

ADDRESS BY

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MINISTER IN THE MINISTRY OF FINANCE

**AT THE COUVA/PT/LISAS CHAMBER OF
COMMERCE BREAKFAST SEMINAR**

7:30 AM
TUESDAY SEPTEMBER 28TH, 2004

CARA SUITES HOTEL
SOUTHERN MAIN ROAD
CLAXTON BAY

Industry and Commerce; Distinguished Members of the Chamber; Representatives of Energy Sector Companies and the Pt. Lisas Industrial Estate; Representatives of the local business community; Distinguished Guests, Members of the Media; Ladies & Gantlemen.

Thank you for inviting me here today to speak at this seminar designed to provide crucial information on the opportunities available for businesses wishing to establish linkages in the Couva/Pt. Lisas area.

At this time in our history, there is a new wave of growth being experienced by the citizens of Trinidad and Tobago. This country has been able to realize ten years of consecutive real GDP growth averaging roughly 4.5 percent over the last five years. While this growth has been traditionally driven primarily by the energy sector, there was significant contribution from the non-energy sector as well over that period.

Against this backdrop, currently one of the key challenges faced by the country is the development of mechanisms to effectively balance social concerns with economic growth, a concern which my government is working hard to address.

Economic activity in this area of the country has traditionally developed around downstream industrial energy processing industries and agricultural activities. You have a unique pattern of commercial development, unlike say, Port of Spain, whose economic structure is primarily underpinned by trading, finance and general services.

Indeed, within the Couva/Pt. Lisas area, we find five of our methanol plants, including the world's largest – Atlas, along with nine ammonia plants. You also have an established steel trade, a vibrant port and a rapidly growing transshipment industry. Other

dynamic economic areas include ancillary services, and booming financial and distribution sectors. One major indicator of success in this central district is the progress and rapid growth of the neighbouring Chaguanas region, in which property values continue to expand at a very favorable rate.

Recently, at least two major commercial banks reported that their Chaguanas branches emerged the largest contributors to profitability, overtaking north based office as the highest income earners in terms of company wide operations.

In the agricultural sector, activity continues to be moderate, both in terms of sugar cane production and fisheries. Operations in these two areas have been hard hit in recent times as a result of structural changes and poor harvesting levels.

Alongside the significant advances being made, the Government has been implementing strategies to mitigate against the drop in employment in the Caroni/Pt. Lisas area. I recognize that, as business people of the area, you would be particularly concerned about the impact the restructuring of Caroni (1975) Ltd. could have on your operations.

We all know that change is difficult, and departure from the familiar course can be nerve wracking, but life is essentially about managing change for the betterment of the individual, and the nation as a whole. While the era of Caroni Ltd. as we knew it has come to an end, new and exciting opportunities await us and the generations ahead of us, as we seek to re-shape the economic landscape of this region and by extension, the nation.

In pursuit of balanced growth and sustainable development, government has devised a number of initiatives, as outlined in the Caroni (1975) Limited Divestment and Business Development Bill, laid in the House of Representatives on June 25th, 2004. In her

recent speeches to special interest groups in the community, my Cabinet colleague, Senator the Hon. Christine Sahadeo, would have outlined the mechanisms of these initiatives. But just to give you an overall picture, the plan in its entirety is a comprehensive and integrated development strategy designed to achieve:-

- The establishment of a competitive sugar industry based on international standards and best practices
- The stimulation of economic activity on those Caroni lands which are no longer under sugar cultivation and
- Retraining and retooling of the employee base to take advantage of opportunities presented in the local and global economy, especially to participate in the expanding manufacturing and energy sectors.

With the eventual divestment of Caroni lands, we expect to see a reemergence of growth in the agriculture sector, specifically in the farming and eventual processing of traditional and non-traditional crops for export to regional markets.

In addition to the divestment of lands for agriculture, we predict new opportunities in the creation of modern light manufacturing industrial estates as well as a range of low, middle and upper income housing developments, for the Central area.

Investment in heavy gas based plants will continue with the construction of another methanol plant and an ammonia plant, Together these developments will do much to stimulate growth in the supporting service based companies, which supply construction and maintenance services to this sector. Let us not also not forget the recent launch of the new Nutrimix flour mill, whose presence has far reaching implications for our trade sector on the regional and international markets.

Finally, we will expect continued development in port infrastructure resulting in higher levels of transshipment trade and further opportunities for support companies in the maritime sector.

We believe that these initiatives will do much to address the concerns of the Caroni/Pt. Lisas community over the next few months. Over the medium to longer term, of course the various elements of the program will expand further, creating more opportunities for residents and businesses.

At the national level, our government has initiated a new round of industrial development, which will target seven key industries in the non-energy sector, these include:

- The yachting industry
- The Food and Beverage sector
- The Fish and Fish processing industry
- The Music and Entertainment sector
- The Film Industry
- The Merchant Marine and Shipping sub-sector and
- The Printing and Plastics sub-sector.

Presently, industry teams comprising key players in the private and public sector, in consultation with other stakeholders from each respective industry, are in the process of drafting strategic plans for the development of targeted industries. We expect initial reports from the work of the teams by early December 2004.

Ministry officials have also been meeting with the various chambers and private sector groups to hear their problems and work towards crafting solutions.

The objective of this initiative is simple, to initiate a new round of industrial development specifically within the non-energy sector. We realize that while our energy resources have provided us with a solid platform for growth and progress, their non-renewable nature demands that we widen our economic base to ensure a more balanced, sustainable development.

Therefore the outlook for the Couva/Point Lisas region remains positive. Driven primarily by increased activity in the industrial sector, opportunities will also begin to emerge in the agricultural, agro-processing, packaging, fish processing, shipping and entertainment sub-sectors.

And while the community continues to grow we will ensure the infrastructure is put in place to accommodate the growth in the area.

I believe that the government together with individual communities, the business, commercial and industrial sectors must continue to work hand in hand to achieve our developmental goals. Hard work, compassion and determination will ensure that we not only survive, but that we thrive as a nation, both this generation and the generations to come.

I thank you.