating the implementation of the EPA.

- (ii) Stakeholder Meetings – A meeting was held to sensitize stakeholders on their role and responsibilities under the EPA. At this meeting Ministries and Agencies were informed of their specific responsibilities for the implementation of the EPA.
- (iii) EPA Sensitization Plan – The sensitization of the opportunities available under the EPA began with a Sensitization Forum on June 4th 2008, and continued with several information articles in the newspapers and television interviews on call-in programmes. The MTI is also in the final stages of developing a plan of action for sensitization of opportunities under the EPA for targeted groups, namely manufactures and service providers.
- (iv) Determination of Priority Projects for EPA Implementation – The MTI is in the final stages of developing a priority listing of projects for EPA implementation.
- (v) EPA Implementation Unit – The MTI is in the process of formulating a coordinating mechanism for EPA Implementation. The primary objective of such mechanism is to ensure that Trinidad and Tobago meets its obligations under the CARIFORUM-EC EPA.

EXISTING TRADE DISPENSATIONS

CARICOM-Canada

The existing CARIBCAN Arrangement permits the Government of Canada to provide duty-free access to imports of eligible products from Commonwealth Caribbean countries without these countries being required to provide reciprocal access to Canadian products. A WTO waiver was obtained for this dispensation in order to conform to international trade rules. Although Canada had sought an extension on the waiver in 2006, the Canadian Government is unwilling to seek a further renewal of the WTO waiver when it expires in 2011.

As a result, CARICOM has agreed that the Region “*should stand ready to engage with Canada once that country indicates that it was ready to commence negotiations for a Free Trade Agreement*”. During 2009, the Region continued preparation for the negotiations through the preparation of the Region’s Draft Negotiating Brief.

The Draft Brief contains the Region’s recommendations and negotiating positions pertaining to each negotiating area. The Brief has been considered at several Meetings of the COTED, the most recent being the Twenty-Seventh Meeting of COTED, which was convened in Guyana, during the period May 11-15, 2009. However, all Member States were not in a position to endorse the Negotiating Brief, with Guyana, Belize and Antigua and Barbuda still to receive the endorsement of their Cabinet on the document.

The date of June 15, 2009 was agreed for a Ministerial Engagement of the Canadian Minister of Trade and his CARICOM counterparts. One of the objectives of this meeting was to ascertain a common understanding of how development would be addressed in the negotiations. This meeting however was postponed due to unavailability of the parties at that time. Canada has proposed that negotiations commence in September 2009.

CARICOM-USA

Trinidad and Tobago presently enjoys preferences under the Caribbean Basin Initiative arrangement (CBI). The CBI is a collective term used to refer to the Caribbean Basin Economic Recovery Act of 1983 (CBERA), the Caribbean Basin Economic Recovery Expansion Act of 1990 (CBERA Expansion Act), and the Caribbean Basin Trade Partnership Act of 2000 (CBTPA). The Caribbean Basin Trade Partnership Act (CBTPA), which expired in September 2008, had been extended by two years to 2010, while the CBERA was extended to 31 December 2014.

The Trade and Investment Council (TIC), which was formed in 1991, provided a forum for bilateral discussions on international, hemispheric and bi-lateral trade and investment

issues with the USA. The TIC has been revamped in an attempt to achieve the region's objective. The work of the revamped Trade and Investment Council (TIC) with the USA also continued in 2009. The issue of an updated Trade and Investment Framework Agreement (TIFA) outlining the organization of the TIC is currently being addressed. Trinidad and Tobago's input (inclusive of MTI's contribution) has been forwarded to our Embassy in Washington to inform the interactions.

REGIONAL NEGOTIATIONS

CARICOM/CSME

MTI understands that CARICOM and the CSME integration process is part of the multi-lateral solution given the numerous economic, social, and political benefits derived from operating within such a union. At present, CARICOM is a customs union with a Free Trade Area, which enhances intra-regional trade as there are no tariffs or quotas on merchandise goods originating from within the Region.

Furthermore, the Common External Tariff (CET) applied seeks to maintain a price preference on regionally produced goods above goods produced outside of CARICOM. This creates great advantages for Member States as they are able to access a larger and deeper market and thereby manufacturers are encouraged to produce and export more goods and services. This mass production of goods and services given economies of scope and scale lowers the cost of production and increases efficiency yielding a high quality low-priced competitive product.

Most recently, with the signing of the EPA, Regional issues have now become CARICOM *plus* the Dominican Republic i.e. CARIFORUM, which has not hindered the CSME process but has lead to a somewhat widening of regional integration.

Development of the Services Sector

The Services Sector is by far the largest sector in Trinidad and Tobago's economy in terms of its contribution to the Gross Domestic Product (GDP) and its role as a core sector for employment generation. In current prices, over a five-year period from 2001-2005, this sector accounted for more than 60 percent of GDP and employed on average 80.2 percent of the national labour force. In other words, some 425,000 people have been gainfully employed in this sector.

Not until recently, the promotion of this sector has been dealt with in a piecemeal fashion. While there exist policies for specific sub-sectors: telecommunications, tourism, and financial services, no integrated plan of action has been created for other sub-sectors. The socio-economic contributions of this sector are significant and as a result, the Ministry of Trade and Industry has taken the lead to create a Services Trade Policy document which will serve as a roadmap guiding the holistic development of this sector.

The objectives of the Services Trade Policy (2006-2010) are as follows:

- To determine services-related goals, targets and priorities of the economy;
- To offer some measure of predictability of the national services environment to investors;
- To define the role of the public sector in services activities and to identify a mechanism for meaningful participation of private enterprise;
- To map out resource allocation and attraction;
- To earmark projections for sub-sector improvements;
- To provide policy direction in the external negotiation of trade in services; and
- To provide a basis for legislative and institutional interventions.

The measures taken and the policies formulated in this policy document are consistent with and are designed to bring this Trinidad and Tobago's economic development closer to the Vision 2020 goal.

Safeguards for Fair Trade

The openness of the economy of Trinidad and Tobago has continued to increase as a result of various measures including the negotiation of new trade agreements. As such, there is an ongoing need to create an environment that facilitates fair competition and discourages unscrupulous trading practices. In this regard, the Fair Trading/Anti-Dumping Unit sought approval for the proclamation of Parts I, II, III, VII, VIII and IX of the Fair Trading Act and the appointment of five (5) Commissioners for the Fair Trading Commission via a Cabinet Note. This Note was subsequently referred to the Finance and General Purposes Committee and the Committee on Appointments of Boards for consideration.

Once approval has been obtained, the Fair Trading/Anti-Dumping Unit would facilitate the training of the 5 Commissioners; the establishment and operation of the Fair Trading Commission and accession to the Community Competition Commission.

Efficient Air and Sea Links

An efficient system of air and sea links is critical in making Trinidad and Tobago the business hub of the region. Traditionally, the markets of Central and South America were inadequately served from Trinidad and Tobago. Since 2002, efforts have been underway to secure an efficient system of transportation links to these new markets. The matter becomes more urgent following the signing of several trade agreements between CARICOM and neighbouring countries of Latin America. To date, the Ministry has secured the operations of COPA Airlines conducting direct flights from Piarco to Panama. Discussions are ongoing to establish an air route with Mexicana Airlines, linking Trinidad and Tobago and Mexico.

SECTION THREE: INSTITUTIONAL RESTRUCTURING

Trade Sector Support Facility

The Ministry is the pivotal agency designated to expand trade and take the lead in international trade negotiations. The Ministry recognises that there is a need to strengthen our own operations to successfully meet the needs of our stakeholders and fulfill our mandate. In this regard, the following measures have been taken.

During the fiscal year 2002-2003, funding was secured from the Inter-American Development Bank (IDB) and the State in the sum of US\$5 million and US\$ 2.1 million respectively for our **Trade Sector Support Facility**. The overall objective of this programme is to improve the country's international trade performance. The programme is expected to strengthen the Ministry's technical and institutional capacity to formulate and implement trade policy, participate effectively in trade negotiations, implement trade agreements and our ability to increase the variety and quantity by value and volume of exports be strengthened.

The fiscal year 2003/2004 saw the development of the TSSP's programme framework and the implementation of five (5) selected components.

- Component I – Institutional Strengthening and Reorganisation
- Component II – Specialised Technical Training
- Component III – Technical Studies
- Component IV – Integrated Information Systems
- Component V - Trade Assistance Program

Fiscal 2004/2005 focused on the staffing of the Programme Coordinating Unit (the implementing arm of this project), and procuring five (5) consultants to assist in meeting the objectives of each component and the launching of the programme.

Under **Component I**, consultants Pricewaterhouse Coopers completed the Final Strategic and Restructuring Plans for the Ministry. In April 2007, the Ministry signed off on these plans and received Cabinet approval in April 2008. Cabinet has approved the engagement of a Change Consultant whenever necessary and four (4) full-time and thirty-four (34) contract positions for the Ministry. Among the approved positions are the four (4) new directors detailed to manage the four (4) core directorates of the Ministry - Trade, Business Development, Investment and Policy and Strategy. Interviews are currently being conducted to select the appropriate candidates for the directors' positions and Chief Information Manager.

Under **Component II**, a Training Matrix was developed in August 2006. Training activities however are not limited to those outlined in the training matrix. Staff has also been sponsored for training in more general areas such as Leadership, Project Management and Strategic Implementation under this component. A Training Matrix is being revised so as to include additional training for stakeholders/manufacturers and trade-related institutions.

Under **Component III**, two (2) technical studies were undertaken and contracted to independent consultants. One study focused on identifying "Trade Negotiations Positions" the other on formulating "Trade Policy and Trade Policy Strategies". Both studies are currently being revised.

Under **Component IV**, two projects were identified: the creation of a Trade Information Facility and the installation of an On-line Trade Licensing System. Both are ancillary activities to assist stakeholders in reducing the time and costs of doing business. Of these two projects, the creation of a Trade Information Facility, essentially a database of trade

statistics, is currently being conducted by the Business Development Corporation. This project began in August 2008 and is scheduled for completion by November 2008.

Under **Component V**, two studies were contracted to consultants. “The Implications of Trade Liberalization at the Industry Sector and Industry Levels” designed to assess firstly the impact of trade liberalization on the business sector and to develop an adjustment programme to assist the local firms in the new environment.

SECTION FOUR: EXECUTIVE AGENCIES AND STAKEHOLDER LINKS

Business Development Company

The Business Development Company (BDC) was established in August 2002. It is the implementing agency for the Government's policy for medium-sized enterprise development and to assist businesses in the small and medium categories to become large.

The achievements of the BDC for the fiscal year 2007 – 2008 include:

- **Loan Guarantee Facility** – BDC's loan guarantee programme assisted 192 businesses in securing loans to the value of \$18.1 million from local lending agencies. This amounted to a 35% increase in the loan guarantee client base and a 29% increase in the loan guarantee value over the previous year;
- **Training and Capacity Building Initiatives** – A total of 480 businesses benefited from the BDC's training and capacity building initiatives all geared toward sharpening the skills and processes within the local business landscape. The total number of individuals impacted amounted to 1,200;
- **Caribbean Leasing Company Ltd.** – Through CLCL, the BDC enabled 27 businesses to acquire machinery and equipment key to their operations. Companies in the manufacturing, printing, food and beverage, mining and quarrying sectors benefited from the lease financing programme to the value of \$5.9 million;

- **SMEXCHANGE.COM** – In keeping with the Government’s Spanish as the First Foreign language initiative: the SMEXCHANGE website was made available in Spanish translation this year. This online business –to-business portal provides local businesses with unlimited opportunity for growth and expansion regionally and internationally. The website ended the year with a membership of 521;
- **Trade Certification** – In July 2006, the full administration of the trade certification function was transferred from the Ministry of Trade and Industry to the BDC. During 2007 financial year the BDC’s Trade certification Department facilitated over 39,000 export certificates of origin under trade agreements with Canada, Colombia, Venezuela, the Dominican Republic, CARICOM and Costa Rica.
- **Export Promotion** – The BDC facilitated local businesses the opportunity to showcase their products and services at international markets via trade fairs and missions. Throughout 2007 financial year approximately 40 local companies were able to promote themselves at six international fairs and missions which included the New York International Gift Fair, Expocomer, Panama; the 53 Summer Fancy Food Show, New York, the 10th Americas Food and Beverage Show and Conference in Miami and the 25th Havana International Fair in Cuba; and
- **Research and Development Facility** – The BDC was given the responsibility to administer the research and development facility of \$2.5 million with a maximum grant of \$100,000 targeting the non – energy manufacturing and service sectors for research and development initiatives.

Trinidad and Tobago Bureau of Standards

Trinidad and Tobago Bureau of Standards (TTBS) was established as a corporate body under the Standards Act No. 18 of 1997. Under this Act, the Bureau is mandated to conduct the following:

- Promote the development and maintenance of standards and further establish standards for the protection of the consumer and the environment;
- Promote research relevant to specifications with the intention of formulating or adopting specifications;
- Co-operate and co-ordinate the work of other institutions in the formulation and publication of specifications;
- Collate and publish for public notification, data relating to specifications and standards;
- Encourage and undertake educational programmes on standards;
- Liaise with foreign, regional and international bodies dealing with standardization and the quality of goods;
- Provide for the examination and testing of goods;
- Establish or designate laboratories and testing facilities;
- Inspect or cause to be inspected any operations, books or records connected to the production, manufacture, processing or treatment of goods, the execution of services, processes or practices for which a compulsory standard is declared or the application of a standard mark deemed necessary;
- Provide advisory services to industries as to the type and methods of quality control applicable to their goods and undertake the training of their staff in quality control;
- Institute a national quality system and establish, administer and operate schemes of standardization and certification of goods; and
- Promote activities consistent with the purposes of the Act, by other bodies and for that purpose establish or expand, or promote the establishment or expansion of other bodies to carry on such activities under the control or partial control of the

Bureau or independently, give assistance to bodies appearing to the Bureau to have the required facilities for such activities.

The **achievements of the TTBS** for the fiscal year 2007-2008 are as follows:

- Successful implementation of a contemporary Performance Management System (PMS) for public sector agencies;
- Integration of the PMS with the Quality Management system (ISO 9000 system) – only one in the Region;
- TTBS Accredits its first two local laboratories;
- Recertification to ISO 9001 Quality Management System by QMI (no non-conformities with full compliance);
- First batch of Health, Safety and Environmental standards declared;
- Design and implementation of an organization restructuring programme;
- Implementation of a very comprehensive objectively verifiable Performance Management system (PMS) using customized version of public sector balanced scorecard;
- Successful recertification of Quality Management system by International Certification body QMI (now SAI global);
- Amendment of wiring code with government Electrical Inspectorate, BOETT, Ministry of Public Utilities;
- Developed stakeholders groups/forum for participation in standards for IDB-SME project;
- Increased number of tourism standards developed in collaboration with TDC;
- Market penetration re (TTTIC) T&T Tourism Industry Certification scheme;
- Framework of Cooperation Agreement with the Business Development Company for Quality & Environmental Mgmt System SME certification;
- Development of Automated Information Management system (AIMS);
- Increased activity of Appliance and Safety Product subunit- electrical cables,
- Expansion of accreditation range for mass by UKAS;

- Developing the Regulations and documentation for the final passage of the Metrology Act;
- Testing of steel for construction;
- Increased services to government agencies;
- Sensitization of Laboratories to benefits of Laboratory Quality Management systems implementation;
- Integrated Communication strategy
 - Hosting Communication Specialists of government ministries
 - Media programmes etc.
- Expand the reach of Export Alert; and
- Caribbean Regional Organization for Standards and Quality project proposal presented.

Export Import Bank of Trinidad and Tobago Ltd.

The Export-Import Bank of Trinidad and Tobago Limited (EXIM Bank) is an export credit agency offering exporters in the non-traditional and non-energy sectors a wide range of facilities. The Bank's achievements for the fiscal year 2007/2008 include:

- Successfully upgraded its Information technology software which would allow for easier access to information, faster retrieval of data and more reliable data;
- Marketing initiatives resulted in the expansion of business activity in the republic of Guyana and the exploration of sound possibilities both in Panama and Cuba;
- The Bank has been able to access US\$20 million in funding on favourable terms from BLADEX and this has resulted in the bank's ability to enhance its margins on advances thereby increasing profitability;

- Export Development Canada has issued a line of credit amounting to US\$15 million for short and medium term financing at attractive financial terms; and
- The GORTT agreed to increase the equity of the bank by \$TT 100 million which is to be disbursed in two tranches of fifty million dollars each.

Point Lisas Industrial Port Development Corporation Ltd.

The Point Lisas Industrial Port Development Corporation Limited, commonly called PLIPDECO was incorporated on September 16, 1966 as a property development company engaged in the construction of on-shore infrastructure for the establishment of the industrial estate and the development and management of the port at Point Lisas. The achievements of PLIPDECO for the fiscal 2007/2008 include:

- The Port of Point Lisas has witnessed an increase in the demand for containerised cargo by 6% from approximately 165,000 twenty foot equivalent units over the previous year. The volume comprises 80% domestic cargo and 20% transshipment cargo. General cargo has remained constant at approximately 500,000 metric tones per annum;
- Capacity of the Port has been increased with the completion of container berth number 5 which required additional cranes, upgraded infrastructure as well as new software systems for improved operations and security control;
- The 860 acre industrial estate is fully tenanted. Over the past year existing infrastructure was upgraded. This included the reconstruction and repaving of roads, improved drainage and landscaping; and
- Revenues over the past twelve months have increased by 14% to \$237 million due primarily to increases in lease rent, cargo volumes and storage rent.

Rum Distillers Trinidad and Tobago Ltd.

The Board of Directors of Rum Distillers Trinidad & Tobago Ltd. is moving forward with the divestment by means of a three step process:

1. The rum stocks will be auctioned off to the highest bidder at an auction which is scheduled for the October 8, 2008;
2. The machinery and spares will be auctioned off before the end of 2008; and
3. The land and building will be handed over to the relevant state body.

All operations including the preparations of final accounts and the termination of staff will be completed early in 2009.

Trinidad and Tobago Racing Authority

The achievements of the Trinidad Racing Authority for the fiscal year 2007/ 2008 are as follows:

- The Authority issued the following licenses:

Owners	313
Trainers/Asst. Trainers	72
Jockeys	80
Grooms, Exercise Lads/Stable Lads	281
Horses imported in Trinidad:	
Jamaica (32), USA (93), Barbados (5), UK (3)	133
- Directigen Flu A Test Kit – 72 horses were injected with flu test to shorten the quarantine period when imported into the country;
- Microchip implant – To date 441 racing horses were implanted with microchip. This process serves for easy identification;

- DNA profiling of 152 horses were completed thereby confirming the parentage verification of horses registered during the period and the creditability of the Stud Book; and
- Publication of Volume VI of the Trinidad & Tobago Stud Book which is an international requirement of all approved Stud Book Authorities was completed and is available on CD as well as online of the Authority's website.

Betting Levy Board

The Betting Levy Board (BLB) was established and incorporated under Act No.35 of 1989 with a mandate to develop and improve every aspect of horse racing, including the breeding of race horses and the provision of benefits for jockeys and stable lads. The achievements of the BLB for the fiscal year 2007/2008 include:

- There has been a gradual increase in tax collection over the last five (5) years from \$19,950,930 in 2004 to \$27,424,980 in June 2008;
- The importation of one hundred and thirty three (133) horses from outside the Caribbean to supplement the existing racing stock and subsequently enhance the quality of the locally bred horses;
- The Board continued further upgrade of the Amtote Betting System to facilitate co-mingled wagering by punters into English, South American and north American host tracks when placing bets with the Arima Race Club, which has engineered an enhanced dividend return to the punter and increased betting turnover resulting in increased tax collections by the Board; and
- Facilitated the hosting of a symposium with a view to implementing a system of racing that would allow for competitive racing with an internationally renowned racing consultant.

FINANCES: 2007 TO 2008

CONSOLIDATED FUND – 009/48

Parliamentary Appropriations System

The Ministry of Trade and Industry receives funding through the Parliamentary Appropriations System. Cabinet approved funds identified under various sub-heads are released from the Consolidated Fund and placed at the Ministry of Finance. Cheques released from the Ministry of Finance to MTI are issued on the Exchequer Account on receipt of credit approved by the Comptroller of Accounts.

Expenditure and Draft Estimates

Draft Estimates allocated to the Ministry of Trade and Industry for the financial year October 01, 2007 to September 30, 2008 was two hundred and six million; nine hundred and thirty-one thousand; eight hundred dollars (TT\$461,931,800.00) with fifty-four million; three hundred and twenty-five thousand; nine hundred dollars (TT\$54,325,900.00) for the Development Programme. The expenditure and variances for the fiscal period 2007/2008 is illustrated below:

SUB - HEADS	Estimates	Actual Expenditure	Variance (1) – (2)
	(1)	(2)	(3)
01 PERSONNEL EXPENDITURE	18,115,875	16,131,474	1,984,401
02 GOODS AND SERVICES	38,450,925	27,796,020	10,654,905
03 MINOR EQUIPMENT PURCHASES	1,379,000	1,002,784	376,216
04 CURRENT TRANSFERS AND SUBSIDIES	84,737,100	56,787,521	27,949,579
06 CURRENT TRANSFERS TO STATUTORY BOARDS & SIMILAR BODIES	9,923,000	9,922,902	98
09 DEVELOPMENT PROGRAMME	54,325,900	46,488,334	7,837,566
Totals	206,931,800	158,129,035	48,802,765