

ADDRESS BY

HON. KENNETH VALLEY
MINISTER OF TRADE & INDUSTRY
MINISTER IN THE MINISTRY OF FINANCE

**AT THE ANNUAL CHRISTMAS DINNER
AND AWARDS FUNCTION OF THE
GREATER CHAGUANAS CHAMBER OF INDUSTRY &
COMMERCE**

6:30 PM
SATURDAY 4TH DECEMBER, 2004
CENTER POINT MALL AUDITORIUM
CHAGUANAS

Mr. Chairman

Members of the Board

Business Leaders

It gives me great pleasure to address this distinguished Chamber of Greater Chaguanas at your Annual Christmas Dinner and Awards function. I understand this is your 10th Anniversary and so I congratulate you on achieving your first decade. Your organization has made a distinctive mark on the business and cultural landscape of the country, for which we are exceedingly grateful and we look forward to many more years of contribution to national development.

Just over two years ago, I had the opportunity of addressing you at a breakfast meeting hosted by the Ministry of Trade and Industry, in our efforts to meet with manufacturers. This time around, I am your guest. In keeping with our mandate to drive the non-oil sectors of the economy, my Ministry and I remain committed to facilitating the further development and transformation of private sector entities such as yourself.

Greater Chaguanas has emerged as one of the more vibrant growth poles in the economic and commercial life of Trinidad

and Tobago. At Point Lisas, not far away from here, the Government of Trinidad and Tobago undertook major investments in the 1970s which have served to position the country as a major player in the international petrochemical industry.

The international and domestic private sector followed quickly, and today that industrial estate is completely full. Not to be outdone, the burgesses of the Greater Chaguanas area invested in commercial and industrial development, with the result that in a short space of time, this community was upgraded to the status of borough, in recognition of the high level of business activity and the civic importance of the area.

As Minister of Trade and Industry, I am immediately attuned to the implications of industrial and commercial changes taking place in various parts of the country. Chaguanas in particular is a continuously evolving, modern metropolis along the North-South Corridor, a location for vibrant industry and commerce, and a shopping destination, which draws people from all over Trinidad and the Caribbean in

pursuit of merchandise or specialized business and industrial services.

You have been so successful in driving the development of this town from a small agricultural community to a bustling dynamic city, that your community has become attractive to operators from international chains. Thus, Greater Chaguanas has become a landmark not only for the Trinidad and Tobago purchasing public, but a specific location in international commerce. The Government of Trinidad and Tobago is deeply sensitive to the role that you have performed and are performing in this regard.

There is another major implication of your dynamism that I want to record. As you are all aware, the Government of Trinidad and Tobago has been forced to deal with the serious impact of changes in the international economy on the sugar industry of this country. The entire Commonwealth Caribbean has had to face the decline in competitiveness of the sugar industry in the face of developments in Australia, and Brazil in particular.

There is a group of sugar producers, known as the Cairns Group, which has campaigned to eliminate all remaining trade preferences enjoyed by countries like Trinidad and Tobago and the other sugar producers in the region. From Belize in the north to Guyana in the south, we have been affected.

In the case of state owned Caroni 1975 Ltd, it was clear from the experience of the 1990s and developments in the early 21st century, that as a producing entity it could not survive. It was necessary for Caroni 1975 Ltd to be transformed. We bit the bullet and did what had to be done as a responsible Government. We could not allow a situation in which a large group of workers and their communities would remain at the mercy of external forces over which we had little or no control.

The arrangements that we have put in place are consistent with trade adjustment strategies that are pursued by the more advanced countries. These industrialized nations have institutions and a legal framework that allow them to deal with the downsizing of industries that are no longer competitive by organizing the orderly departure of workers

and their absorption into other activities. We are following a similar process, according to a set programme that has been unveiled.

It is to the credit of this country that there are places like the Greater Chaguanas area, which facilitated this kind of transition. We in Government were convinced that the entire area would make the adjustment and, indeed, would show new dynamism, when no longer distracted by the attempt to maintain its grip on an industry in which we could not compete under previous conditions of production in Caroni 1975 Ltd.

My information on the ground is that Greater Chaguanas has geared itself up and there is renewed vigour in industry and commerce as the ex-sugar workers of Caroni 1975 Ltd re-deploy themselves to more rewarding pursuits. With that the voices of discontent and dismay have been muted, when not silenced. Unemployment increased a bit but has been coming down and that means that ex-sugar workers are being absorbed in income generating activity.

I would be amazed if there is anybody who would argue that we should return to where we were in 2001, with sugar in Caroni 1975 Ltd. Instead, most would thank the Government for being forthright and for taking us onto a new path.

That path had already been charted by Greater Chaguanas which has made a sterling contribution in absorbing part of the work force and in creating new possibilities from which we all are already benefiting.

This brings me to another issue – public sector/private sector collaboration. My Ministry is committed to this concept, as we have witnessed first hand the benefits which result from the combined strengths and resources of public and private sectors.

Government intends to develop closer ties with the private sector, including the various Chambers of Commerce and of course, with the Greater Chamber of Industry and Commerce of Chaguanas.

You would recall on my last visit that I outlined the challenges facing our nation as the world accommodates to

the new trade regime. While industry in Trinidad and Tobago has been very competitive at the national and regional levels, we now face the challenge of moving beyond the Caribbean.

Apart from the petrochemical sector, the number of firms with the appropriate capacity and skills to undertake such a leap, are too few for our liking.

Consequently, the Ministry of Trade and Industry has sought the assistance of the IDB to provide us with technical resources to assist our firms to take on this challenge. While our country is assured of reasonable rates of growth in the short to medium terms as a result of the gas finds and the related developments, it is critical that we develop the capacity of the non-oil sector so that we can achieve sustainable development in the long term. Driving the growth of the non-oil sector is the mandate of my Ministry.

So we are looking forward to working with you in facilitating new business and expanding other businesses that contribute to the process of diversification.

As we all know, the world economy is undergoing major structural change, and the United States, the dominant economy over the last century, is realizing that there are other players in the game who are intent on reshaping the rules of engagement.

A recent issue of Business Week was devoted to the phenomenon of China, which is engaged in fierce competition not only in the low wage areas of garment and shoe manufacturing but also in the cutting edge technologies of the 21st century. According to Business Week, Chinese industry is able to provide products that are invariably 30 percent lower than the next most competitive locations.

Where does that put us in Trinidad and Tobago? We cannot presume to compete on the basis of low wage advantages. It means, therefore, that we have to develop capacity in niche markets, where uniqueness gives us some slight advantage, while we keep always searching for newer opportunities. This is a major activity for the Ministry of Trade and Industry.

We are developing the capability to undertake foundation research and, during the August vacation, we brought in a

number of University students to conduct research projects to determine our status versus the rest of the world, in terms of industrial production, with regard to particular products and services.

This is the kind of work that would allow us to collaborate with you in locating investment geared for production for the international market. Under the Prime Minister's Standing Committee on Business Development, my Ministry has created public/private sector teams to develop strategic development plans for seven industries and services where we think that the country has a competitive chance, these are:

- Food and Beverages
- Printing and Packaging
- Merchant marine
- Film
- Music and Entertainment
- Fish and Fish Processing
- Yachting Services

In the final analysis, while business will make the investment decisions, the state will provide the research data and, more

importantly, enhance our capability to deliver the best possible service to you.

I know, that in addition to being a major merchandise center in Trinidad and Tobago, you are prepared to go full circle and become a location that exports to the world. I hope that you would seek to target markets abroad and help the country, achieve sustained competitiveness, irrespective of the price of oil and gas. In Chaguanas, it is hardly necessary to remind anybody of the lessons of sugar.

Ten years ago, I was a Minister in Government when we had just started to get the economy growing again after the free fall we experienced when oil prices collapsed. Trinidad and Tobago started to see the light once again. And as it so happens, this was the time that your organization was born.

Ten years later on and our country is poised for a major leap forward. It is through organizations and businesses such as these of the greater Chaguanas community that we can make the transition to developed nation status.

And twenty years from now will make one full generation that you have been in existence. I trust that at that time, the residents of this community and the nation at large, can look back with pride at the economic decisions which we are making today.

Let me wish you all the best for this Holy Season and for the New Year ahead. At this time of year, we can say that we are truly blessed in Trinidad and Tobago, because we celebrate a range of diverse religious and cultural events, from Divali and Eid in November, to Christmas, New Years, and more recently Kwaanza. I truly believe that our ability to draw from the multi-cultural framework of our society has been a major factor in our growth and development.

As a young nation, we must maximize the combined strengths and resources of all sectors of the community, public and private, to thrive successfully in the new global paradigm. As such, Government remains committed to continue working with organizations such as the Greater Chaguanas Chamber to guide our nation to developed status by the year 2020.

To the Awardees, congratulations and to the Chamber itself
best of luck for the next ten years and beyond.

I thank you.