



# **ENTERPRISE DEVELOPMENT POLICY AND STRATEGIC PLAN FOR TRINIDAD & TOBAGO 2001-2005**

**FORGING A COMPETITIVE ECONOMY THROUGH PARTNERSHIP**



MINISTRY OF ENTERPRISE DEVELOPMENT  
AND FOREIGN AFFAIRS  
JULY 2001

# A Vision FOR ENTERPRISE DEVELOPMENT IN TRINIDAD AND TOBAGO

## ACKNOWLEDGEMENTS

## LIST OF ACRONYMS

## EXECUTIVE SUMMARY

|  |           |
|--|-----------|
| Introduction   | 1         |
| Chapter 1      global trends and developments                          | <b>4</b>  |
| 1.1      World Developments  | 4         |
| 1.2      Regional Developments   | 6         |
| CARICOM  | 6         |
| The Caribbean Basin Initiative   | 7         |
| CARIBCAN   | 8         |
| Free Trade Area of the Americas  | 8         |
| Association of Caribbean States  | 8         |
| 1.3      National Developments and Domestic Challenges                 | 9         |
| 1.4      Global Trade  | 11        |
| Business Environment and Prospects                                     | 11        |
| CHAPTER 2      OVERVIEW OF INDUSTRIAL POLICY 1996-2000                 | <b>12</b> |
| CHAPTER 3      ADVANCING IMPROVED COMPETITIVENESS<br>WITHIN BUSINESSES | <b>15</b> |
| 3.1      Introduction  | 15        |
| 3.2      Human Resources   | 15        |
| 3.3      Knowledge and the Exploitation of Technology                  | 16        |
| 3.4      Entrepreneurship  | 16        |
| 3.5      Inward Investment   | 16        |
| 3.6      Investment Finance  | 17        |
| 3.7      Micro, Small and Medium Enterprises                           | 17        |
| 3.8      Roles and Responsibilities                                    | 17        |

|           |   |           |
|-----------|---|-----------|
| 3.9       | Conclusion  | 18        |
| Chapter 4 | micro, small and medium enterprises (msmes)   | <b>19</b> |
| 4.1       | Introduction  | 19        |
| 4.2       | Definitions   | 21        |
| 4.3       | Objectives  | 21        |
| 4.4       | Effective and Efficient Support for MSMEs   | 22        |
| 4.5       | Fostering Entrepreneurship and Encouraging the Creation of MSMEs                          | 22        |
| 4.6       | Widening the Range of Funding Options for MSMEs   | 24        |
| 4.7       | Empowering Disadvantaged Communities and Groups   | 24        |
| 4.8       | The Role of the Co-operative Sector in MSME Development                                   | 25        |
| 4.9       | Developing a Legal and Institutional Framework  | 26        |
| 4.10      | Conclusion  | 26        |
| Chapter 5 | ENHANCING AND EXPANDING EXPORT CAPABILITIES   | <b>27</b> |
| 5.1       | Introduction  | 27        |
| 5.2       | Objectives  | 28        |
| 5.3       | Market Information and Exploiting Opportunities   | 28        |
| 5.4       | Develop and Expand Productive Capacity of New and Existing Industries To Increase Exports | 29        |
| 5.5       | Transport and Utilities Infrastructure  | 29        |
| 5.6       | Conclusion  | 30        |
| CHAPTER 6 | E- COMMERCE   | <b>31</b> |
| 6.1       | Introduction  | 31        |
| 6.2       | Objectives  | 32        |
| 6.3       | Strengthen the Communications Infrastructure  | 32        |
| 6.4       | Increase Participation in the Networked Economy   | 33        |
| 6.5       | Clarify Marketplace Rules   | 33        |
| 6.6       | Build Confidence for Users of E-Commerce  | 34        |
| 6.7       | Jump-start the E-Economy  | 35        |

|            |  |    |
|------------|--|----|
| 6.8        | Conclusion   | 36 |
| Chapter 7  | maximizing human capital   | 37 |
| 7.1        | Introduction   | 37 |
| 7.2        | Objectives   | 37 |
| 7.3        | Develop an Adequate Pool of Skilled Labour   | 38 |
| 7.4        | Develop an Adequate Flow of Entrepreneurial Talent   | 38 |
| 7.5        | Upgrade and Retrain the Labour Force to Maximise Benefits from Modern Technology by Firms                              | 39 |
| 7.6        | Develop an Appropriate Orientation to Industry and Work Ethic on the Part of Youth                                     | 40 |
| 7.7        | Co-ordinate Efforts of Agencies, Institutions and Ministries that constitute the Education and Training Infrastructure | 40 |
| 7.8        | Conclusion   | 41 |
| CHAPTER 8  | FACILITATING AND FUNDING INVESTMENT  | 42 |
| 8.1        | Introduction   | 42 |
| 8.2        | Objectives   | 43 |
| 8.3        | Increasing Foreign Direct Investment   | 44 |
| 8.4        | Conclusion   | 44 |
| CHAPTER 9  | TECHNOLOGICAL MODERNIZATION  | 45 |
| 9.1        | Introduction   | 45 |
| 9.2        | Objectives   | 46 |
| 9.3        | Develop an Effective Science and Technology Infrastructure   | 46 |
| 9.4        | Encourage Productive Partnerships in Science and Technology  | 47 |
| 9.5        | Conclusion   | 47 |
| CHAPTER 10 | INSTITUTIONAL STRENGTHENING  | 48 |
| 10.1       | Introduction   | 48 |
| 10.2       | Emphasize Human Resource Management and  |    |

|                    |   |    |
|--------------------|---|----|
|                    | Development   | 49 |
| 10.3               | Harmonize and Streamline the Core Functions of Enterprise Development Related Agencies                          | 49 |
| 10.4               | Strengthen Collaboration and Networking between Agencies involved in Trade Promotion and Industrial Development | 50 |
| 10.5               | Conclusion  | 51 |
| CH APTER 11        | safety, health and Environmental Considerations   | 52 |
| 11.1               | Introduction  | 52 |
| 11.2               | International Context   | 53 |
| 11.3               | Domestic Situation  | 54 |
| 11.4               | Objectives of the Environmental Policy as it Relates to Enterprise Development                                  | 56 |
| 11.5               | Strategies  | 56 |
| 11.6               | Conclusion  | 57 |
| CHAPTER 12         | MAKING IT HAPPEN AND MEASURING SUCCESS  | 58 |
| APPENDIX I<br>PLAN | ENTERPRISE DEVELOPMENT IMPLEMENTATION<br>2001 - 2005  |    |
| APPENDIX II        | GRAPHS AND TABLES   |    |
| GRAPH 1:           | Direction of Domestic Manufacturing Export Trade (1994-2000)  |    |
| TABLE 1:           | Direction of Non-Oil Export Trade 1994-2000   |    |
| TABLE 2:           | Direction of Domestic Manufacturing Export Trade 1994-2000  |    |
| GRAPH 2:           | SBDC Loans Guaranteed 1990-1998   |    |
| TABLE 3:           | SBDC Loans Guaranteed 1990-1998   |    |
| TABLE 4:           | The Sectoral Distribution of Employment, 1996-2000  |    |

TABLE 5:                   Trinidad and Tobago Stock Exchange Limited Listed  
Companies Information (as at December 31, 2000).

# ACKNOWLEDGEMENTS

The Ministry of Enterprise Development and Foreign Affairs wishes to thank representatives of the following companies and organizations for their co-operation and invaluable assistance in preparing the Enterprise Development Policy and Strategic Plan 2001-2005.

Commonwealth Secretariat (for advisory and technical assistance)  
Ministry of Finance  
Ministry of Labour, Manpower Development and Industrial Relations  
Ministry of Infrastructure Development and Local Government  
Ministry of Transport  
Ministry of Integrated Planning and Development  
Ministry of Community Empowerment, Sport and Consumer Affairs  
Ministry of Food Production and Marine Resources  
Ministry of Human Development, Youth and Culture  
Ministry of the Environment  
Environmental Management Authority  
Central Bank of Trinidad and Tobago  
Central Statistical Office  
Customs and Excise Division  
Small Business Development Company  
Securities Exchange Commission  
Trinidad and Tobago Stock Exchange  
National Institute of Higher Education, Research, Science and Technology  
National Training Agency  
College of Science Technology and Applied Arts of Trinidad and Tobago  
Trinidad and Tobago Bureau of Standards  
Tourism and Industrial Development Company Limited  
Caribbean Industrial Research Institute  
Food and Drugs Division  
Port Authority of Trinidad and Tobago  
Airports Authority of Trinidad and Tobago  
Tobago House of Assembly  
Trinidad and Tobago Manufacturers' Association  
Employers' Consultative Association  
Trinidad and Tobago Chamber of Industry and Commerce  
South Trinidad Chamber of Industry and Commerce  
Couva / Pt. Lisas Chamber of Commerce  
Tunapuna Chamber of Commerce  
American Chamber of Commerce of Trinidad and Tobago  
Sangre Grande Chamber of Commerce  
Greater Chaguanas Chamber of Industry and Commerce

Royal Bank of Trinidad and Tobago Limited  
Republic Bank Limited  
Scotia Bank Trinidad and Tobago Limited  
First Citizens Bank Limited  
Export/Import Bank of Trinidad and Tobago  
Export Trading Company  
Venture Capital Incentive Programme  
Trinidad and Tobago Free Zones Company  
Inter-American Development Bank  
Economic Commission for Latin America and the Caribbean  
Point Lisas Industrial Port Development Company Limited  
Caribbean Business Services Limited  
National Trade Union Centre  
Inter-Religious Organisation  
Caribbean Association of Women Entrepreneurs



## *LIST OF ACRONYMS*

|            |   |   |
|------------|---|---|
| ACS        | - | Association of Caribbean States   |
| ACP        | - | African Caribbean and Pacific States                                      |
| BIR        | - | Board of Inland Revenue   |
| CBI        | - | Caribbean Basin Initiative  |
| CET        | - | Common External Tariff  |
| CARIRI     | - | Caribbean Industrial Research Institute.                                  |
| CORD       | - | Committee on the Recognition of Degrees                                   |
| COSTAATT   | - | College of Science, Technology and Applied Arts of<br>Trinidad and Tobago |
| CSME       | - | CARICOM Single Market and Economy   |
| CSO        | - | Central Statistical Office  |
| EBC        | - | Election and Boundaries Commission  |
| EC         | - | European Community  |
| ECA        | - | Employers' Consultative Association                                       |
| ETC        | - | Export Trading Company  |
| EX-IM BANK | - | Export Import Bank  |
| FTAA       | - | Free Trade Area of the Americas   |
| FDI        | - | Foreign Direct Investment   |
| GATT       | - | General Agreement on Tariffs and Trade                                    |
| ILO        | - | International Labour Organisation   |
| IPO        | - | Intellectual Property Office  |
| MCESCA     | - | Ministry of Community Empowerment, Sports and<br>Consumer Affairs         |
| MC&IT      | - | Ministry of Communications and Information<br>Technology                  |
| MED&FA     | - | Ministry of Enterprise Development and Foreign Affairs                    |
| MFN        | - | Most Favourable Nation  |
| MHS        | - | Ministry of Housing and Settlement  |
| MNS        | - | Ministry of National Security   |
| MoE        | - | Ministry of Education   |
| MoF        | - | Ministry of Finance   |
| MoH        | - | Ministry of Health  |
| MSMEs      | - | Micro Small Medium Enterprises  |
| NAFTA      | - | North America Free Trade Agreement  |
| NIC        | - | National Investment Committee   |

|         |   |   |
|---------|---|---|
| NIHERST | - | National Institute of Higher Education Research<br>Science and Technology |
| NTA     | - | National Training Agency  |
| PA      | - | Partnership Agreement   |
| SBDC    | - | Small Business Development Company  |
| SEMP    | - | Secondary Education Modernization Programme                               |
| SITC    | - | Standard International Trade Classification                               |
| SPC     | - | Standing Policy Committee   |
| THA     | - | Tobago House of Assembly  |
| TIDCO   | - | Tourism and Industrial Development Company of<br>Trinidad and Tobago      |
| TRIPS   | - | Trade Related Intellectual Property Rights                                |
| TTBS    | - | Trinidad and Tobago Bureau of Standards                                   |
| TTMA    | - | Trinidad and Tobago Manufacturers' Association                            |
| UWI     | - | University of the West Indies   |
| VCIP    | - | Venture Capital Incentive Programme                                       |
| WASME   | - | World Association of Small and Medium Enterprises                         |
| WTO     | - | World Trade Organisation  |
| YTEPP   | - | Youth Training Employment and Partnership<br>Programme                    |

# EXECUTIVE SUMMARY

The Enterprise Development Policy seeks to establish a vibrant, robust, productive and diversified economy by reconstructing the framework within which the non-oil manufacturing sector and the services sector would be transformed into the new engine of growth in Trinidad and Tobago. Its theme “Forging a Competitive Economy through Partnership” underscores the principal need to involve the private sector in collaboration with government, to achieve the following objectives.

- Attain sustained economic growth and development;
- Expand business activity with emphasis on the development of the Micro, Small and Medium Enterprises Sector;
- Generate more and better employment opportunities;
- Enhance the competitiveness of the non-oil manufacturing sector in order to increase exports and capture new and emerging markets;
- Accentuate the development of human resources in tandem with our development strategies and;
- Increase foreign direct investment inflows and improve the domestic financial system through the establishment of a sound legal and regulatory environment for banks, capital markets and the entire financial sector in order to facilitate investment

## 1. ADVANCING IMPROVED COMPETITIVENESS WITHIN BUSINESSES

All businesses in Trinidad and Tobago need to become competitive. It is a do or die situation, especially when firms are dependent on export markets for their survival. The reality of globalization and the existence of many competitors in the world market should be the impetus for businesses to improve their competitiveness. Also, the forging of alliances in the form of joint ventures should be explored as a means of acquiring new knowledge and technology to further

enhance the productivity of firms. This Policy recommends that businesses concentrate on developing and utilizing the factors of production that will make them efficient and competitive. These factors are summarized as follows:

- Human Resources
- Knowledge and Exploitation of Technology
- Entrepreneurship

This endeavour, in collaboration with the efforts of government to facilitate the growth of business activity and support the goals and objectives of businesses, in areas such as macroeconomic policy and planning, transport, infrastructure, education and training should produce the ultimate environment to promote competitiveness.

## **2. MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)**

The development of the MSMEs is important in relation to the objective of the Enterprise Development Policy to foster the creation and growth of new businesses in the economy. A detailed study was done on the sector to pinpoint the best strategies to be implemented to produce a holistic approach to MSME development. This study, 'The Intensification of the Development of the Micro, Small and Medium Enterprise Sector in Trinidad and Tobago', outlines specific objectives that reflect government's policy for the sector. These objectives are summarized as follows:

- To engender effective and efficient support to the MSME sector;
- To foster entrepreneurship, encourage the creation of MSMEs and increase their chances of survival and growth;
- To widen the range of funding options for the sector by exploring both traditional and non-traditional sources that exist locally and internationally;
- To empower communities, disadvantaged and otherwise challenged groups and alleviate the effects of poverty through self-employment opportunities and;
- To develop a legal and institutional framework for the development of the MSME sector.

### **3. ENHANCING AND EXPANDING EXPORT CAPABILITIES**

Given the sustained growth of the economy over the eight year period 1993 – 2000, the goal of the Enterprise Development Policy is to promote and further develop the non-oil manufacturing sector. The main focus is to increase the contribution of this sector to gross domestic product by enhancing its productive capacity and capability to generate exports that are not only competitive in price and quality, but would be able to penetrate new and emerging markets.

New industries in the following sub-sectors are earmarked for special emphasis in terms of investment promotion and strategic alliances through joint ventures. These are:

- Food and Beverages
- Chemicals including plastics
- Metal processing
- Leisure Marine
- Information Technology/Electronics
- Printing and Packaging

Closely linked to the general objective of increasing exports is the development of the needed infrastructure to achieve expansion of our export capability, which the Policy recommends as most important and integral to export sector development.

### **4. E-COMMERCE**

The Enterprise Development Policy seeks to incorporate e-commerce as an integral part of the enterprise development of Trinidad and Tobago. The growth of the internet and telecommunications technology has opened the way for electronic business and to facilitate this activity government has set up the

National E-Commerce Secretariat to spearhead its development in Trinidad and Tobago. This E-commerce initiative has as its objectives:

- Strengthen the communications infrastructure in Trinidad and Tobago
- Increase participation by all citizens in Electronic Commerce
- Clarify the E-Commerce marketplace rules
- Build confidence for users of Electronic Commerce
- Jumpstart the E-economy

It is expected that E-commerce would contribute significantly to the economy as well as foster the development of new businesses and opportunities.

## **5. MAXIMIZING HUMAN CAPITAL**

The Enterprise Development Policy seeks to harmonize the development of our human resources with the need of the industrial sector for a skilled and productive workforce. Human resource development is of paramount importance as it not only focuses on education and training for citizens but contributes to the holistic enrichment of the nation, as well as improve our competitiveness through the acquisition of knowledge; the knowledge to utilize modern technology to transform our productive capacity.

The objectives of the Enterprise Development Policy in relation to human resource development can be summarized as:

- The development of an adequate pool of skilled labour necessary for the development of the industrial sector
- The development of an adequate flow of entrepreneurial talent
- The upgrading and retraining of the labour force to maximize benefit from the use of modern technology by firms
- Through the education system, the development of a favourable orientation to industry and positive work ethic on the part of the youth

- Establishment of a central coordinating mechanism to lead and coordinate efforts of the relevant agencies, institutions and ministries that constitute the education and training infrastructure.

## **6. FACILITATING AND FUNDING INVESTMENT**

In order to procure increased growth in the economy continuous investment must be made by individual firms and businesses. This investment must be supported by a highly competitive financial market, which the Enterprise Development Policy aims to develop by advocating the need to increase the range and availability of financing for new investment and to reduce the cost of financing to firms and businesses in the domestic market. Measures would include:

- Reduction of the reserve requirement
- Promotion of Venture Capital financing
- Enhancing the effectiveness of the capital market through expanding the activities of the Stock Exchange and the Securities Exchange Commission

The Enterprise Development Policy also addresses the need to increase foreign direct investment through stronger investment promotion and lead generation, as well as further improvement in the regulatory environment as set out in the Investment Promotion Bill now being considered and also the negotiation of bilateral investment treaties with various countries.

## **7. TECHNOLOGICAL MODERNISATION**

Firms and businesses in Trinidad and Tobago must place emphasis on the continuous upgrade of plant and equipment used in their operations if they are to maintain their competitiveness in the domestic and global marketplace. The development of a science and technology infrastructure to meet the needs of business must cater for the enhancement of our capability in the areas of research and development, building technical expertise and the forging of partnerships with foreign firms to acquire knowledge through technology

transfers. The Policy notes both concerns as integral to economic growth in the country.

## **8. INSTITUTIONAL STRENGTHENING**

All institutions and agencies responsible for implementing the measures of the Enterprise Development Policy must effectively and efficiently coordinate their efforts to achieve the development and expansion of the non-oil sector. Government in close collaboration with the private sector, would be an important development strategy to foster economic growth.

## **9. SAFETY, HEALTH AND ENVIRONMENTAL CONSIDERATIONS**

In our efforts to promote industrial development and in turn economic growth, safety, health and environmental issues must be considered. The Policy addresses the objective of the sensitization of firms and businesses in the non-oil manufacturing sector on the need to provide a safe and healthy workplace and preserve and promote biodiversity by limiting and minimizing the effects of their waste products on the environment. The private sector and both the proposed Occupational Safety and Health Authority and the Environment Management Authority should embark on projects to enhance worker safety, protect the environment and also work together to establish environmental standards in Trinidad and Tobago.



## **INTRODUCTION**

Trinidad and Tobago's Enterprise Development Policy 2001–2005 was developed in conjunction with a wide range of stakeholders in both the private and public sectors. Consultations with the stakeholders were continuous during the developmental process of the Enterprise Development Policy. The role of the private sector in this process was considered to be critical and is indicative of the prominent role the sector will be expected to play in this country's thrust towards enterprise development. The private sector has been targeted as the catalyst for growth and development, and as a significant contributor to a further reduction in the unemployment rate. This will be achieved by forging a new era of competitiveness for local industry that would facilitate success in the global market.

The global environment is characterized by progressively stronger global competition, rapidly increasing technological innovation, especially in information and telecommunications, the proliferation of exclusive mega trading blocs and the globalization of enterprises. Market liberalization presents both new opportunities and challenges for our manufacturers.

Two phenomena currently dictate the way trade is being conducted - globalization and the formation of mega trading blocs. Globalization, which reflects the progressive integration of the world's economies, requires governments to reach out to international partners as the best way to manage changes affecting trade, financial flows, and the environment. This has led to the configuration of the economies into mega trading blocs. The wave of new trade agreements and the deepening of those already in existence have complemented the process of market access liberalization in the Caribbean in the 1990s.

No single enterprise development policy can make much of a difference in an unfavourable policy regime. Trinidad and Tobago needs integrated policy packages and institutional environments that reward good outcomes, minimize perverse incentives, encourage initiative and facilitate participation. Outcomes of policies based on consensual, participatory and transparent processes are more easily sustained.

The Enterprise Development Policy 2001-2005 underscores the growing realization that the many elements that comprise the policy process must be planned together and coordinated to obtain the best results. The Enterprise Development Policy framework emphasizes the relationships among the physical, human resource, sectoral, and structural aspects of enterprise development.

Government's economic strategy is based on fiscal and monetary discipline, private sector investment and export-led growth. Successive budgets have reinforced a continuous commitment to macro-economic stability and growth, and government has sponsored projects designed to improve the investment climate, create employment, and improve Trinidad and Tobago's competitiveness. These include the introduction of new investment legislation and the creation of an environment that stimulates business activity and economic development.

The Enterprise Development Policy therefore, is an attempt to ensure that the recent success in the performance of the manufacturing sector is enhanced and expanded. The objective is to create an environment that has appropriate strategies, measures and resources that promotes and fosters a dynamic and self-sustaining non-oil manufacturing sector.

## METHODOLOGY AND UNDERLYING APPROACH

The Enterprise Development Policy 2001 – 2005 is not a rigid document. It was conceived with the recognition that the global trade economic and financial climate is dynamic and not static. Consequently, the policy was developed with the flexibility to respond to current and changing realities and trends.

Many studies, analyses and reports on trade related issues such as the effects of trade liberalization; supply of finance; the micro, small and medium-size enterprise (MSME) sector and investment promotion have been undertaken. The resulting recommendations have been numerous. However, converting these recommendations into policy have been constrained by business and industry in their efforts to improve competition and could not have been supported.

The Enterprise Development Policy 2001 – 2005 has adopted a more realistic approach. The policy discusses all the main issues and then analyzes each in terms of short and medium goals. This analysis has been influenced by a combination of factors including priority needs and realistic assessments of available resources and practical timetables.

Within this framework, the action oriented approach of the policy focuses on a relatively small number of measures to address some of the key issues, which are implementable in the short to medium term. Based on resource constraints, a selective list has been developed based on the following criteria:-

- ☛ A relevant response to the issue
- ☛ Practical to develop and apply
- ☛ Deliverable within available resources
- ☛ Measurable in terms of results.

Such a focused approach means that in the short term, only a limited number of issues can be addressed. Given the limited resources at our disposal, it is therefore more appropriate to address a limited number of issues.

This emphasis on delivery is further underscored by the detailed implementation plan set out as Appendix I. It includes clear targets and milestones and assigns responsibility for achievement of results. The plan would be closely monitored and progress reported publicly at regular intervals.

## **CHAPTER 1**

### **GLOBAL TRENDS AND DEVELOPMENT**

#### **1.1 WORLD DEVELOPMENTS**

Trinidad and Tobago is pursuing industrial developmental goals in a landscape that has been transformed economically, politically and socially. Information and ideas can be accessed from all corners of the globe at the push of a button. The international economic order is evolving into a highly integrated and electronically networked system.

Trade and foreign direct investment are major engines of growth in developed and developing countries alike. Trade has consistently outperformed domestic output. The volume of world trade is 16 times greater today than it was in 1950, as compared to a six-fold increase in the volume of world production. This trade expansion reflects the dismantling of import and export barriers. Outflows of foreign direct investment (FDI) have grown even faster, rising twenty-five fold during the last quarter century, from US \$14 billion to US \$350 billion a year. Trade and investment-induced market integration have led to greater forms of economic interdependence among nations.

International trade flows are penetrating the commercial and economic fabric of developing economies, affecting the overall economic structure in general and income distribution, employment practices and productivity growth in particular.

The tremendous growth of trade in services and more recently, of electronic commerce, is also part of the new trade paradigm. Enhanced international competition in services means reductions in price and improvement in quality that will enhance the competitiveness of downstream industries. Underpinning this surge in the trade in services is the growing commitment developing economies have shown to liberalizing their trade regimes. Their resolution has taken many forms: membership in the World Trade Organization (WTO), participation in regional trade agreements and unilateral reforms.

Foreign direct investment (FDI) is now a welcome source of international capital. FDI brings with it not only capital but also technology, market access and organizational skills. Multinational corporations account for much of this investment. Their investment stimulates export led growth in countries that are strategically located, have embraced trade liberalization and put the necessary institutional structures in place.

Environmental concerns are now the subject of international interest, in part because of the burgeoning world population. Along with globalization has come a new recognition of a shared responsibility for the environment. Climate change, the loss of biodiversity and other issues related to the global commons, are being recognized as problems that the community of nations must confront collectively.

Developing countries enter the 21<sup>st</sup> century in a world that is being transformed by the forces of globalization. These forces are modifying the roles and obligations of national governments. Open markets will play a central and vital role, both in providing the engine of economic growth and in responding to the incentives decided by governments.

Trinidad and Tobago became a member of the World Trade Organization (WTO) on March 1, 1995. Most Favoured Nation (MFN) treatment is accorded to all its trading partners. As a result of the Uruguay Round, most industrial tariffs are bound at a ceiling rate of 50%, while some products are bound at 79%. Trinidad and Tobago has revised and amended several pieces of domestic legislation to comply with its obligations under the WTO. Consequently, anti-dumping legislation and regulations have been amended to conform to the WTO Anti-dumping Agreement. New Patent and Copyright Acts have been adopted, and legislation regarding trademarks and industrial designs amended to conform to the Trade Related Intellectual Property Rights (TRIPS) Agreement. Legislation with respect to trade secrets and unfair competition has also been put in place.

Under the General Agreement on Trade in Services (GATS), Trinidad and Tobago made specific commitments on tourism, business (including professional), educational, health-related, recreational, research and development, cultural and sporting, transport and financial services. Trinidad and Tobago's schedule includes horizontal commitments on commercial presence and presence of natural persons. Trinidad and Tobago also participated and presented offers in the subsequent WTO negotiations on telecommunications and financial services.

The European Community (EC) and the African, Caribbean and Pacific (ACP) states concluded negotiations on a Partnership Agreement (PA) on February 3, 2000 in Brussels, aimed at the establishment of a new framework for their future relations. The Agreement replaces the fourth Lomé Convention that expired in February 2000 and inter alia, regulates future trade between these two groups of countries. Greater relevance is being attached to the political dimensions of the relationship, development cooperation strategies and financial cooperation.

Trade liberalization and globalization of the world's economy have led to the configuration of the international economy into economic groupings or mega

trading blocs. These include North America Free Trade Agreement (NAFTA), Mercusor, the European Community, the Andean Community, the Central American Common Market, CARICOM (to evolve into the CARICOM Single Market and Economy) and the proposed Free Trade Area of the Americas.

## **1.2 REGIONAL DEVELOPMENTS**

### **CARIBBEAN COMMUNITY AND COMMON MARKET (CARICOM)**

Trinidad and Tobago, a founding member of CARICOM, adopted CARICOM's, Common External Tariff (CET) in 1991, implementing the four-phase schedule of CET rate reductions between 1995 and 1998. Deeper integration among CARICOM Countries is expected to result from reforms aimed at consolidating the CARICOM Single Market and Economy (CSME).

The CARICOM Single Market and Economy, is scheduled to come into effect in 2002. This Single Market, in addition to free trade in goods and services and a Common External Tariff, envisions the free movement of capital and labour (professionals and skilled labour) throughout the Caribbean Community. Efforts are underway to fully operationalize the Single Market and Economy. It encompasses the negotiation and implementation of a series of protocols aimed at a deep-reaching reform of the Chaguaramas Treaty (established CARICOM in August 1973).

Establishment of the CARICOM Single Market and Economy involves revision of the nine protocols, which aims to modify and amend the existing treaty and is designed to bring the Single Market into operation. Negotiations have been conducted in areas such as transportation, industrial, agricultural and trade policies; free transit of natural persons and capital, the elimination of work permits for university graduates and specified professionals. Skilled persons and others, such as musicians, are to follow in due course. Additionally, people involved in businesses will have the right to establish enterprises.

The integration and completion of the Treaty revision through the negotiation of all the Protocols have been completed. Most member-states have signed the protocols and declared Provisional Application and have deposited their Instruments of Ratification. Implementation of these protocols is now receiving the active attention of member countries.

As a significant economy in the region, Trinidad and Tobago is playing a lead role in advancing the economic integration of CARICOM. Trinidad and Tobago proposes to apply the same level of commitment that it has over the past twenty-seven (27) years to the Common Market to its obligations in respect of the Single Market and Economy. Trinidad and Tobago has signed all the Protocols and is working on draft amendments to our laws such as the Foreign Investment Act, the Immigration Act and the Telecommunications Act. Trinidad and Tobago has ratified Protocol 1, amending the treaty establishing the Caribbean Community, and also assented to the CARICOM Double Taxation Agreement.

Currently, Trinidad and Tobago is collaborating with other Member States on implementation of Protocol II, which is seen as pivotal to the CSME. Trinidad and Tobago has notified the stakeholders of the requirement that no new restrictions to the provision of services and the movement of capital should be imposed. Additionally, Trinidad and Tobago has identified and notified the CARICOM Secretariat of the remaining barriers and restrictions and is in the process of preparing proposals for the removal of the restrictions. The Government through the Ministry of Enterprise Development and Foreign Affairs (MED&FA) has created awareness of the rights and obligations under Protocols II, III, IV, VIII, and IX through a National Consultation held in June 2000.

CARICOM views market access and preferential trade as the basis for providing expanded market opportunities for its producers. Growth in regional trade is seen as central to the Community's economic development. In this regard, CARICOM has concluded a Free Trade Agreement with the Dominican Republic. It has also signed a Trade and Economic Co-operation Agreement with the Government of the Republic of Cuba. This Agreement will promote regional trade and investment and foster economic integration, including the liberalization of trade, investment, transportation and other related areas.

The CARICOM/Colombia Trade and Economic Agreement was renegotiated in 1998 to allow for reciprocal trade between the parties. Trinidad and Tobago has bound duty-free access bilaterally as of June 1, 1998 on a number of products, most of which are already imported duty free. Actual concessions have been granted on a small number of products. A similar Agreement that exists with Venezuela is also to be renegotiated shortly in order to establish reciprocal arrangements between the parties. Arrangements do not preclude the negotiation of a free trade agreement, on a bloc-to-bloc basis, between CARICOM and the Andean Community. There are also good prospects for the negotiation of a trade agreement between CARICOM and South American countries in the not too distant future.

### **THE CARIBBEAN BASIN INITIATIVE**

The Caribbean Basin Initiative (CBI) is a preferential agreement that allows specified CARICOM products to enter the US market free of duty. While the CBI programme provides for duty free treatment for a vast number of CARICOM products, it statutorily excludes a few items such as textiles and apparel, footwear, luggage, watches, tuna and petroleum. The Initiative has emerged as an important stimulus of economic development in the Caribbean Basin and of trade linkages throughout the region. The CBI was last revised in 2000. Due to CBI legislation, Caribbean exports to the US have climbed by roughly 50% and US overall exports to the Caribbean have expanded by over 100% since 1984. The Caribbean Basin now comprises the tenth largest market for the United States, and is one of the few regions where the United States posts a trade surplus. It is estimated that each US dollar of Caribbean exports to the US generates US 60 cents of US exports to the region, with respect to imports of raw material and production inputs. Such trade growth reveals a fundamental characteristic of US/Caribbean production cycles. The existence of CBI market access agreements, combined with the close proximity and high quality skills of the Caribbean workforce, has made Caribbean production an attractive and profitable element of any US production strategy.

### **CARIBCAN**

The CARIBCAN arrangement provides duty-free access to the Canadian Market for imports from the Commonwealth Caribbean beneficiary countries. The agreement however, has the remaining notable exceptions of textiles, clothing and footwear, certain luggage and handbags and leather garments. The agreement has been extended to include both methanol and lubricating oils, benefiting local producers of these commodities.

### **FREE TRADE AREA OF THE AMERICAS**

The Free Trade Area of the Americas (FTAA) is envisioned as the largest free-trade area in the world, unifying all 34 democratic, independent countries in the Western Hemisphere, and one-sixth of the world's population. With more than 780 million people, the 34 countries' economic output is projected to be as much as US\$12 trillion.

Trinidad and Tobago is an active participant in the negotiations, in its capacity as an integral member of CARICOM, and is part of the negotiating team in the FTAA forum. Trinidad and Tobago participates in the Working Groups and collaborates with CARICOM member states in coordinating a common regional position. In keeping with the decision of the CARICOM Conference, Trinidad and Tobago participates in developing a common regional position with

Central American states in the FTAA process. The second round of negotiations has recently been concluded. A successful conclusion to these negotiations will result in a dramatic increase in market access for our producers. An agreement for a hemisphere-wide trade agreement is scheduled to be in place by 2005.

## **ASSOCIATION OF CARIBBEAN STATES**

Trinidad and Tobago has assumed full membership in the Association of Caribbean States (ACS), an organization for economics and trade, launched by the Heads of State of CARICOM in 1994, comprising 25 countries of the Caribbean Basin and 11 associate members. The ACS has a total market of 222 million people, with an estimated GDP of US\$700 billion and annual trade worth some US\$200 billion. Its mandate includes developing strategies for convergence of trade policies among its member countries, new initiatives aimed at boosting trade and strengthening private sector participation in regional development and trade. Its plan of action seeks to advance the process towards strengthening integration, concrete action and consultation among member states particularly in areas of trade, tourism and transportation. Greater trade and investment links among the states, countries and territories will provide new markets and create opportunities to improve Trinidad and Tobago's competitiveness globally.

Trinidad and Tobago, as a member of the ACS is an active party to the negotiations, which includes trade and transportation. This is in keeping with the mandate from the Heads of Government from the first two summits. The Trade focus is on the negotiation of a Common External Tariff, which aims to provide preferential access to member states on a two-tiered basis, with the least developed countries of the grouping accorded greater preferential arrangement. Trinidad and Tobago's commitment to the ACS is underscored by the successful bid by Government to have its headquarters located here.

### **1.3 NATIONAL DEVELOPMENTS AND DOMESTIC CHALLENGES**

Structural adjustment and the liberalization of the economy have been the basis for Trinidad and Tobago's sound economic framework. Since liberalization, the export performance of the non-oil sector has shown steady improvement. The Trinidad and Tobago's economy expanded by approximately 8.0 percent in 2000, continuing a pattern of consistent growth over the past seven years. The major impetus to this expansion was the growth of the non-oil sector, estimated at 7.7 percent in 2000 compared to 5.9 percent in 1999. Growth in this sector was led by manufacturing at (10.9%), services (7.2%) and agriculture (6.3%). In respect of the services sector, most sub-sectors recorded positive growth.

Approximately 11,000 additional jobs were created during the first half of the 2000 fiscal year, representing a 2.3 percent growth in the number of persons employed from 480,600 to 491,600. The number of unemployed persons continued to decline during the first half of the 2000 fiscal year. The unemployment rate declined to 13.2% in the last quarter of 1999 and subsequently fell further to 12.8% for the period January to June 2000. This resulted in a fall in the unemployment rate of 12.8% in 2000 that declined steadily from 19.8% in 1993 and 13.2% in 1999.

A National E-Commerce Policy Committee was formed from a directive of the Cabinet, to make policy recommendations for the development of the required infrastructure that would facilitate not only efficient interaction but would also make Trinidad and Tobago a leading player in this dynamic global environment.



Initiatives to enhance future bilateral relations with Costa Rica, Panama and Mexico are currently underway. The successful completion of these negotiations would result in improved market access opportunities and investment prospects for local manufacturers.

The introduction of a competition policy framework has been an important component of Trinidad and Tobago's recent trade policy. Competition policy, in addition to anti-dumping and customs reform, is considered as one of the safeguard measures introduced in order to promote free and fair competition in a more liberalized environment. Through Competition Policy legislation, Government will address business practices that restrict or distort trade. The draft legislation is primarily geared towards ensuring fair trading practices and controlling monopolistic tendencies.

A Government-appointed task force was established to develop a programme for the intensification of the development of the small business sector in Trinidad and Tobago. Its recommendations will assist in ensuring that the sector's potential contribution to economic growth is maximized. A Policy Unit has been established at MED&FA to oversee the implementation of the Task Force's recommendations.

The Small Business Development Company (SBDC) has undertaken an organizational review to enhance its service delivery to the small business sector and also to re-position itself to contribute towards the further development of the Micro Small and Medium Size Enterprises (MSMEs) Sector. This is designed to create a strong network among MSMEs that would improve the capability of the sector and ensure a greater level of success among MSMEs.

In 1997 and 1998, Trinidad and Tobago ranked 13<sup>th</sup> in Latin America and the Caribbean on the basis of the magnitude of Foreign Direct Investments (FDI) incentives, and first on the basis of the magnitude of FDI inflows as a percentage of gross fixed capital formation (61%). The main beneficiary was the energy sector. The non-oil sector benefited in some measure and helped boost its competitiveness. Additionally, FDI enhanced the country's technological capabilities, boosted export competitiveness, generated employment, and strengthened the local skills base.

As part of its investment strategy, Trinidad and Tobago has entered into Bilateral Investment Treaties with the Governments of the United Kingdom, France, the United States of America, Canada, Cuba and Spain. Initiatives are currently underway with twelve additional countries to negotiate Bilateral Investment Treaties. The objective is to create that attractive investment climate. Trinidad and Tobago is currently at an advanced stage of negotiations with several countries and initiatives are underway to commence negotiations with others.

## **1.4 GLOBAL TRADE**

### **BUSINESS ENVIRONMENT AND PROSPECTS**

The World Trade Organization (WTO) and its predecessor, the General Agreement on Tariffs and Trade (GATT) have been instrumental in reducing trade barriers and maintaining a rules-based global commercial system.

The financial instability of 1992-1998 has receded and the global economy is on the rebound. Global growth was estimated at 3.3% and 4.2% for the years 1999 and 2000 respectively. The US economy was at the forefront of this momentum fuelled by strong consumer demand. Latin American economies have showed signs of resurgence. These all point to a general decrease in unemployment among the developed and developing countries. This has laid the foundation for increased business investments.

For developing countries like Trinidad and Tobago, trade is the primary vehicle for realizing the benefits of liberalization. Imports bring additional competition and variety to the domestic markets benefiting consumers, whereas exports enlarge foreign market share thereby benefiting businesses.

Trade gives firms access to increased capital inputs, boosting productivity as well. Success in international trade makes firms good prospects. Trade in services is another important aspect of global trade. Driven by advances in information and communications technology, it is growing explosively, 25 percent between 1994 and 1997 alone. This type of trade offers another opportunity for developing countries.

Financial flows across national borders in the form of Foreign Direct Investment (FDI) have also increased substantially. FDI is made up of flows intended to purchase a stake in the management of a company or factory. The economy receives inflows of capital, raising the level of investment. Management expertise, training programmes and important linkages to suppliers and international markets often accompany this form of capital. Such capital comes with a challenge, to devise policies and institutions that produce an enabling environment so that capital mobility benefits the economy.

## **CHAPTER 2**

### **OVERVIEW OF INDUSTRIAL POLICY 1996 - 2000**

The Enterprise Development Policy 2001-2005 builds on the foundation laid by the Industrial Policy 1996 - 2000. Its main thrust was the diversification of the economy away from its dependence on the petroleum sector, by developing non-oil manufacturing activities as well as services. Other concerns include increasing the level of foreign and domestic investment and generating permanent employment opportunities. The aim was also to improve the regulatory, legal and fiscal framework to facilitate growth in the various sectors.

Trinidad and Tobago's Industrial Policy 1996 – 2000 provided a roadmap for the development of the industrial sector over the five (5) year period. The policy was implemented in two phases. The first or transitory phase focused on measures directed at assisting the business sector in its restructuring efforts. The intent was to enable the non-oil sector to become more export-oriented and to correct the weaknesses in the business environment. The second phase was designed to re-examine the measures introduced and placed greater emphasis on the macro-economic issues that affected business development.

The Policy outlined nine (9) objectives, namely:

1. To encourage increased levels of foreign and domestic investment;
2. To increase the export earnings of the non-oil business sector;
3. To expand the range of business activity in the non-oil business sector;
4. To generate permanent employment opportunities;
5. To improve the country's investment climate;
6. To ensure that economic development takes place in harmony with national environmental considerations;
7. To attain sustained economic growth and balanced, integrated development;
8. To assist in the attainment of the country's food security objectives, and
9. To mitigate the consequences of business failure.

A number of strategies were identified for implementation in pursuit of these policy objectives. The key policy strategies and measures addressed the following areas:-

- Investment
- Human Resource Development
- Financing
- Business Information
- Institutional and Regulatory Reform.

The legislative framework with respect to enterprise development is being addressed. A new Companies Act and Intellectual Property Rights Laws have come into effect. Considerable progress has been made in preparing a proposed Competition Policy Framework for Trinidad and Tobago. A Fair Trading Bill has been drafted by the Chief Parliamentary Counsel, and is to be submitted to the Legislative Review Committee before submission to Parliament for approval and eventual enactment. This legislation will foster increased competition between firms and encourage new entrepreneurs to enter particular sectors as restrictive barriers to entry are removed.

Following the enactment of the Securities Industry Act 1995, a Securities and Exchange Commission was established in 1997. In addition, there has been liberalization of trade in goods and services, while price controls and foreign exchange restrictions have been removed. An Investment Promotion Bill, which will replace the Foreign Investment Act, is being considered. Double taxation treaties as well as Investment Promotion and Protection Agreements and Intellectual Property Agreements have been entered into with various countries. Measures have also been taken to improve the institutional framework, which allow for a more expedient response to administrative requirements including customs and investment approvals.

The performance of the non-oil sector using GDP data over the period 1996-2000 reveals steady economic growth. The non-petroleum sector recorded a growth rate of approximately 7.7% in 2000 compared to 4.7% in 1999 and 5.5% achieved in 1998. Within this sector, growth is being led by Manufacturing (10.9%), followed by Services (7.2%) and Agriculture (6.6%).

The GDP performance of the non-oil sector has increased from TT\$14 billion in 1996 to a provisional total of TT\$16 billion in 1999. Within the manufacturing sector, high growth rates were recorded for the year 2000 in the sub-sectors of Food, Beverages and Tobacco (17.0%), Printing and Publishing etc (14.6%) and Assembly Type and Related Industries (14.5%).

In 2000, the manufacturing sector (excluding agriculture and the petroleum industries) consisted of 1,108 firms employing 25,045 persons. The Food processing and beverages sub-sector had the largest employment of 9018 workers in 211 firms, followed by Assembly-type and related industries with 4,356 employees from 219 firms.

Implementation of the Industrial Policy 1996 – 2000 has revitalized local industries, and by extension, the economy as a whole. The year 2000 was the seventh consecutive year that the local economy had registered a positive growth rate. The economy grew by 7.9% in 2000 compared to 7.0% in the previous year.

The continuous growth in the economy has resulted in a decrease in the number of unemployed. Employment grew by an average of 2.8% or 13,000 jobs between 1998 and 2000. For the calendar year 2000 the rate of inflation as measured by the Index of Retail Prices was kept in check with a rate of 3.6% compared with 3.4% in 1999. The strong performance of the industrial sector is a clear indication of the success of Trinidad and Tobago's Industrial Policy 1996 – 2000.

## **CHAPTER 3**

### **ADVANCING IMPROVED COMPETITIVENESS WITHIN BUSINESSES**

#### **3.1 INTRODUCTION**

Trinidad and Tobago has a thriving energy sector, which continues to be the engine of economic development and the generator of national wealth. Government's policy over the last two decades has been to develop strategies to diversify the economy and reduce this country's dependence on the energy sector.

Improving the competitiveness of our exporting firms must be the aim of the Enterprise Development Policy as we seek to capture new and emerging markets. Trinidad and Tobago has to generate income in a world where internationally competitive businesses are the only ones, which can create national wealth on a long-term sustainable basis. The country must develop urgently world-class businesses in both services and manufacturing to respond to the challenges in this dynamic world environment.

This Chapter provides a holistic overview of the issues to be addressed by firms in improving international competitiveness at the level of their own individual businesses, whether large or small. These firms must assume the main responsibility for achieving improvements in the planning and execution of competitive strategies to carve out new markets, move their products up the value chain and achieve world-class standards of efficiency in their 'day to day' operations. The role of government is to facilitate, complement and support these operations by developing the necessary institutional, financial and regulatory frameworks. Subsequent chapters indicate how the Government will fulfill this role.

#### **3.2 HUMAN RESOURCES**

Of utmost priority for businesses and government is the development and execution of programmes to nurture and maximize the ability and skills of all those who work in businesses at every level. Many businesses view their employees as their biggest asset. However too few businesses undertake the necessary investment to upgrade the knowledge and skills of their employees, so that they can make their full contribution to enhancing the competitiveness of

the firm in which they work. Any firm which does not institute programmes to train and develop its human resources on a continuous basis may not enhance its competitiveness.

Constructive and harmonious labour relations within firms also make a major contribution to improving competitiveness. Greater efficiency and productivity requires a partnership approach where employees and their representatives understand the need for change and can expect a fair reward for their efforts in enhancing competitiveness.

### **3.3 KNOWLEDGE AND TECHNOLOGY EXPLOITATION**

Closely aligned to the issue of manpower and skills is that of ready availability of knowledge and information about market opportunities and how businesses can best prepare themselves to compete for these opportunities effectively and efficiently. Traditional competitiveness factors such as quality and adherence to standards will always be important but there are also rapid changes in the development of techniques and technologies, which can increase productivity as well as open up new market opportunities. Firms which are committed to improving their competitiveness need appropriate information to keep abreast of all these changes and a supporting infrastructure which can help them select and apply the techniques and technologies best suited to their own businesses.

Closely allied to techniques and technology is the need for constant innovation through research and development of products to serve and create new markets. Knowledge is also at the heart of the many service sectors whose international growth offers major new opportunities for trade.

### **3.4 ENTREPRENEURSHIP**

Business growth needs entrepreneurial leadership, commitment, investment and an element of risk-taking. Many of this country's indigenous businesses prefer to maintain the 'status-quo' but, in an increasingly competitive world, this strategy will not ensure their survival in the longer term. Firms with the entrepreneurial drive to carve out new markets, expand their level of business and hence their contribution to the wider economy including the creation of new employment opportunities must be encouraged. Such firms will expect a fair business reward for their efforts. Government tax and related policies must support that legitimate expectation.

### **3.5 INWARD INVESTMENT**

Inward investment benefits the economy in a number of ways and Chapter 8 of this Policy describes how efforts would be embarked upon to attract such investment to Trinidad and Tobago.

Domestic firms and inward investors should have a dynamic relationship on a number of levels. Almost every inward investment should create linkages with local firms that can supply goods and services at competitive prices for their operations. There is a need for further improvement in identifying, facilitating and exploiting such opportunities.

Inward investment can also be an effective conduit for awareness and transfer of knowledge about up-to-date techniques and technologies. The Government wishes to foster such relationships, including where a joint venture approach between domestic and foreign firms might represent the best way to exploit new opportunities.

### **3.6 INVESTMENT FINANCE**

All business investment needs finance. Even the most successful firms cannot finance all their development plans from self-generated cash or shareholder equity. They must depend on an element of loan finance from banks and other lending institutions. Trinidad and Tobago is in many instances considered the Financial Centre of the Caribbean and many large, foreign, institutional borrowers and Governments requiring complex financial structures choose to utilize our financial sector. The Commercial Banks are sophisticated and innovative with respect to the services that they provide to their corporate customers and in particular, the support given to

small business through various initiatives. They provide the best value in the Trinidad and Tobago market and possibly the Caribbean. This view is substantiated by the significant capital projects our commercial banks finance for Caribbean territories.

### **3.7 MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)**

The non-energy sector in Trinidad and Tobago is dominated by micro, small and medium-size enterprises. Achieving organic growth and improved competitiveness from the existing base therefore requires that the enterprise development policy take account of the particular needs and circumstances of MSMEs. This consideration has been kept in clear focus in the development of the new policy. Nurturing growth in existing MSMEs and the creation of a steady stream of new, competitive enterprises are major objectives for the policy.

### **3.8 ROLES AND RESPONSIBILITIES**

As previously emphasized, the ultimate responsibility for improved industrial and commercial competitiveness lies with individual firms. No business can be sheltered from increasing world competition in its markets and the choice for every business in Trinidad and Tobago is to organize itself to be able to respond to increased competition or risk the possibility of losing its existing share of domestic and international markets.

Government recognizes that this is a challenging task for business and that it has a crucial role to develop and deliver measures, which support the goals and objectives of business. These measures include areas such as macro-economic policy and planning, transport, education and the provision of basic utilities. The relevant Ministries must therefore take cognizance of the needs of business when formulating policies in their areas of responsibility as well as exploring mechanisms for improved co-ordination among themselves to ensure that relevant policies complement each other and are synchronized to avoid the waste of scarce resources. A key government contribution will therefore be to review and amend, where necessary the management of its own scope of operations to realize these objectives.

Trinidad and Tobago's business organizations - whether in the public or private sectors - are the third key player in achieving improved competitiveness. In areas such as exports, investment, training, standards and technology, government must ensure that the relevant organizations have clearly defined roles and objectives, are properly resourced to do their jobs, are not duplicating their activities and are collaborating together where they can add value to business activity. If businesses are being encouraged to operate to world-class standards, organizations required to assist them in achieving that goal must do so as well.

### **3.9 CONCLUSION**

Primary responsibility for achieving improved competitiveness must lie at the doorstep of individual firms and there are a number of business factors which international experience suggests as crucial elements in any corporate strategy to achieve such improvement. These factors are common to small and large firms but the MSME sector has its own special needs. The role for government and other institutions is to support business organizations in their efforts to enhance their competitiveness to ensure survival in the rapidly changing international environment.



## **CHAPTER 4**

### **MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs)**

#### **4.1 INTRODUCTION**

Widespread international experience and analysis – in relation to both developed and developing countries – indicate that small and medium size firms are a key source of business expansion, increased employment opportunities and innovation in the exploitation of new markets.

The General Conference of the International Labour Organization on June 2, 1998 in Geneva, Switzerland adopted the ILO Recommendation 189 entitled “Recommendation Concerning General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises.” The ILO Conference noted “that small and medium-sized enterprises, as a critical factor in economic growth and development, are increasingly responsible for the creation of the majority of jobs throughout the world, and can help create an environment for innovation and entrepreneurship.”

The World Association of Small and Medium Enterprises (WASME) Conference in Beijing, China on March 5, 1993 unanimously agreed as follows:

*“ The Convention underlines once again the importance of a suitable overall policy framework for the growth of SMEs. It noted that in a few countries where such a framework has already been formulated, there has been a rapid development of these enterprises. It therefore urges each country to set up a high-level authority that could recommend constructive ideas to their respective governments in the formulation of an appropriate policy framework which would enable small and medium enterprises to have a healthy growth on the basis of fair and open competition.”*

The explosion of new business start-ups in areas of technology development such as the Internet is evidence that, with the right entrepreneurial culture and approach, small firms have the flexibility and flair to seize new opportunities quickly and establish a market presence. The same is also true in more traditional market sectors. However, as implied in the WASME Declaration referred to above, MSMEs also have particular circumstances and needs, which legitimately require their own policy framework. In recognition of this, the Government of Trinidad and Tobago appointed in 1998 a Task Force to study and make recommendations for the “Intensification of the Development of the Micro, Small and Medium Enterprises (MSME) Sector in Trinidad and Tobago”.

The Task Force identified the following areas as crucial to the development of MSMEs:

- Co-ordination among MSME developmental agencies;
- Harmonization of MSME policies and programmes;
- Access to credit and other sources of finance;
- Training and human resource development;
- Marketing opportunities and development;
- Institutional and infrastructural arrangements; and
- Other business development support services.



Participants at MED&FA's Sixth Annual Networking Session.

In December 1999, Cabinet accepted the report of the Task Force and consequently designated the Ministry of Enterprise Development and Foreign Affairs as the line Ministry with overall responsibility for the development of the MSME Sector.

Cabinet also agreed to the creation of a MSME Policy Unit in the MED&FA, which became operational in September 2000. This Unit is responsible for the overall co-ordination and monitoring of the Cabinet-approved "Implementation Plan for the Development of the MSME Sector in Trinidad and Tobago". The following roles have been assigned to the Unit:

*"The agent through which international bodies liaise with the government with respect to the sector;*

*The link through which the Cabinet deals with all issues pertinent to the sector;*

*The co-ordinating agency through which all other ministries must relate with respect to the sector."*

The Small Business Development Company (SBDC) has also been designated as the Implementing Agency in respect of Government's policy for the MSME sector. The SBDC has taken initiatives to align its strategic objectives, core functions, structure and processes to carry out its designated role.

## **4.2 DEFINITIONS**

Following the recommendations of the 1998 Task Force, the following definitions are adopted:

1. Micro enterprise – employs 1 to 5 persons, with less than \$250,000 in assets and less than \$250,000 in sales;
2. Small enterprise – employs 6 to 25 persons, with assets valued between \$250,000 and \$1,500,000 and sales between \$250,000 and \$5,000,000;
3. Medium-sized enterprise – employs 26 to 50 employees, with assets exceeding \$1,500,000 but not exceeding \$5,000,000 and sales amounting to \$5,000,000 but less than \$10,000,000.

### 4.3 OBJECTIVES

Chapters 5-9 of this Policy address responsive measures which will assist in improving competitiveness within the MSME sector, as well as in larger firms and it is crucial that such measures should fully reflect the needs of the sector. In addition the sector has unique needs, which require action in their own right.



Reflecting these considerations, the specific objectives in relation to MSMEs are:

- a. To bring about effectiveness and efficiency in the provision of developmental support services to the MSME sector;
- b. To foster entrepreneurship, encourage the creation of MSMEs and increase their chances for survival and growth;
- c. To widen the range of funding options for the MSME sector by exploring both traditional and non-traditional sources that exist locally and internationally;
- d. To empower communities, disadvantaged and otherwise challenged groups and alleviate the effects of poverty through self-

employment activities; and

- e. To develop a legal and institutional framework for the development of the MSME sector.

### 4.4 EFFECTIVE AND EFFICIENT SUPPORT FOR MSMEs

Creation of the MSME Policy Unit with the responsibilities described in Section 4.1 is a major step forward in ensuring that MSME interests are properly reflected in the development and delivery of all policies that affect the sector. An urgent task for the Unit will be to consider the organizational mechanisms that may be necessary to co-ordinate MSME developmental efforts that are concurrently undertaken by various Government ministries and agencies including the Tobago House of Assembly, business associations, non-governmental and community-based organizations.

A consultative/collaborative approach will underlie the formulation and review of MSME policies by involving stakeholders and other key players in the MSME sector. Wherever possible, a tripartite approach involving representatives of the public, private and labour sectors will also be adopted.

At the most practical level there is an urgent need for more localized expert advice for those wishing to start businesses and for existing MSMEs that need expertise to improve their competitive performance. The MSME Policy Unit will therefore work with SBDC, Chambers of Commerce and Industry and other relevant institutions to establish local business facilitation centers, which can provide such advice and guidance.

The Policy Unit will also develop its own website as a means of communicating directly with businesses about issues relevant to the MSME sector and all the sources of help available to it.

#### **4.5 FOSTERING ENTREPRENEURSHIP AND ENCOURAGING THE CREATION OF MSMEs**

Chapter 7 on the development of Human Capital addresses measures in the area of education and training which are essential to widen an entrepreneurial spirit among individuals which will in turn increase the level of new business creation. The MSME Unit will make inputs to the development of these measures to ensure they properly reflect considerations such as:

- The needs of particular community groups and regions;
- Relevant coverage in the provision of both education and training;
- Practical links to the world of work and business experience;
- Exploitation of distance learning and computer based training.

Models for training and human resource development for the MSMEs will consider:

- a. Entrepreneurship training at all levels in the educational system, particularly at technical and tertiary institutions;
- b. Holistic approaches that look at personal (life skills), managerial and business development;
- c. Modular approaches that consider the stage of development and needs of the training groups;
- d. "Customized" orientation and content of training programmes for sectoral / industry groups;
- e. Integration of training with research, information, advisory, funding and other support services;
- f. Linking training to the world of work and/or business opportunities; and
- g. Utilizing distance learning and other computer-aided training modalities.

#### **4.6 WIDENING THE RANGE OF FUNDING OPTIONS FOR MSMEs**

Chapter 8 addresses business finance issues that are relevant to large and small businesses. However, MSMEs have particular difficulties in obtaining finance on reasonable terms, which are tailored to their particular needs and circumstances. The following measures will therefore be taken in response to those needs.

- SBDC will enhance its Loan Guarantee Scheme and also offer new support in relation to financial leases. The MSME Policy Unit will, in addition, establish and administer a MSME Development Fund with appropriate eligibility criteria to assist with the start up, operation and expansion of MSMEs.
- As part of its coordination role for the sector, the Policy Unit will ensure that development funds to Trinidad and Tobago from international sources are used effectively to support MSMEs and are closely monitored so that they are deployed to maximize value for money.

- Relevant experience from other countries (eg the Grameen Bank Concept) will be assessed by the Unit to determine which best practices in financing support for MSMEs should be emulated in Trinidad and Tobago.

#### **4.7 EMPOWERING DISADVANTAGED COMMUNITIES AND GROUPS**

Self-employment is increasingly recognized as an avenue for alleviating the effects of poverty and improving the living standards of disadvantaged groups. The MSME Policy Unit, working with relevant institutions, will:

- a. Accelerate the small business outreach programmes that are currently undertaken in various communities throughout Trinidad and Tobago;
- b. Introduce community-based micro credit programmes and other micro/small business financing measures;
- c. Introduce matching grants to be drawn from the proposed MSME Development Fund for product development, packaging or training of staff;
- d. Examine the feasibility of establishing enterprise zones and community business incubators in selected communities and;
- e. Ensure that community-based organizations, non-governmental organizations and local government bodies are involved in the formulation and implementation of MSME programmes aimed at increasing self-employment opportunities.



#### **4.8 THE ROLE OF THE CO-OPERATIVE SECTOR IN MSME DEVELOPMENT**

The Co-operative Sector is an invaluable vehicle for the promotion of socio-economic development of the country. In particular, co-operatives are viewed as important contributors to the achievement of the goals identified by the World Summit for Social Development and to which the Government of Trinidad and Tobago is committed, notably in the areas of employment generation, poverty alleviation and social integration.

The Sector should locate its niche as part of the private sector, mindful of the dual roles of a co-operative as an association of people and as an enterprise. Also, it should undertake to re-tool its members and upgrade their skills to enable them to operate effectively in a competitive environment. Additionally, the co-operative sector must concentrate on the following objectives:

- Provide avenues for groups and individuals in the society to improve their standard of living;
- Serve as a vehicle for the promotion of social integration;
- Promote the philosophy of co-operatives as business ventures;
- Contribute to the overreaching national goals of job creation and poverty alleviation;

Co-operatives should be placed in a position where they can perceive the new environment not as a threat but as an opportunity. Liberal, deregulated market economies should create new opportunities for all forms of enterprises, including co-operatives. It is therefore necessary that co-operatives need to stress their unique comparative advantage so as to offer an alternative to enterprises that have the paramount objective of achieving maximum shareholder value.

#### **4.9 DEVELOPING A LEGAL AND INSTITUTIONAL FRAMEWORK**

There exists a wide array of agencies, institutions and organizations serving the MSME sector as well as numerous and often complex regulations affecting the sector. The MSME Policy Unit will explore measures for simplifying procedures that impact on business creation or expansion and for harnessing efforts at providing “one-stop shop” information and support services to the MSME sector.

After examining best practices locally, regionally and globally, an enabling legislation will be drafted for the MSME sector in Trinidad and Tobago. This will focus on crucial issues that impact on the creation, promotion and growth of MSMEs such as:

- Eligibility criteria for governmental support/assistance programmes;
- Expanding the range of incentives;
- Procurement guidelines with respect to government contracts for products and services;
- Institutional framework for MSME development;
- Facilitating and co-ordinating mechanisms; and
- Regulatory measures.

#### **4.10 CONCLUSION**

Initiatives and programmes outlined elsewhere in this Policy to help improve business competitiveness will benefit firms of all sizes. However the MSME Sector has its own special needs that the Policy must address. Creation of the MSME Policy Unit is intended to ensure that these needs are met with appropriate measures and that all relevant Ministries and institutions work more closely together to deliver such measures effectively.



## **CHAPTER 5**

### **ENHANCING AND EXPANDING EXPORT CAPABILITIES**

#### **5.1 INTRODUCTION**

Trinidad and Tobago's Trade Policy, underpinned by the Trade Reform Programme, has commenced reductions in the Common External Tariff and made considerable progress in reforming trade procedures consistent with the liberalization thrust within CARICOM and other international trade bodies. Trade Policy also seeks to maximize fair market access for Trinidad and Tobago products and services in the context of the requirement for other countries to liberalise their own trade regimes in the same way and anti-dumping remedies seek to ensure that import competition is fair.



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remain a number of obstacles in the way of realizing the full potential of these opportunities such as:

- insufficient quantity and quality of information for businesses on market opportunities;
- need for some businesses to increase the variety, quantity and quality of their own products to serve export markets;
- inadequate support services to help firms develop and serve new markets;
- A transport and utilities infrastructure, which does not adequately serve the needs of existing and potential exporters.

These underlying policies – supported by others such as development of e-commerce are intended to support growth in exports as a contributor to overall economic growth and development over the period 2001-2005. Major export markets at present are the US, CARICOM and Puerto Rico. Manufacturing exports have shown a marked improvement over the past six years, increasing from \$1.8 billion in 1994 to \$3.1 billion in 2000 an increase of 72 per cent.

There is scope to build further on this performance and to diversify it in terms of products, services and geographical markets. At the same time however there



## **5.2 OBJECTIVES**

Other elements of this Policy will all contribute towards strengthening export capabilities but the specific issues discussed above necessitate specific objectives in their own right as follows:

- a) To improve the availability and quality of market information for exporters;
- b) To increase support for exporters to seek out, develop and serve new markets;
- c) To identify and address key infrastructure improvements needed to underpin improved export performance;
- d) Develop and expand the productive capacity of new and existing industries to increase exports.

## **5.3 MARKET INFORMATION AND EXPLOITING OPPORTUNITIES**

Improved programmes will be developed and delivered by the Tourism and Industrial Development Company (TIDCO) to provide firms with information about export opportunities and assist them with exploitation in areas such as market research, participation in trade fairs and access to relevant expertise in the development of export strategies.

The EX-IM Bank will work with TIDCO to disseminate information to business more widely on the support available from EX-IM Bank and other sources to help firms meet the financing needs of importing raw material, exporting finished goods and to advise them how to access such support.

The distribution and staffing of Overseas Trade Offices will be reviewed by MED&FA and reorganized as necessary to concentrate on key markets, taking into account existing trade patterns and the best areas of future opportunity. Overseas Trade Offices will have a major role in identifying new opportunities, providing timely and good quality information on them and helping firms as necessary to exploit the opportunities through development of local market contacts. Skilled and experienced officers to undertake these roles will staff the Offices.

The Trinidad and Tobago Bureau of Standards (TTBS) and Caribbean Industrial Research Institute (CARIRI) will work together to promote greater acceptance by business of quality standards such as ISO 9000 and ISO 14000 to help firms meet particular standards required by specific export markets.

TIDCO will work with the Export Trading Company (ETC) to identify ways in which a cooperative or joint trading approach can help deliver the production volumes necessary for exploiting new market opportunities where individual firms cannot meet the required volumes by themselves.

In implementing the recommendations of the National E Commerce Policy Committee, MED&FA would ensure that ecommerce facilities are readily available to exporters for use as a marketing tool.

## **5.4 DEVELOP AND EXPAND PRODUCTIVE CAPACITY OF NEW AND EXISTING INDUSTRIES TO INCREASE EXPORTS**

Government will seek to identify and promote existing and new industries to increase the productive capacity of manufacturers for the domestic and international markets. TIDCO in 1999

commissioned an investment promotion strategy study which identified six industries for further promotion. These are:

- Food and Beverage
- Chemicals including plastics
- Metal processing
- Leisure Marine
- Information Technology / Electronics
- Printing and Packaging

The study recommended that TIDCO should place greater emphasis on investment generation activities, which will involve a more proactive direct marketing approach to attract investors, further exploration of joint ventures or strategic alliances and the development of a database of potential companies. In an attempt to implement recommendations identified in the study, TIDCO recently appointed a marketing representative to North America.

## **5.5 TRANSPORT AND UTILITIES INFRASTRUCTURE**

MED&FA will produce a report on transport and utility improvements necessary to underpin an improved export performance. It will cover areas such as cold storage facilities at ports and airports, transport links and the telecommunications network's ability to meet the world-class standards required by exporters, especially in relation to services.

Based on this report, government will develop a coordinated plan for the necessary infrastructure improvements and allocate funds for a long-term plan to implement them from 2003.

## **5.6 CONCLUSION**

Trade Policy provides a framework for increased export performance but existing and new exporters need more practical help within international trade rules to identify and exploit the opportunities generated. Various measures will be taken in the short term to address this. In the longer term, further development of a supporting physical infrastructure for exporters will also be a necessary claim on government funding to help meet the Policy's export objectives.

## CHAPTER 6

### **E-COMMERCE**

#### 6.1 INTRODUCTION

E-commerce can be simply defined as the production, advertising, sale and distribution of products via telecommunications. Simply put, e-Commerce generally refers to doing business on the Internet and it encompasses a complex of technologies, infrastructures, processes and products.

In its drive towards making Trinidad and Tobago among the top three most developed nations in the Western Hemisphere, government has enunciated nine national objectives. These are:

1. Sustainable Growth
2. An Intelligent nation
3. More and better jobs
4. A faster pace of development
5. A better quality of life for all of our citizens
6. Good quality of health care universally accessible
7. Greater equity in our society
8. Peace, security and harmony
9. A competitive economy

To achieve these objectives, Government has indicated that it will:

- Open up the telecommunications sector;
- Negotiate the reduction of telephone rates and the cost of other telecommunication based services;
- Transform Trinidad and Tobago into an “intelligent nation” by ensuring the highest level of computer literacy in our primary and secondary schools;
- Make Electronic Government part of our lives;
- Make electronic business a significant part of our export thrust;
- Expand internet connectivity from the current 60,000 to 300,000 by 2005;
- Have every primary and secondary school and every community based learning center connected to the internet within two years;
- Ensure a genuinely competitive environment through mechanisms that will be established through the Telecommunications Act;

- Embark on a major thrust in the area of small business expansion as well as the creation of infrastructure support for micro enterprises;
- Enact a Fair Share Bill for the MSME Sector.

These activities fall under the purview of E-Commerce and demonstrate the government's commitment to making electronic commerce a viable and important part of the national development agenda.

## 6.2 OBJECTIVES

Cabinet in June 2000 agreed to the recommendation of the National Electronic Commerce Policy Committee (NECPC), established in July 1999 to examine Trinidad and Tobago's current environment and formulate policy recommendations that would allow the country to reap the maximum benefits from the new digital economy, to establish a National E-Commerce Secretariat, which will serve as the implementing agency of its recommendations. The Committee organized a work programme based on a model earlier adopted by the FTAA <sup>1</sup> Joint Government-Private Sector Committee of Experts on Electronic Commerce. Following this model, the objectives of the E-Commerce Initiative are to:

- Strengthen the Communication Infrastructure in Trinidad and Tobago;
- Increase Participation by all citizens in Electronic Commerce;
- Clarify the E-Commerce Marketplace Rules;
- Build Confidence for Users of Electronic Commerce and;
- Jumpstart the E-Economy.

This National E-Commerce Action Plan therefore seeks to build a roadmap for implementing the recommendations of the National E-Commerce Policy Committee as enunciated in their report called "Preparing Trinidad and Tobago for doing Business in the Inter-networked Global Digital Economy".

## 6.3 STRENGTHEN THE COMMUNICATIONS INFRASTRUCTURE

Pursuant to an open telecommunication policy that would impact favourably on the cost of telecommunications services, strengthening the telecommunications

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<sup>1</sup> The FTAA is a proposed hemispheric wide grouping of 34 countries including the USA, Canada, Mexico, Mercosur (Brazil, Paraguay, Argentina, Uruguay), CARICOM countries and Andean Countries (Bolivia, Columbia, Ecuador, Peru, and Venezuela) and CACM (Costa Rica, Guatemala, El Salvador) and Panama, which is set up to establish a free trade area by 2005.

infrastructure is one of the most critical elements for electronic commerce to develop. Accordingly, attention will be focused on:

1. Liberalizing the local telecommunication market and opening up value added services;
2. Expanding the bandwidth to the international telecommunications backbone;
3. Expanding the bandwidth on the local telecommunications backbone;
4. Expanding the bandwidth from residences and businesses to the local telecommunications backbone;
5. Reducing the cost of dedicated lines;
6. Implementing standards for global interoperability and;
7. Promoting the removal of technological barriers at all international fora.

#### **6.4 INCREASE PARTICIPATION IN THE NETWORKED ECONOMY**

Government as facilitator of E-Commerce, will implement policies/strategies to increase public access to Information Technology and E-Commerce. Affordable Telecommunications Services will be assured and E-Commerce will be an important tool in influencing National Policy. Support will be provided for the MSMEs by laying the legal, economic and infrastructural framework for E-Commerce to flourish.

Government will promote its own use of E-Commerce by implementing Internet technologies in the public service and by marketing its goods and services on the Internet. Government will also promote and implement policies for greater internet access to the less advantaged by increasing access to education programmes on Information Technology, Entrepreneurship and E-Business.

#### **6.5 CLARIFY MARKETPLACE RULES**

Market rules are those that govern the code of conduct of parties involved in transacting business. These rules may be encoded in legislation, agreed by contract or accepted on moral grounds. The growth of E-Commerce in Trinidad and Tobago would be considerably retarded unless the market rules in certain key areas are seen to be as transparent as the existing rules for traditional business transactions.

To support the legal and regulatory infrastructure of the E-Commerce marketplace, Intellectual Property Rights, Administration and Enforcement of Taxation Laws, Harmful and Illegal Content, Jurisdictional Conflicts, Labour Laws and Electronic Payment systems are specific areas that will be addressed.

## 6.6 BUILD CONFIDENCE FOR USERS OF E-COMMERCE

Seven issues fall under the rubric of building user trust in E-Commerce. These are:

i. Truth in Advertising

In the electronic marketplace, people lack the face-to-face interaction of the traditional marketplace. In addition, they cannot hold or test a product before they buy. As a result, consumers must rely on the information presented to them online. Truth in advertising or providing accurate information to the consumer is essential if there is to be trust in the digital medium.

ii. Electronic Contracting

Different legal and private sector rules may apply to business-to-consumer transactions. The global nature of electronic commerce poses questions about the requirements necessary for writing, carrying out, and enforcing contracts. These questions must be suitably answered before an enabling e-Commerce environment can be attained.

iii. Consumer Protection

In order to foster consumer confidence in the electronic marketplace, there needs to be an effective means of resolving consumer complaints or problems.

iv. Online Fraud

The same types of consumer fraud that exist in the real marketplace are surfacing online. The problem is complicated by the transitory nature of the electronic marketplace and the ability to maintain anonymity.

v. Privacy Protection

The growth of electronic commerce and rapid development of networking technologies have revolutionized the way in which data can be stored, accessed, and processed. Consumers are not likely to participate in the global marketplace without assurances that their personal data exchanged during a transaction, will be protected.

vi. Authentication and Security

Security and authentication mechanisms can provide the means to ensure and maintain the integrity of information being exchanged. These technological advances will help promote confidence that orders, payments and other electronic transactions are conducted with minimal risk.

**vii. Consumer Education**

As with any type of commercial transaction, there are risks associated with electronic commerce that may not be able to be resolved by an updated regulatory scheme or with technology. Consumer education can help to provide consumers with information that can help them make decisions as well as with information about their rights and obligations when conducting electronic transactions.

Consequent upon these seven initiatives, mechanisms will be put in place to:

- Guarantee individual privacy and to protect personal information;
- Secure the rights of consumers;
- Guarantee intellectual property rights;
- Ensure the validity of electronic documents and digital signatures;
- Provide the legal framework for the authentication of transactions;
- Educate the public about encryption technology and;
- Criminalize the unauthorised and intentional interference with computer services, data and programs as well as with computers or computer networks.

## **6.7 JUMP-START THE E-ECONOMY**

The mechanisms enunciated above provide the infrastructure support that will facilitate the move towards an e-Economy. Coupled with the infrastructure initiatives, actions must also be undertaken to encourage e-commerce activity within the different sectors in the economy. In this regard, measures will be taken to move the public sector towards e-Government, to provide new financial mechanisms that support the growth of eCommerce, and to identify and promote e-business opportunities within all sectors of the economy.

The Government will be a major potential beneficiary when it embraces the move towards e-Government. Government has to “show the way” and continue to encourage e-Commerce in the private sector as well as among the general public. In this regard, Cabinet has recently appointed an e-Government Coordinating Committee to spearhead the transformation of the public service toward an e-Government. The committee is mandated to ensure that all intertwined private and public sector issues, as they relate to e-Government, are addressed in a consistent and coordinated manner.

## **6.8 CONCLUSION**

The new digital economy demands the development of the infrastructure to facilitate e-commerce as well as the education and training for manufacturers and consumers in the marketplace. E-commerce should engender a more efficient method for businesses to market their products by use of the Internet to capture new and emerging markets. The technological growth and development associated with e-commerce is phenomenal so it is important that the manufacturing sector grasps this opportunity to become more competitive in order to increase their exports significantly.



## **CHAPTER 7**

### **MAXIMISING HUMAN CAPITAL**

#### **7.1 INTRODUCTION**

There is increasing recognition that the human resources factor is a key element in the overall economic development and competitiveness of countries. This has resulted in major initiatives in many societies intended to improve the quality of education at all levels of the educational system, as well as in coordinated policies at the various levels to increase access to secondary and tertiary education. The latter will be consistent with a country's development vision and thrust to ensure that the rate of participation does not lag behind those of the developed countries or other countries of similar economic status, internationally.

An integral element of Trinidad and Tobago's enterprise development policy, a prerequisite for sustaining its industrialisation momentum is the establishment of a coherent and effective human resources development system. This system encompasses the elementary through to the higher education level and comprises a wide range of educational and training providers operating at the various levels in ways that optimize and maximise human capital. A major goal of such a policy should be an emphasis on the development of the requisite technical/technological and management skills needed to provide the impetus to the country's export led manufacturing efforts.

The development of the industrial sector in Trinidad and Tobago necessitates a high level of human capital formation based on the requisite mix of actual and projected skills and education for ensuring the sustainability of the sector.

Towards this end, a stated goal of the industrial sector is the establishment of stronger links between the educational system and business industry to integrate the education and skills acquisition initiatives.

In Trinidad and Tobago, enterprise development with particular reference to human capital development policy needs to reflect as well the rapidly changing nature of the global economy and the need for a flexible and well-rounded work force.

#### **7.2 OBJECTIVES**

To facilitate the effective implementation of the country's enterprise development policy, five definitive objectives have been identified to ensure the attainment of adequate levels of human resource development. These are:

- Develop an adequate pool of skilled labour;
- Develop an adequate flow of entrepreneurial talent;
- Upgrade and retrain the labour force to maximise benefit from the use of modern technology by firms;
- Through the education system, develop a favourable orientation to industry and positive work ethic on the part of the youth;
- Establish a central coordinating mechanism to lead and coordinate efforts of the relevant agencies, institutions and ministries that constitute the education and training infrastructure.

### **7.3 DEVELOP AN ADEQUATE POOL OF SKILLED LABOUR**

The creation of a supportive policy and legal framework for the operation of educational / training providers is necessary as a basis for the development and strengthening of inter-institutional arrangements between education/training institutions. The rapid development of a national system of accreditation and a credit - based national qualifications framework as well as the development of a forum at the macro level for on-going industry/education/training institutions consultation is also necessary to ensure a proper fit between education/training, current and future industrial human resource requirements.

### **7.4 DEVELOP AN ADEQUATE FLOW OF ENTREPRENEURIAL TALENT**

The country's enterprise development vision and the educational approaches/strategies required to effectively implement this vision and achieve its goals necessitate that greater emphasis be placed on the development of an entrepreneurial orientation and concomitant skills. Towards this end, curricula and instructional methodologies spanning all the levels and types of educational and training provision need to be devised to develop the requisite skills in a systematic manner to ensure that learning outcomes at the various junctures in the overall educational system are met.

The achievement of this objective necessitates agreement at the national level with respect to learning outcomes in areas of core skills and attitudes. In this regard, programme and course articulation among educational providers is a key pre-requisite. The outcomes and the operations of the institutions themselves must be situated within the context of a framework established by a central agency of the state. There is a need for system wide discussion and consultation on the body to assume this role.

The following strategies have been identified for implementation in the short term:

- Promote greater industry involvement in post-secondary education reform including craft, technician and technological education and also in programme and course advisory committees to ensure relevance and adequacy of standards as key inputs into quality.
- Identify a range of modalities including formal education, training and other activities which can be explored for its potential in the multiple efforts aimed at developing entrepreneurial talent and ability.

### **7.5 UPGRADE AND RETRAIN THE LABOUR FORCE TO MAXIMISE BENEFITS FROM MODERN TECHNOLOGY BY FIRMS**

To achieve greater competitiveness in local industries, it is necessary to ensure that the skills base in the company/industry meets the skills needed to achieve the appropriate aims, to meet country identified skills shortages and to maintain quality. In order to achieve this end, training must be incorporated into the strategic aims of the country that correspond in broad terms with those of business and industry.

The business, scientific, technological and professional communities need to be more proactive in the development of collaborative partnerships with the educational system as a whole to ensure that the work force has the agreed levels of skills in core areas needed to support an economic development thrust in which workers are being called upon to function in an increasingly knowledge-based environment.

A mechanism for external evaluation/accreditation of learning and instruction must be put in place. The external evaluation of learning outcomes must be part of the development of a quality culture in education and training that encompasses diverse educational experiences and teaching/learning modalities.

A short term aim must be the strengthening of the country's scientific and technological infrastructure through science and technology popularization, the establishment in curricula at all levels of learning outcomes in core areas of communication, mathematics, science and technology as well as information technology.

The following strategies have been identified for implementation in the short term:

- Establishment of a national post-secondary credit-based qualifications framework under the aegis of a body to be decided on, in order to properly situate the various types of education and training initiatives and levels of competence and proficiency irrespective of where they were acquired.
- Establishment of a seamless post-secondary education and training system linked to the national qualifications framework, which can serve as a basis for horizontal and vertical programme articulation among institutions.
- Introduction of credits for prior learning experience in business and industry and in educational and training institutions, should be encouraged.

### **7.6 DEVELOP AN APPROPRIATE ORIENTATION TO INDUSTRY AND WORK ETHIC ON THE PART OF YOUTH**

The policy focuses on reviewing courses and teaching methods at the national level to stimulate creativity and a spirit of enterprise from the earliest age. In this regard, a programme should be designed to facilitate exposure of the youth to the work environment at an early age through such methods as guided factory tours and work site visits.

Additionally, government would seek to expand international, regional and local cooperation in education through the pursuit of opportunities for financial and technical assistance and intellectual cooperation. There is need to expand the availability and quality of technical education and uplift the level of prestige and esteem of graduates of such programmes. These

programmes must be coordinated to utilize fully existing capacity, create new opportunities for citizens and minimize duplication.

### **7.7 CO-ORDINATE EFFORTS OF AGENCIES, INSTITUTIONS AND MINISTRIES THAT CONSTITUTE THE EDUCATION AND TRAINING INFRASTRUCTURE**

The country has embarked on a number of initiatives with quantitative and qualitative implications for human resource development starting at the elementary level and encompassing formal as well as non-formal education.

The science and technology popularization thrust under the aegis of the National Institute of Higher Education, Research, Science and Technology (NIHERST) addresses the strengthening of the country's science and technological infrastructure through both structured and informal Science and Technology programmes. This is done through its National Science and Technology Centre and its outreach programmes.

At the elementary level in the Ministry of Education, efforts are in progress to improve the quality of Science teaching and to include technology including entrepreneurship as well. This would require collaborative effort among many stakeholders because of the weakness in mathematics and science instruction at this level and throughout the educational system.

At the secondary level, the Secondary Education Modernization Programme (SEMP) is a current initiative aimed at strengthening the secondary system as a whole and in ensuring that secondary students on leaving school exit with the core competencies needed for training readiness in the workplace or for tertiary education.

At the tertiary level, the newly established College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) brings together in a multi-campus college seven publicly funded tertiary level institutions - John S. Donaldson Technical Institute; San Fernando Technical Institute; the Institute of Technology of Trinidad and Tobago; Government Vocation Centre, Point Fortin; Eastern Caribbean Institute of Agriculture and Forestry (ECIAF); Metal Industries Company (MIC) and the NIHERST Colleges (Nursing/Health Sciences, Information Technology/Business Management, School of Languages). COSTAATT, other tertiary level institutions both public and private, the National Training Agency (NTA) and the Committee on the Recognition of Degrees (CORD) are all parts of the emerging tertiary education sector which must interface with each other so that their collective programmes and efforts can contribute effectively to meeting the country's and the industrial sector's demand for skilled personnel with the capacity to learn and to adjust to the changing requirements of the international economic order.

Training policy and legislation intended to ensure that the country's vision with respect to human resource development is realised must be informed by understandings reached through consultation and above all on the synergies that are to be achieved through the various complementary initiatives.

### **7.8 CONCLUSION**

Human Resource Management has been identified as a crucial factor for the successful implementation of Trinidad and Tobago's Enterprise Development Policy. As such an integral aspect of this policy is the formulation of a well considered and functioning human resource development system designed to facilitate the industrialization process.

## **CHAPTER 8**

### **FACILITATING AND FUNDING INVESTMENT**

#### **8.1 INTRODUCTION**

A regular flow of new investment will be crucial to achieve the objective of the Enterprise Development Policy of a dynamic, diversified and competitive non-energy business sector. Research and international experience has shown that investment is the primary engine of growth in the global economy.

For domestic investors, many of whom are MSMEs, the primary need is for local access to appropriate funding on reasonable terms. There are major obstacles to satisfying that need at present of which the greatest is the high cost to businesses of borrowing from banks. The banking and other financial institutions, the stock market and venture capitalists all have a part to play in helping to address these problems.

Foreign direct investment into Trinidad and Tobago has helped expand the export product base of the economy and facilitate transfer of up to date technical knowledge and production methods as well as managerial and other skills. It therefore has a vital and continuing role to play in contributing to the achievement of enterprise development policy objectives.

Trinidad and Tobago's Inward Investment Promotion Strategy so far has aimed at increasing the level and enhancing the quality of investment by the simplification of bureaucratic procedures and the implementation of an attractive package of incentives.

Bilateral Investment treaties have been also concluded with the Governments of United Kingdom, Canada, France, United States, Cuba and Spain. Negotiations are at an advanced stage with Argentina, The Netherlands, Italy, Venezuela, Switzerland and Germany and negotiations will commence with several others. TIDCO's Investment Promotion Department must be instrumental in the promotion of Trinidad and Tobago to target markets in collaboration with Trade and Investment Offices established abroad.

All this represents good progress but, in a world where almost every country is making strong efforts to attract more foreign direct investment, there is much more that needs to be done. What international investors want is the most efficient location from which to serve local and regional markets combined with investment procedures and incentives which are simple, transparent, speedily

administered and applied equally to all companies. Further measures are required to improve Trinidad and Tobago's attractiveness in these respects.

## **8.2 OBJECTIVES**

The Enterprise Development Policy must address the needs of domestic, regional and international investors. Against the background described above, this translates into two broad objectives:

- a. To increase the range and availability as well as reduce the cost of financing to meet the investment needs of domestic firms;
- b. To increase foreign direct investment through stronger promotion and further improvements in the regulatory environment and greater efficiency in its administration.

Existing financial institutions will be encouraged to develop a more constructive approach towards facilitating funding for business development with a particular focus on domestic needs. The Ministry of Finance will commission the Central Bank and the commercial banks to produce a joint report which identifies workable options for improvement. Among other relevant considerations, this report will look in particular at the impact of the reserve requirement on the availability and cost of finance for business. If the report does not produce constructive proposals for improvement, Government will consider policy measures it must take to secure such improvement by other means.

The Venture Capital Amendment Act No. 38 of 1997 will be amended further to increase the ceiling of the equity base from TT\$ 20 million to TT\$ 100 million, and to widen the range of investment instruments currently allowed under the Act. Other recommendations of the Task Force on Venture Capital will also be implemented.

A regulatory environment will be created to facilitate and encourage participation by institutional investors providing funding for venture capital investment activity. This necessitates the amendment of legislation including the Insurance Act and the Credit Union Act.

The Small Business Development Leasing Company Limited will offer improved facilities for financial leasing of equipment and machinery to assist in the overall development of the small business sector.

The Securities Exchange Commission, the Stock Exchange and the Central Bank together will review the operation of the Stock Market with particular reference to widening of the Capital Market, facilitating the listing of more firms on the Market, increasing access to equity financing for business development and make recommendations to government to achieve such improvement.

## **8.3 INCREASING FOREIGN DIRECT INVESTMENT**

Based on investment trends and Trinidad and Tobago's best strengths as an investment location, a priority list of countries will be identified for the negotiation of additional investment treaties and a new marketing strategy developed by TIDCO which focuses on priorities. Maximum use will be made of trade and investment consuls in foreign missions for aggressive pursuit of the new marketing strategy.

The Investment Promotion Bill will be passed and enacted for further liberalization of the investment market in Trinidad and Tobago with emphasis on the areas of land ownership, national treatment and share holding.

All the processes of approval for investment incentives and permits will be reviewed by the MED&FA in conjunction with other relevant Ministries. The objective will be to remove bureaucratic delays altogether wherever possible, as well as to streamline and simplify the administration of all remaining processes to reduce the time taken to reach decisions. The revised processes will be published and will include performance targets for processing times. The regulatory and incentives regime will therefore be made transparent to all investors. It will be applied equally to all applicants without discrimination. The review will also address how TIDCO will offer a one stop shop for inward investors to guide them through the necessary processes and ensure decisions are taken within promised timelines.

#### **8.4 CONCLUSION**

Increased levels of investment by domestic firms are still inhibited by the high costs of borrowing. The banking system itself must be given the opportunity in the first instance to find ways to improve this situation. There is also scope for other means of financing to play a greater role in meeting the investment needs of business.

Trinidad and Tobago has done well in the past in attracting inward investment but international competition for such investment is increasing. To continue to attract such investments, there is a need for a more focused approach to overseas promotion by TIDCO but this must be matched by further dismantling of regulations, a fast and efficient approvals system and a regime which is fully transparent to all investors and equitably applied.

## **CHAPTER 9**

### **TECHNOLOGICAL MODERNISATION**

#### **9.1 INTRODUCTION**

There are numerous references in previous Chapters to the key role played by innovation, science and technology as drivers of improved competitiveness. The rapid pace of technological development in all aspects of business means that even the smallest firms need to understand how such developments can be harnessed to increase their competitive edge in the market.

Changing techniques and technologies offer firms powerful tools for improved competitiveness in terms of products, processes and the creation of whole new markets. Inward investment by world class companies can be a valuable driver of technological development. However, every country also needs its own domestic capabilities to develop and adapt technologies to its own needs, to assist businesses' efforts in research and development, to ensure a supply of skilled people to exploit technology and to disseminate a regular flow of information to firms on technological change.

Science and Technology Policy therefore has a major contribution to make in helping to achieve the underlying objective of enterprise development policy to promote successful transformation of Trinidad and Tobago into a globally competitive industrialized country. A primary thrust of Science and Technology Policy must be to assist business and industry's efforts to enhance industrial competitiveness, wealth and employment creation using scientific and technological resources exploited by a suitably trained workforce.

Novelty, experimentation and quality achieved through technological innovation and related skills must become one of the elements in businesses' corporate strategies for improved competitiveness. The Minister of Enterprise Development and Foreign Affairs has therefore appointed a Task Force to determine the steps necessary for the establishment of a National Science Technology and Innovation Policy for Trinidad and Tobago. The Report of the Task Force is being finalized and through the resulting policy, Government will promote and manage a new regime for science, technology and innovation. It will be based on the creation of an expanded, co-ordinated and integrated system that stimulates local capabilities and supports systems delivered in partnership between government, business and institutions involved in science and technology, research and related training. Because of the inter-relationship



and synergy between the Industrial and Science, Technology and Innovation policies, it is essential that the two are developed and implemented in harmony. Chapter Seven of this policy is a demonstration of such harmony in that it reflects human resource issues, which need to be addressed to ensure Science and Technology inputs contribute to the achievement of enterprise development policy objectives. This approach must be followed through consistently as the Science and Technology policy is developed. Relevant institutions must work closely together to ensure the two policies complement each other in their delivery as well.

## **9.2 OBJECTIVES**

So far as enterprise development policy is concerned, the main objectives in this area are:

- a. Develop an effective science and technology infrastructure;
- b. Encourage productive partnerships in science and technology.

Given that the Science, Technology and Innovation policy is still being formulated, there is a limit to which specific actions to meet these objectives can be identified. The following proposals are therefore the beginning of a more comprehensive programme, which will be expanded during 2001.

## **9.3 DEVELOP AN EFFECTIVE SCIENCE AND TECHNOLOGY INFRASTRUCTURE**

To stimulate innovation for competitive growth, build research and development capacity for sustainable development, foster co-operation between research and development institutions, create linkages between the science and technology institutions and industry, MED&FA working with other relevant Ministries, will establish a National Research, Development and Innovation fund with the following elements:

- a. Basic and applied Science and Technology fund to assist in capacity building including development and training of a high calibre of science and technology researchers and technologists;
- b. Research Development and Innovation Fund for Industry to support research, industrial production, processes and technology development, adaptation and transfer;
- c. Post graduate and Post doctoral Training Fund for the training and exposure of nationals at global centers of excellence in the areas of advanced science, state of the art technology and policy formulation related to our scientific and technological needs.

## **9.4 ENCOURAGE PRODUCTIVE PARTNERSHIPS IN SCIENCE AND TECHNOLOGY**

The success of science, technology, quality and innovation efforts require co-operation, communication and co-ordination among all the stakeholders, government, business, public institutions and research organizations. Government will provide the environment and encouragement for developing the strategic partnerships required by:

- Facilitating commercial partnerships between research and development institutions/industry and Government. The aim is to target and direct research and technological innovation as well as to develop new product opportunities in strategic sectors of the economy;

- Developing training partnerships between industry/educational institutions and Government which focus on appropriate programmes of scientific and technological training and study, to generate a continuous supply of suitably qualified people to work in businesses and the institutions which support business;
- Pursuing opportunities for strengthened international cooperation in science and technology;
- Assisting in the creation of a commercially based Science Park as a focus within which firms are co-located with expert facilities for research and development and technology exploitation and transfer.

## **9.5 CONCLUSION**

This Policy and the emerging policy for Science and Technology must be closely linked to meet business needs for access to appropriate technology and the skills to exploit it. They must therefore move forward in harmony and it is the Government's responsibility to ensure that they do. Two objectives in relation to enterprise development policy are already clear in the areas of infrastructure and partnership working. Others will become apparent as the Science, Technology and Innovation policy is developed further.

## **CHAPTER 10**

### **INSTITUTIONAL STRENGTHENING**

#### **10.1 INTRODUCTION**

Attainment of the goals and objectives of Trinidad and Tobago's Enterprise Development Policy 2001–2005 hinges on the capabilities of the institutions that are responsible for implementing various aspects of the Policy as well as the competencies of those who manage and lead these institutions. MED&FA is currently undertaking a review exercise and formulating its Strategic Plan for the period 2001-2005. Consequently, MED&FA is re-organizing itself so as to align itself with the strategic objectives of the new Ministry.

The primary responsibility of the MED&FA in the development of the non-oil manufacturing sector is to formulate, monitor and amend policies that facilitate the sector's development. The Ministry has to take the initiative to promote competitiveness in the sector, encourage exports and assist in the continued diversification of the sector. It consequently implies a strong and continuous working relationship with organizations such as TIDCO, SBDC, the THA and private sector business organizations.

Together with the Government and the private sector, Trinidad and Tobago's business developmental institutions have a major contribution to make towards increasing market opportunities and improving firms' competitiveness to win them. For this contribution to be maximized, there is a need for all the institutions involved to work together where that makes sense and to ensure that their activities do not overlap or conflict with each other.

Each institution should therefore focus on what it does best and set priorities to deliver results, which make the most efficient use of resources. Collaboration among institutions can often contribute towards achieving these objectives. Such closer, constructive relationships among institutions can only strengthen the way they play their part in supporting businesses' own efforts to improve competitiveness.

Strengthening of institutions is a process, which entails a series of actions. The policy objectives with respect to Institutional Strengthening are:

- Emphasize Human Resource Management and Development
- Harmonize and Streamline the Core Functions of Enterprise Development Related Agencies
- Strengthen Collaboration and Networking among Agencies involved in Trade Promotion and Industrial Development

## **10.2 EMPHASIZE HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT**

Performance of institutions is closely linked to the competence, commitment and core values of their leaders and managers. It is therefore imperative to shift the focus of Human Resource Policy from one of Personnel Administration to Human Resource Management and Development in order to:

- a. Ensure that persons with core competencies for the job are hired and retained;
- b. Facilitate the recruitment, selection and hiring process, whether on a regular/permanent or contractual basis or through “outsourcing”,
- c. Ensure that rates of pay are commensurate with the scope of work and the results expected from the incumbents; and
- d. Facilitate human resource planning and make provision for staff training and development so as to meet the future requirements of the institutions.

## **10.3 HARMONIZE AND STREAMLINE THE CORE FUNCTIONS OF ENTERPRISE DEVELOPMENT RELATED AGENCIES**

A comprehensive organizational analysis of the various agencies reporting to MED&FA and other developmental and regulatory agencies will be undertaken to determine:

- a. The measures required to optimize their performance, including the enactment of legislation – re SBDC, TIDCO, TTBS and NTA;
- b. The resources (physical, material, human and financial) required to enable them to function effectively;

- c. Whether there is duplication or overlapping of functions – with respect to:
  - SBDC and TIDCO
  - TTBS and Food and Drugs Division
  - CARIRI
- d. Whether certain functions could be rationalized or amalgamated, in relation to agencies mentioned at (a) and (c) above;
- e. Areas for effective collaboration among the agencies referred to above. MED&FA, in conjunction with the Ministry of Finance will review existing investments and export incentives and develop a regime which is consistent with the Enterprise Development Policy's objectives for the manufacturing sector;
- f. Whether there is a gap that needs to be filled through the creation of a new Agency i.e. the proposed Competitiveness Council and;
- g. Whether reforms are needed, for example, the Customs and Excise Department if it is to be seen as an ally in the creation of an environment, which promotes competitiveness. This implies a review of its rules, policies and procedures, the attitudes of the staff and the development of a culture of service to the business community.

The organizational analysis is expected to generate appropriate structures and definitions of key function as well as identify the resources for strengthening the various institutions. MED&FA, with assistance from the Ministry responsible for Public Administration, will undertake the required studies, and if deemed necessary, engage the services of Organizational Development consultants. This may be a project where international donors could provide funding and/or expertise.

#### **10.4 STRENGTHEN COLLABORATION AND NETWORKING BETWEEN AGENCIES INVOLVED IN TRADE PROMOTION AND INDUSTRIAL DEVELOPMENT**

Implementation of the Enterprise Development Policy entails a concerted effort among the key agencies, stakeholders and other key players in the areas of trade promotion and industrial development. Collaboration and networking arrangements between Government agencies as well as between the Government and the private sector, business organizations, industry groups and labour representatives should strengthen their roles with respect to enhancing the competitiveness of business entities. Collaboration often induces organizations to focus on what they do best thus making efficient use of the resources available to them.

MED&FA would continue to hold its networking sessions for agencies under its purview to achieve the following:

- a. Create a greater awareness of the functions and responsibilities of the various agencies and how they impact on each other;
- b. Better understand the nature of their relationships; and
- c. Exchange information and extend the assistance they require from each other in order to discharge their own responsibilities.



Participants at MEDFA's Annual Networking Session

## 10.5 CONCLUSION

For institutions to function efficiently and effectively, they should have access to physical, material, human and financial resources. MED&FA would endeavour to facilitate the acquisition of, or provide assistance in accessing funds for strengthening institutions under its purview and other organizations that collaborate with the Ministry on trade promotion and industrial development. MED&FA will also facilitate discussions between the various institutions and business associations with a view to achieving maximum effectiveness for their collective efforts.

## **CHAPTER 11**

### **SAFETY, HEALTH AND ENVIRONMENTAL CONSIDERATIONS**

#### **11.1 INTRODUCTION**

It is clear that one of the aims of the Enterprise Development Policy is to sensitize the non-oil manufacturing sector to the safety, health and environmental issues and concerns that directly relate to their operations. Since 1973 there has been rapid industrial development in the non-oil sector in Trinidad and Tobago. According to estimates of the Central Statistical Office, in 1998 over two thousand enterprises engaged in some form of industrial activity outside the energy and sugar industries. Approximately eighty percent of these enterprises were classified as micro, small and medium.

The country's legislation relating to occupational safety and health has not kept pace with the rate of industrial development and this has impacted negatively on both the nation's workforce and the economy. Statistics provided by the National Insurance Board show that for the period 1993-1998 a total of \$48.2 million dollars was paid out as a result of 12,843 claims made for occupational injuries and diseases. This represents the tip of the iceberg as the cost to the economy is estimated at \$200 million dollars when indirect costs are considered.

We cannot continue to injure, make ill or kill the nation's workers at the present rate and as such enterprises are urged to adopt best practices to address safety



Indiscriminate dumping of waste products by manufacturers into watercourses would pollute the environment. and health issues. Government would also address this matter by enacting the Occupational Safety and Health Bill, which sets minimum standards for the protection of the safety, health and welfare of workers. Enterprises should also consult with the Occupational Safety and Health Division of MED&FA for advice and guidance prior to setting up their industrial establishments.

Another of our goals is to foster growth and development in the economy but not at the expense of the environment. With increased industrial activity, the output of waste products also increases. These waste products in whatever form, be it toxic chemicals, metallic particles, effluents and emissions, are indiscriminately being released into the air or dumped into watercourses, on land and into the sea, causing environmental pollution. Government wants to promote a collaborative and cooperative approach to minimize the negative effects of pollution, and emphasizes the need for industry to utilize cleaner production technology; that is the 'Best Practicable Technology and Best Available Techniques Not Entailing Excessive Cost'.

The aim of establishing a competitive economy is inextricably linked to the environmental policies adopted and implemented by government. The legal framework must ensure compliance on the part of the non-oil manufacturing sector with environmental laws and regulations governing the disposal of industrial waste. This Policy states as one of its major objectives the development and expansion of the productive capacity of new and existing industries to increase exports. The international markets for these exports may be protected by the introduction of environmental issues as non-tariff barriers, hence the need for our manufacturers to include environmental concerns in their business planning.

There is also the question of environmental standards that may determine the success or failure to penetrate new markets. Enterprises should strive to obtain ISO 14000 certification as a commitment to environmental policy and management, as this certification becomes a part of the mainstream in the global marketplace.

## 11.2 INTERNATIONAL CONTEXT

Government has signed and ratified several Conventions, Agreements and Protocols, implementation of which would impact on sustainable development within the sector. These include:

- The Convention on Biological Diversity, signed in June 1992 and ratified on August 1, 1996, involves the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of benefits arising from the use of genetic resources. 'Biological diversity' means the variability among living organisms from all sources including *inter alia* terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.
- The Cartagena Protocol on Biosafety to the Convention on Biological Diversity, acceded to on October 5, 2000. Its objective is to contribute to ensuring an adequate level of protection in the field of the safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focusing on transboundary movements. 'Living modified organism' means any living organism that possesses a novel combination of genetic material obtained through the use of modern biotechnology.



- The Montreal Protocol to the Vienna Convention for the phase out of substances that affect the Ozone layer, which Trinidad and Tobago acceded to in August 1989. Under this Protocol, government will implement a system *inter alia* to ensure that imports and exports of Ozone Depleting Substances are controlled.
- The United Nations Framework Convention on Climate Change which Trinidad and Tobago ratified in June 1994. Under this Protocol, Government will *inter alia* conduct regular inventories of greenhouse gases and cooperate with relevant local, regional and international agencies to implement technologies that will reduce, prevent or control man-made emissions of greenhouse gases including industry.
- The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Under this Convention, Government will ban imports of waste and not allow shipments of waste without specific (bilateral or multilateral) agreements.

### 11.3 DOMESTIC SITUATION

In Trinidad and Tobago, industrial activity in the non-oil manufacturing sector is classified as follows:

- 1 Beverages, Tobacco and Food Processing
- 6 Manufactured Goods Classified Chiefly by Materials and;
- 8 Miscellaneous Manufactured Articles

Within these groupings, the common environmental problem has been identified as the uninhibited discharge of untreated organic and inorganic waste as well as toxic chemicals into the various watercourses. This has been a major contributing factor to biodiversity loss. The



fact that industry has been able to

exercise relatively poor environmental practices without penalties to the industrialist means that it has been able to transfer the cost of mitigation to the wider community.

Of the groupings listed above, the following are major cause for concern:

- Food processing (edible oil refining, sugar refining, canned fruits and vegetables);
- Beverages (soft drink manufacturing and bottling, rum distillery, brewery; dairies etc)
- Metal and Related products (metal product fabricating) and;
- Miscellaneous Manufacturing (jewelry, electroplating, printing and packaging etc).
- Chemicals (bleach, batteries, matches, plastics etc)

### **Beverages**

The major environment problem is the uninhibited discharge of untreated organic and inorganic waste into the country's watercourses. This waste, in many instances, has high Biochemical Oxygen Demand and Chemical Oxygen Demand levels and low pH values (acidic). In most of the enterprises, there are minimal or no effluent management programmes in place. However, there are several large companies in this group, which are beginning to address the issue. For example, Nestle' Trinidad and Tobago Limited, one of the largest beverage manufacturers, has installed a new wastewater treatment facility at its plant in order to bring the final effluent discharge within the guidelines of the national industrial liquid effluent standard.

### **Metal and Related Products**

The major environmental concerns of this group are the generation of hazardous gaseous emissions and liquid effluents. Generally, there are no effluent treatment facilities in place.

### **Miscellaneous Manufacturing**

The major activity within this group is electroplating. The principal wastes from these plants are the rinse waters, which contain toxic metals and cyanide and the spent electroplating baths, which contain chromic and other acids. In most cases, these toxic effluents and heavy metals are discharged directly into the drains.

The cumulative effect of effluents from the non-oil manufacturing sector has contributed to biodiversity loss in the rivers and watercourses where the effluent is discharged.

## **11.4 OBJECTIVES OF THE ENVIRONMENTAL POLICY AS IT RELATES TO ENTERPRISE DEVELOPMENT**

The goal of the policy is the conservation and wise use of the environment to provide adequately for meeting the needs of present and future generations and enhancing the quality of life.

Government's approach to attaining this goal is to pursue a strategy of sustainable development, to improve the quality of life while living within the carrying capacity of supporting ecosystems.

The specific objectives of the Policy are to:

- Prevent, reduce or eliminate all forms of pollution to ensure adequate protection of the environment and consequently the health and well-being of humans;
- Conserve the biological diversity of the country and the sustainability and resilience of the ecosystems;

- Undertake retrospective analyses or evaluations to correct past development decisions that might be inimical to the continued environmental health of the country.

### 11.5 STRATEGIES

In order to achieve these objectives, MED&FA would collaborate with the Environmental Management Authority (EMA) to facilitate the proper management of the environment within the sector. New, major investment proposals will be required to be accompanied by Environmental Impact Assessments (EIAs) where necessary. For example, EIAs will be mandatory for food and beverages processing plants located in the Industrial Estates. It is important that industrial development be supported by appropriate environmental protection programmes which will be put in place to minimize any negative effects that such developments may have on the environment.

In collaboration with the EMA and other Agencies such as the Trinidad and Tobago Bureau of Standards, government will seek to regulate the activities of the sector by ensuring that environmental standards are established and penalties enforced for contravention of these standards.

Government will also consider the provision of incentives to encourage stakeholders to pursue cost effective improvements in plant, equipment and process design, which can result in waste minimisation, effluent and emission quality improvement and waste recycling.



Waste minimization, effluent and emission quality improvement and waste recycling would result in a cleaner environment.

Photo by: RAR Graphics

### 11.6 CONCLUSION

Safety, health and environmental management are crucial for the successful implementation of the Enterprise Development Policy and Strategic Plan 2001-2005. As such, Government would encourage industry to collaborate with the responsible agencies in order to protect workers, plant, property and the environment to achieve sustainable development.

## **CHAPTER 12**

### **MAKING IT HAPPEN AND MEASURING SUCCESS**

The introduction to the Enterprise Development Policy outlines its objective and the implementation plan attached is the tool to ensure that actions promised are delivered in the appropriate time frames, towards the achievement of the overall goal and objectives. MED&FA is responsible for coordinating implementation. This would involve a number of responsibilities including ensuring that measures are undertaken as planned, providing feedback to stakeholders, negotiating for resources, assisting, cooperating and resolving differences.

The implementation of this policy will create new tasks and responsibilities and consequently will demand commitment and participation of individuals and organizations. This can only be guaranteed if stakeholders are convinced that they are part of the process and can identify benefits, which they regard as being in their interest.

The Plan attempts to provide a well-structured schedule for implementation and identifies, short to medium term strategies for attainment. As far as feasible, the implementation schedule will ensure that individual tasks are controllable and measurable. This is a critical step in its implementation.

The Plan therefore is designed to facilitate a successful Enterprise Development Policy 2001-2005 and seeks to ensure consistency among the various policy initiatives as well as effectively promote the implementation process.

## IMPLEMENTATION PLAN TO INCREASE NON-OIL EXPORTS AND REDUCE IMPORTS

| STRATEGIES  | MEASURES PLANNED IN<br>2002 – 2006   | IMPLEMENTING<br>AGENCIES                     | TARGET<br>DATE |
|---|--|--|----------------|
| <b>SPECIFIC</b>   |  |  |                |
| (1)<br>Host workshops on a continuous basis to provide producers with information on requirements to access overseas markets, but more importantly to give them the confidence to develop their capabilities and thereafter to exploit those markets.   | Develop additional programmes geared towards increasing the level of awareness of producers desirous of exporting. | TIDCO<br>EXIM BANK                           | 2002-2003      |
| (2)<br>Establish a Grants Programme for Export Market Development aimed at facilitating small and medium enterprises to exploit overseas markets for the country's products and services, the programme would be patterned along lines similar to those undertaken by countries such as Mauritius so as not to conflict with the requirements of the WTO. | Explore the requirements for the implementation of a grants programme.   | MTI<br>Ministry of Finance<br>SBDC<br>TIDCO  | 2002-2003      |
| (3)<br>Encourage local firms to bid on international tenders by providing up to date information on tender invitations, matchmaking preparation and partial funding of bids.  | Disseminate information on requirements for bidding internationally.   | Central Tenders Board<br>Ministry of Finance | 2002-2006      |
| (4)<br>Establish overseas Trade Offices in selected countries to facilitate matchmaking and provide direct and appropriate business and Government contact.   | Continue to pursue the policy of establishing trade offices in selected countries.                                 | MTI<br>TIDCO                                 | 2002-2003      |
| (5)<br>Given the wide range of incentives that are available and the difficulty in implementing them in a timely and effective manner; narrow the range and replace, possibly over a ten year period, with a reduced level of corporation tax.  | Review existing incentive system.  | MTI<br>Ministry of Finance                   | Ongoing        |
| (6)<br>Incentives time bound, possibly over a five year period, with provision for a review to  | Review and monitor the incentive system.   | MTI<br>Ministry of Finance                   | Ongoing        |

| STRATEGIES   | MEASURES PLANNED IN<br>2002 – 2006  | IMPLEMENTING<br>AGENCIES   | TARGET<br>DATE           |
|--|---|--|--------------------------|
| determine whether there is need for an expansion.  |   |  |                          |
| (7)<br>Pursue vigorously activities downstream of the energy projects with particular emphasis on plastics, steel and aluminum, which would contribute immeasurably to increasing the country's export capacity, to that end a programme of incentives would be introduced to attract the required investment.   | Review incentive system to ascertain the level and type of incentives required to encourage firms to pursue activities downstream of the energy projects.                               | MTI<br>TIDCO   | 2002-2006                |
| (8)<br>Increase participation in overseas trade fairs, expositions, missions, and provide financial assistance to facilitate participation especially by small and medium enterprises.   | Seek adequate funding to increase participation by relevant agencies.   | Ministry of Labour and Small and Micro Enterprise Development<br><br>TIDCO<br>SBDC | 2002-2006                |
| (9)<br>Establish a Trade Compliance Unit in the MTI to ensure that the country benefits effectively from the various trade agreements entered into.  | Review and examine the roles of the Trade Promotion and Development Division and Industrial Development and Inward Investment Division prior to establishment of Trade Compliance Unit. | MTI  | 2002                     |
| (10)<br>Provide the following services to assist firms to penetrate export markets:<br><br>i. Identify appropriate options for targeted markets and develop strategies for achieving the objectives identified.<br><br>ii. Identify business opportunities, conduct research, lend priority support for participation in relevant trade exhibitions and matchmaking with potential | (i)<br>Research and intelligence surveys of potential markets.<br><br>(ii)<br>Provide funding to ensure continued participation in trade exhibitions                                    | CEDA<br>EXIM BANK<br>TIDCO<br>SBDC<br><br>TIDCO<br>EXIM BANK                       | Ongoing<br><br>2002-2003 |

| STRATEGIES  | MEASURES PLANNED IN<br>2002 – 2006   | IMPLEMENTING<br>AGENCIES  | TARGET<br>DATE          |
|---|--|---|-------------------------|
| <p>joint-venture partners.</p> <p>iii. Prepare export manuals and handbooks which can be used as guides by existing and potential exporters.</p> <p>iv. In light of the fact that export marketing is a specialist function, many firms, more so small and medium enterprises, would be provided with financial assistance to support export marketing.</p> | <p>(iii)<br/>Provide material to exporters.</p> <p>(iv)<br/>To ascertain the level of technical and financial assistance required by firms particularly small and medium enterprises in the area of export marketing.</p>  | <p>SBDC</p> <p>TIDCO<br/>EXIM BANK<br/>SBDC</p> <p>TIDCO<br/>EXIM BANK</p>  | <p>2002</p> <p>2002</p> |
| <p>(11)<br/>Establish programmes to develop local substitutes as far as it is feasible, for items such as corn and soya beans which are imported in substantial quantities.</p>   | <p>(i) Continued provision of extension and training for farmers in new and improved technologies to reduce cost. This is designed to enhance competitiveness of local products.</p> <p>(ii) Conduct marketing and education programmes on the suitability of local substitutes.</p> | <p>Ministry of Agriculture, Land and Marine Resources</p> <p>Consumer Affairs Division</p>  | <p>2002</p> <p>2002</p> |
| <p><b>General</b><br/>(12)<br/>Develop a comprehensive culture of producing for export among the population, such a culture would emphasize spirit of innovation and flexibility with a continuing emphasis on quality and supply consistency, increasing productivity, reducing the cost of production and developing competitive advantages.</p>          | <p>Revisit the existing programmes towards the development of a culture of producing for exports and include educational programmes which incorporate entrepreneurship and innovation.</p>   | <p>Ministry of Education<br/>Trinidad &amp; Tobago<br/>Manufacturers' Association (TTMA)</p> <p>Export-Import Bank of Trinidad and Tobago Limited (EXIM BANK)</p> <p>National Institute of Higher Education, Research, Science and Technology (NIHERST)</p> |                         |



| STRATEGIES  | MEASURES PLANNED IN<br>2002 – 2006  | IMPLEMENTING<br>AGENCIES   | TARGET<br>DATE             |
|---|---|--|----------------------------|
|   |   | Tourism and Industrial Development Company of Trinidad and Tobago Limited (TIDCO)  |                            |
| (13)<br>Re-orient the country's education system to give added emphasis to the sciences, mathematics and engineering, important elements in the development of technological and innovative capacity.   | (i) Implement a National Policy on Science, Technology and Innovation.<br><br>(ii) Review and if necessary revise curriculum so greater emphasis would be placed on the sciences and engineering. In addition, develop skills training in product design and manufacturing. | Ministry of Science, Technology and Tertiary Education (MST&TE)<br><br>Ministry of Education<br><br>The University of the West Indies (UWI)<br><br>College of Science, Technology & Applied Arts (COSTATT) | 2002-2006<br><br>2002-2003 |
| (14)<br>Establish a Productivity Council devoted specifically to the enhancement of productivity to function either on a separate entity or as part of the Bureau of Standards  | The Productivity Council will promote productivity improvements through collaboration with employers and employees including the introduction of innovation and more intense training programmes.   | Trinidad & Tobago Bureau of Standards (TTBS)   | 2002-2003                  |
| (15)<br>Establish a National Competitiveness Council under the chairmanship of the Prime Minister, its primary responsibility to co-ordinate the various elements of competitiveness policy in order to ensure consistency and effectiveness in their implementation. | Adopt and implement measures towards establishment of a National Competitiveness Council. The role of this Council should be developed and defined in light of the existence of institutions which are already actively involved in competitiveness.                        | Office of the Prime Minister   | 2002-2003                  |
| (16)<br>Secure funding to ensure:   |   |  |                            |

| STRATEGIES  | MEASURES PLANNED IN<br>2002 – 2006  | IMPLEMENTING<br>AGENCIES  | TARGET<br>DATE |
|---|---|---|----------------|
| I) The efficient provision of transportation and communication services.                                    | <b>Transportation Services</b><br>i.<br>Allocate funds to enhance the efficiency of transportation systems – air, sea and land. | Ministry of Works and Transport<br><br>Ministry of Finance  | 2002-2006      |
|   | <b>Communications Infrastructure</b><br><br>i.<br>Liberalize local telecommunications industry                                  | Ministry of Planning and Development<br><br>E-Commerce Standing Policy Committee (E-Comm SPC) Ministry of Trade and Industry (MTI) MST&TE Telecom Providers | 2002-2003      |
|   | ii.<br>Expand Bandwidth on local and international backbone   | E-Comm SPC MST&TE Telecom Providers   | 2002-2003      |
|   | iii.<br>Develop Interoperability Standards  | E-Comm SPC MST&TE   | 2002-2003      |
|   | iv.<br>Administer top-level domain country codes.<br><br>Implement an integrated framework for Environmental Management.        | E-Comm SPC MST&TE<br><br>Ministry of Public Utilities and the Environment   | 2002-2003      |
| II) The effective implementation of environmental, sanitary and phytosanitary health and security measures. |   | Ministry of Health<br>Ministry of Agriculture, Land and Marine Resources<br><br>Environmental Management Authority (EMA)                                    | Ongoing        |
| III) An adequate supply and quality of electricity and water.   | Enhance the operational efficiency and financial sustainability of the sectors  | Solid Waste Management<br><br>Ministry of Public Utilities and the Environment  | Ongoing        |

| STRATEGIES  | MEASURES PLANNED IN<br>2002 – 2006   | IMPLEMENTING<br>AGENCIES  | TARGET<br>DATE |
|---|--|---|----------------|
| (17)<br>Expand the banking sector to allow for a greater level of competition in the market and an increase in the range of products provided, and also to meet more effectively the needs of small and medium enterprises. | Review the range of financial products currently offered to manufacturers and exporters and extend to small and medium enterprises. Encourage new financial institutions to enter the domestic market. | Central Bank<br>Development finance Limited (DFL)<br>Financial Institutions<br>Small Business Development Company (SBDC)<br>EXIM BANK | 2002-2003      |
| (18)<br>Review the duty on motor vehicles which constitutes a major element of total imports, as well as the motor vehicles tax.  | Review the existing duty on motor vehicles and motor vehicle tax.  | Ministry of Works and Transport<br>Ministry of Finance<br>MTI   | 2002-2003      |
| (19)<br>Utilize local inputs as far as possible in the implementation of all government sponsored contracts and make specific provision.  | Encourage contractors towards greater utilization of local inputs in infrastructural development projects e.g road construction and housing construction   | Ministry of Housing<br>Ministry of Local Government   | 2002           |
| (20)<br>Enforce the implementation of standards and anti-dumping legislation.   | Investigate and monitor allegations of dumping.  | TTBS<br>Anti-dumping Unit, MTI  | Ongoing        |
| (21)<br>Introduce safeguard legislation to protect local industries from the adverse effects of import surges.  | Develop the legal framework.   | MTI<br>Chief Parliamentary Counsel  | 2002-2003      |
| <b>REDUCE IMPORTS</b><br><br>(22)<br>Initiate programmes to encourage consumers to purchase locally items such as corn and soya bean which are imported in substantial quantities at present.                               | Marketing of local products eg. “Buy Local” and “Buy CARICOM” campaigns.   | TTTMA<br>Consumer Affairs Division<br>TIDCO<br>SBDC   | 2002           |

## APPENDIX 1

## Enterprise Development Implementation Plan 2001 – 2005

| NO. | OBJECTIVES   | STRATEGIES/MEASURES  | RESPONSIBILITY  | TARGET DATE |
|-----|--|--|---|-------------|
| 1.  | Bring about effectiveness and efficiency in the provision of developmental support services to the MSME sector | Co-ordinate MSME developmental efforts that are concurrently undertaken by various Government Ministries and agencies through the formation of an Advisory Council | MSME Policy Unit, MED&FA  | 2001        |
|     |  | Organise a Steering Committee to monitor the implementation of specific MSME programmes and projects   | MSME Policy Unit, MED&FA  | 2001-2002   |
|     |  | Strengthen the existing regional advisory/business facilitation centers to provide the range of business development services and information for entrepreneurs    | SBDC, Chambers of Industry & Commerce                                 | 2001-2002   |
|     |  | Formulate, implement and review MSME policies  | MSME Policy Unit in consultation/ collaboration with key stakeholders | 2001-2002   |
| 2.  | Foster entrepreneurship, encourage the creation of MSMEs and increase their chances for survival and growth    | Adopt a holistic and integrated approaches to providing training, advisory information, technical, marketing and other support services                            | SBDC and other providers of business development services             | 2001-2002   |
|     |  | Develop relevant, sector-specific and/or modular approaches to meet the  | SBDC and other providers of business development services             | 2001-2002   |

| NO. | OBJECTIVES | STRATEGIES/MEASURES  | RESPONSIBILITY  | TARGET DATE |
|-----|------------|--|---|-------------|
|     |            | specific needs of target groups  |   |             |
|     |            | Introduce or enhance entrepreneurial and business management components of the curricula of schools at all levels of the educational system  | Ministry of Education   | 2002        |
|     |            | Use business consultancy services with government providing facilitation for approved services   | MED&FA  | 2001- 2002  |
|     |            | Increase participation in overseas trade fairs, expositions, and missions as well as provide financial assistance to facilitate participation especially by small and medium enterprises | MED&FA, TIDCO, SBDC   | 2001-2002   |
|     |            | Link training to the needs of industry as identified or potential business opportunities   | NTA, SBDC and other Training Providers                                    | 2001-2002   |
|     |            | Develop a National Mentoring Programme to provide advice and support for new and young entrepreneurs   | TTMA, SBDC, Chambers of Industry and Commerce                             | 2002        |
|     |            | Foster closer relationships between small and large enterprises and improve supplier relationships and sub-contracting   | Chambers of Industry and Commerce<br>Regional/local business associations | 2002        |
|     |            | Integrate and/or expand the existing award programmes for Industry in general and the MSME sector in particular.   | MSME Policy Unit, SBDC  | 2001-2002   |

| NO. | OBJECTIVES  | STRATEGIES/MEASURES   | RESPONSIBILITY   | TARGET DATE  |
|-----|---|---|--|--|
|     |   | Continuously update and synchronise research and information bases on the MSME sector   | MSME Policy Unit, SBDC, CSO  |  |
| 3.  | Enhance the competitiveness and export potential of MSMEs | <p>Create quality awareness among MSMEs and enable them to make products of acceptable quality to satisfy the standard requirements of both local and international markets</p> <p>Conduct research, assist in product development and/or acquisition of technology</p> <p>Assist MSMEs in accessing and developing export markets</p> <p>Accelerate the process of introducing compulsory standards to ensure that Trinidad and Tobago develops a reputation as a quality producer</p> <p>Create a framework for strengthening existing institutions dealing with all of the above matters</p> | <p>TTBS</p> <p>CARIRI</p> <p>TIDCO, SBDC, TTMA</p> <p>TTBS, Food &amp; Drugs Division, Ministry of Finance</p> <p>MSME Policy Unit</p> | <p>2001-2002</p> <p>2001-2002</p> <p>2001-2002</p> <p>2001-2003</p> <p>2001-2003</p> |
| 4.  | Widen the range of funding options for the MSME           | <p>Explore or exploit both traditional and non-traditional sources of funding that are available from local and international funders</p> <p>Assess the best MSME financing programmes in other countries and select/adapt them to the Trinidad and Tobago</p>  | <p>MSME Policy Unit, SBDC</p> <p>MSME Policy Unit, SBDC</p>  | <p>2001-2003</p> <p>2001-2002</p>  |

| NO. | OBJECTIVES   | STRATEGIES/MEASURES  | RESPONSIBILITY   | TARGET DATE  |
|-----|--|--|--|--|
|     |  | environment<br><br>Establish an MSME Development Fund to be administered by the MSME Policy Unit to facilitate access to, and utilization of funds for starting, operating and expanding MSMEs   | MSME Policy Unit   | 2002   |
| 5.  | Empower communities, disadvantaged and otherwise challenged groups and alleviate the effects of poverty through self-employment activities | <p>Accelerate the small business outreach programmes that are currently undertaken in various communities throughout Trinidad and Tobago</p> <p>Introduce community-based micro programmes including co-operatives and other micro/small business financing measures</p> <p>Introduce matching grants to be drawn from the proposed MSME Development Fund for product development, packaging or training of staff</p> <p>Examine the feasibility of establishing enterprise zones and community business incubators in selected communities</p> <p>Collaborate with community-based organizations, non-government organizations and local government bodies in the formulation and implementation of MSME programmes</p> | <p>SBDC, Ministry of Community Empowerment, Sports and Consumer Affairs (MCES&amp;CA)</p> <p>SBDC, MCES&amp;CA Co-operatives Division MED&amp;FA</p> <p>MSME Policy Unit, SBDC</p> <p>TTMA, TIDCO, SBDC, MSME Policy Unit</p> <p>SBDC and other providers of business development services</p> | <p>2001-2002</p> <p>2001-2002</p> <p>2002</p> <p>2001</p> <p>2001-2002</p> |

| NO. | OBJECTIVES   | STRATEGIES/MEASURES  | RESPONSIBILITY                                  | TARGET DATE |
|-----|--|--|---|-------------|
| 6.  | Develop a legal and institutional framework for the development of the MSME sector   | Explore measures for simplifying procedures that impact on starting or operating MSMEs   | MSME Policy Unit, SBDC                          | 2001-2002   |
|     |  | Facilitate compliance with existing regulatory and administrative procedures   | MSME Policy Unit, Legal Officers – MED&FA, SBDC | 2002        |
|     |  | Examine MSME development policies and models of MSME legislation   | MSME Policy Unit, SBDC                          | 2001        |
| 7.  | Review and enhance where necessary the legislative, administrative and financial frameworks so that this country's manufacturers can enhance the competitiveness of their products | Draft and lobby for the introduction of an MSME bill   | MSME Policy Unit, MED&FA, SBDC                  | 2002-2004   |
|     |  | Continuous review fiscal incentives to ensure that it is in sync with CARICOM's Single Market and Economy  | MED&FA  | 2001-2002   |
|     |  | Establish a National Competitiveness Council   | Office of the Prime Minister                    | 2001-2003   |
| 8.  | Create a cadre of entrepreneurs to capitalize on the market opportunities which are becoming   | Revisit the existing approaches/programmes towards the development of an entrepreneurial spirit among all segments of the population. This will include educational programmes | Ministry of Education, YTEPP, NIHERST, COSTAATT | 2001        |



| NO. | OBJECTIVES             | STRATEGIES/MEASURES  | RESPONSIBILITY  | TARGET DATE   |
|-----|------------------------|--|---|---|
|     | increasingly available | <p>which will include science, technology and innovation</p> <p>Enforce provision under the Anti-Dumping and Countervailing Duties Act to protect this country's manufacturers from Unfair Trading Practices</p> <p>Increase the allocation of funds to the relevant Ministries to enhance the efficiency of transportation systems – air, sea and land. In addition, accelerate the de-monopolization of the telecommunication industry</p> <p>Establish overseas trade and investment offices to facilitate 'match-making,' to provide direct and appropriate business and government contacts, current market information, and facilitate joint-venture arrangements.</p> <p>Increase dissemination of information to exporters on available avenues of financing</p> <p>Increase the level of funding to TIDCO and Ex-IM Bank to increase the availability of spot assistance services. This will include export manuals, handbooks,</p> | <p>Anti-Dumping Unit, MED&amp;FA</p> <p>Ministries of Finance, Ministry of Integrated Planning and Development, Ministry of Transport, Regulated Industries Commission, Office of the Prime Minister, Ministry of Communications and Information Technology</p> <p>MED&amp;FA</p> <p>Ex-IM Bank</p> <p>TIDCO, EXIM Bank, SBDC</p> | <p>On-going</p> <p>2001-2002</p> <p>2001-2002</p> <p>On-going</p> |

| NO. | OBJECTIVES   | STRATEGIES/MEASURES   | RESPONSIBILITY  | TARGET DATE                                 |
|-----|--|---|---|---|
|     |  | development of new markets and strategies for targeted markets<br><br>Implement recommendations of the National Electronic Commerce Policy Committee  | National E-Commerce Secretariat, MED&FA   | 2001-2002                                   |
| 9.  | Develop and expand new and existing industries to expand and enhance their productive capacity | Identify and promote existing and new industries through marketing joint-venture and development of a database<br><br>Expand industrial parks which are intended to attract direct investments for light manufacturing and technologically related industries | TIDCO<br><br>TIDCO  | 2001-2002<br><br>2001-2002                  |
| 10  | Strengthen Communications Infrastructure   | Liberalize local telecomm industry<br><br>Expand Bandwidth on Local and International backbone<br><br>Develop Interoperability Standards  | E-Commerce Standing Policy Com. (E-COMM. SPC), MED&FA, Ministry of Communications and Information Technology (MC&IT), Telecom Providers<br><br>E-COMM. SPC., MED&FA, MC&IT, Telecom Providers<br><br>E-COMM. SPC, MED&FA, MC&IT | 2001-2003<br><br>2002-2003<br><br>2001-2002 |

| NO. | OBJECTIVES                            | STRATEGIES/MEASURES  | RESPONSIBILITY  | TARGET DATE |
|-----|---------------------------------------|--|---|-------------|
|     |                                       | Administer top-level domain country code   | E-COMM. SPC, MED&FA   | 2001-2002   |
| 11. | Increase Participation in E-Commerce. | Increase Public/Private Sector Participation                                       | E-COMM. SPC, MED&FA, MC&IT, MCE, S&CA, Ministry of Education (MoE), Ministry of National Security (MNS), Ministry of Finance (MoF), Business Sector Reps, MSMEs | 2001-2006   |
|     |                                       | Provide Universal Access to Infrastructure   | E-COMM. SPC, MED&FA, MCEsca, MoE, MNS, MoF, Common Backbone Business Partner, Business Sector Reps., MSMEs, Telecom Providers                                   | 2001-2005   |
|     |                                       | Trade Facilitation Initiatives, Trade Promotion and Market Penetration Programmes. | E-COMM. SPC, MED&FA, MC&IT, Business Sector Reps., MSMEs  | 2002-2003   |
|     |                                       | Develop Social Enablers  | E-COMM. SPC, MED&FA, MC&IT, Business Sector Reps., MSMEs, MCEsca, Telecom Providers   | 2002-2003   |

| NO. | OBJECTIVES           | STRATEGIES/MEASURES  | RESPONSIBILITY   | TARGET DATE |
|-----|----------------------|--|--|-------------|
| 12. | Clarify Market Rules | Intellectual Property Rights Protection mechanisms for Digital Content | E-Comm. SPC, MED&FA, MCECSA, AG's Intellectual Property Office (IPO), MNS, Judiciary, Parliamentary, Business Sector Reps.                   | 2001 – 2003 |
|     |                      | Administer and enforce tax laws  | Legal Private Sector Reps.   | 2001 – 2003 |
|     |                      | Develop Conflict Resolution Mechanisms                                 | E-Comm. SPC, MED&FA, MC&IT, MNS, Judiciary, Parliament, Business Sector Reps., MSMEs, Legal Private Sector Reps                              | 2001 – 2003 |
|     |                      | Update Labour Laws   | E-Comm. SPC, HR Com., MoE, MED&FA, MC&IT, IPO, MNS, Judiciary, Parliament, Business Sector Reps., MSME's, Legal Private Sector Reps., Unions | 2001 - 2003 |

| NO. | OBJECTIVES                   | STRATEGIES/MEASURES                                  | RESPONSIBILITY  | TARGET DATE |
|-----|------------------------------|--|---|-------------|
| 13. | Build Marketplace Confidence | Guarantee Individual Privacy                         | E-COMM. SPC, MED&FA, MC&IT, MoE   | 2001-2002   |
|     |                              | Protect Consumer Rights                              | E-COMM. SPC, MED&FA, MC&IT, IPO, MCESCA, Parliament, Business Sector Reps., MSMEs Legal Private Sector Reps., Unions                                      | 2001-2005   |
|     |                              | Develop authentication and certification mechanisms  | E-COMM. SPC, MED&FA, MC&IT, Telecomm Providers, Business Sector Reps, MSMEs, Legal Private Sector Reps., Unions   |             |
|     |                              | Develop Law Enforcement Mechanisms                   | E-COMM. SPC, MED&FA, MC&IT, IPO, MNS, Judiciary, Bank Sector Reps., Telecomm Providers, Business Sector Reps, MSMEs, Unions<br>E-COMM. SPC, MED&FA, MC&IT |             |
|     |                              | Provide Security and access to encryption technology | Providers, Business Sector Reps., MSMEs, Unions   |             |

| NO. | OBJECTIVES  | STRATEGIES/MEASURES   | RESPONSIBILITY  | TARGET DATE |
|-----|---|---|---|-------------|
| 14. | Jumpstart the E-Economy   | Enable E-Government   | E-COMM. SPC, E-Gov't Standing Advisory Com., MED&FA, HR Com., IT Policy Com., MC&IT, MCESCA, MoE, MNS, Ministry of Health (MoH), Ministry of Housing and Settlements (MHS), Gov't Printery, EBC, BIR, CSO, Judiciary, Land and Surveys, Central Tenders Board, Parliament, MoF, Common Backbone Business Partner, Telecomm Providers, TTNIC, Unions | 2001-2005   |
|     |   | Facilitate on-line payment transactions   | E-COMM. SPC, MED&FA, AG IPO, MNS, MoF, Bank Sector Reps., Business Sector Reps., MSMEs, Telecomm Providers  | 2002-2004   |
|     |   | Develop other Sectoral Opportunities  | E-COMM. SPC, MED&FA, MoE, Business Sector Reps, MSMEs, Telecomm Providers, Unions.  | 2001-2003   |
| 15. | Provide an adequate pool of skilled labour necessary for the development of the industrial sector | Ensure that a Labour Market Information System (LMIS) is able to inform the training needs of industry (development of manpower planning strategy to define the future needs of industry) | MED&FA<br>TTMA<br>Chambers of Commerce<br>Ministry of Labour<br><br>Ministry of Labour,<br>Employers' Consultative  | 2004        |

| NO. | OBJECTIVES   | STRATEGIES/MEASURES   | RESPONSIBILITY   | TARGET DATE  |
|-----|--|---|--|--|
|     |  | <p>Develop and implement a reporting system to encourage employers to report on their manpower requirements. (National Human Resource Management Information System)</p> <p>Develop inter-institutional arrangements between industry and education/training institutions for example using internship programmes and attachments for trainers and students.</p> <p>Foster employers/ industrialists commitment to a culture of training within their organizations</p> <p>Develop a national system of accreditation</p> | <p>Association (ECA)</p> <p>National Training Agency (NTA)</p> <p>Business Sector</p> <p>NIHERST / NTA</p>   | <p>2001</p> <p>2001-2002</p> <p>2003</p> <p>2001</p> |
| 16. | Provide an adequate flow of entrepreneurial talent | <p>Involve Industry in the development of curricula at tertiary level technical and vocational education.</p> <p>Engender a culture of risk awareness at the level of the firm so as to minimize risk aversion</p> <p>Identify activities that are relevant for training entrepreneurs and how such activities can best be provided</p>   | <p>Min. of Integrated Planning and Development, Min. of Education/NTA/ NIHERST/UWI/ COSTAATT</p> <p>Private Sector financial Institutions</p> <p>National Training Agency, Private sector institutions</p> | <p>2001</p> <p>2001-2002</p> <p>2001</p>             |
| 17. | Retool and retrain                                 | Integrate institutional   | Ministry of Sports and   | 2001   |

| NO. | OBJECTIVES   | STRATEGIES/MEASURES  | RESPONSIBILITY   | TARGET DATE  |
|-----|--|--|--|--|
|     | the labour force guided by the use of modern technology by firms                       | <p>arrangements to ensure active collaboration between the Stakeholders in education and Youth Training agencies</p> <p>Government support for matching grant scheme for training needs in selected sectors</p> <p>Use of distance learning programmes to enhance skills and knowledge of employees in specific industries</p> | <p>Youth Affairs, YTEPP, NIHERST, NTA</p> <p>MED&amp;FA, Ministry of Finance</p> <p>NTA, Private Sector Institutions</p> | <p>2003</p> <p>2001-2002</p>                       |
| 18. | Develop an appropriate orientation to industry and work ethic on the part of the youth | Expose youths to the operations of the business sector. Exposure to business environment from primary school level.  | NTA, Min. of Education   | 2001-2002  |
| 19. | Develop a National Training Policy to empower the NTA                                  | <p>Finalise and implement a National Training Policy</p> <p>Extend focus of NTA from technical/vocational training into management and business training</p> <p>Deepen the NTA'S relationship with employers to increase their own awareness of the need for competence-based training</p>                                     | <p>NTA, Min. of Education NIHERST</p> <p>NTA</p> <p>NTA</p>  | <p>2001-2002</p> <p>2001-2002</p> <p>2001-2002</p> |
| 20. | Efficient  | Promote the use of equity capital  | Venture Capital  | 2001-2002  |



| NO. | OBJECTIVES   | STRATEGIES/MEASURES  | RESPONSIBILITY  | TARGET DATE   |
|-----|--|--|---|---|
|     | mobilization of competitive financing                        | <p>as a viable source of financing under the VCIP and other institutions</p> <p>Encourage the use of shareholders funds as a source of equity for firms/industries</p> <p>Review the effectiveness of institutions with responsibility for supervising capital market activity in relation to their mandate</p> <p>Adopt measures that will deepen the stock/capital market</p> <p>Create a regulatory environment that facilitate and encourage the participation by institutional investors e.g. the Credit Union movement, mutual funds, statutory funds, Unit Trust funds and NIB funds to facilitate funding for venture capital activity</p> <p>Amend the Venture Capital Incentive Programme Act and Regulation which deals with equity financing</p> | <p>Incentive Programme (VCIP)</p> <p>Financial Institutions</p> <p>Securities Exchange Commission (SEC)</p> <p>SEC and the Stock Exchange</p> <p>Ministry of Finance</p> <p>VCIP<br/>Office of the Attorney General</p> | <p>2002</p> <p>2001</p> <p>2001</p> <p>2001</p> <p>2002</p> |
| 21  | Encourage and increase the flow of Foreign Direct Investment | <p>Negotiate Bilateral Investment Treaties with four countries</p> <p>Passage of the Investment Promotion Act</p> <p>Streamline the process of approval of investment</p>  | <p>Bilateral Investment Committee</p> <p>Office of the Attorney General</p> <p>TIDCO/MED&amp;FA</p>   | <p>2001</p> <p>2001</p> <p>2001</p>                         |

| NO. | OBJECTIVES   | STRATEGIES/MEASURES  | RESPONSIBILITY   | TARGET DATE      |
|-----|--|--|--|------------------|
|     |  | incentives<br><br>Develop clear guidelines for granting approval for incentives and statutory approvals for investment   | TIDCO/MED&FA   | 2001             |
| 22. | Develop coherent National Science Technology and Innovation System                                     | Formulate a National Science Technology and Innovation Policy for Trinidad and Tobago  | MED&FA, Ministry of Human Development Youth and Culture, TIDCO | 2001             |
| 23. | Improve the coordination and focus of promotion activities by private and public sectors               | Earmark business levy to ensure adequacy of funds for business development<br><br>Strengthen the promotion programme by effectively coordinating the activities of TIDCO, TTBS, diplomatic missions and the private sector | Ministry of Finance<br><br>MED&FA                              | 2001<br><br>2001 |
| 24. | Assess and strengthen the effectiveness of institutions with responsibility for industrial development | Review and expand the existing institutional capacity to enhance the competitiveness of local manufacturers  | National Competitiveness Council                               | 2001-2002        |
| 25. | Strengthen the collaborative efforts and   | Collaboration and networking between Government agencies, the private sector   | MED&FA   | On-going         |

| NO. | OBJECTIVES   | STRATEGIES/MEASURES   | RESPONSIBILITY  | TARGET DATE  |
|-----|--|---|---|--|
|     | networking arrangements among agencies and organizations that are involved in trade promotion and industrial development   | and labour representatives<br><br>Continue networking sessions for agencies under the purview of MED&FA   | MED&FA  | On-going   |
| 26  | Harmonize and streamline the core functions and activities of the agencies that are under the purview of MED&FA  | A comprehensive organizational analysis of agencies under MED&FA and other trade – related developmental institutions   | MED&FA, Public Administration Department  | 2001-2002<br><br>2001-2005                                     |
| 27. | Ensure that economic development takes place in harmony with national environmental considerations by promoting biodiversity conservation and the sustainable use of natural resources | Undertake Environmental Impact Assessment of new major manufacturing projects where necessary<br><br>Undertake baseline studies to develop a database of national biodiversity including the environmental impact of effluent and sewage disposal<br><br>Set benchmarks and standards for effluent emissions and sewage and implement a system of pollution permits and penalties to control such emissions | Ministry of the Environment, EMA<br>Town and Country Planning Division<br><br>EMA in collaboration with NIHERST and UWI<br><br>EMA, TTBS<br>TTMA<br>Manufacturers | 2001-2005<br><br>2001-2005<br><br>2001-2005<br><br>2002 – 2005 |

| NO. | OBJECTIVES | STRATEGIES/MEASURES  | RESPONSIBILITY                          | TARGET DATE |
|-----|------------|--|---|-------------|
|     |            | <p>Implement a Matching Grant Programme to facilitate certification by manufacturers to international environmental standards including:</p> <ul style="list-style-type: none"> <li>- ISO 14000</li> <li>- Hazard Analysis Critical Control Programme (HACCP)</li> </ul> | EMA, TIDCO<br>SBDC                      | 2002 – 2005 |
|     |            | Promote recycling of plastics and other non-biodegradable waste materials e.g. paper and metals  | EMA, TIDCO<br>SBDC                      | 2001 – 2002 |
|     |            | Consider providing incentives to encourage stakeholders to pursue cost effective improvements in plant, equipment and process design, which can result in waste minimization, effluent and emission quality improvement and waste recycling                              | MED&FA, EMA,<br>Board of Inland Revenue | 2001 – 2005 |
|     |            | Lobby CARICOM and the WTO for imports to be ISO 9000 and ISO 14000 certified   | MED&FA                                  | 2001 – 2005 |
|     |            | Implement the Various Agreements, Conventions and Protocols that would impact on sustainable development in the sector including:  |   | 2001 – 2005 |
|     |            | <ul style="list-style-type: none"> <li>• The Convention on Biological Diversity</li> </ul>   | EMA, SBDC<br>Manufacturers              | 2001 - 2005 |
|     |            |  |   | 2001 – 2005 |

| NO. | OBJECTIVES | STRATEGIES/MEASURES  | RESPONSIBILITY   | TARGET DATE |
|-----|------------|--|--|-------------|
|     |            | <ul style="list-style-type: none"> <li>• The Cartagena Protocol on Biosafety</li> <li>• The Montreal Protocol on Ozone Depleting Substances</li> <li>• The United Nations Framework Convention on Climate Change</li> <li>• The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal</li> </ul> | <p>EMA, MED&amp;FA</p> <p>EMA<br/>MED&amp;FA</p> <p>EMA, MED&amp;FA</p> <p>EMA, MED&amp;FA,<br/>CARIRI</p> |             |

## APPENDIX II

GRAPH 1: DIRECTION OF DOMESTIC MANUFACTURING EXPORT TRADE (1994 - 2000)

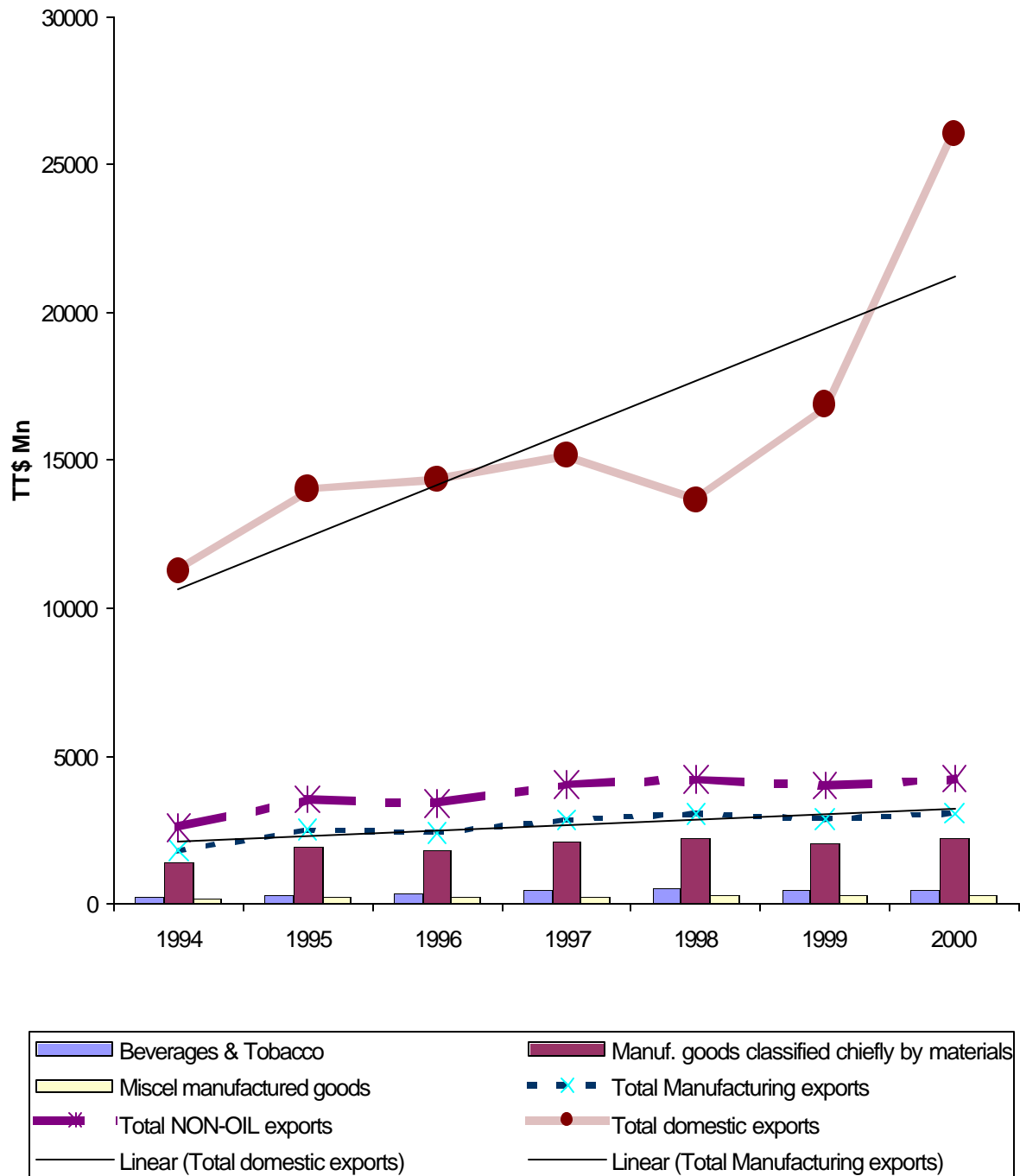


TABLE 1: DIRECTION OF NON-OIL EXPORT TRADE 1994 – 2000

| S.I.T.C<br>CLASSIFICATION                    | TT\$MN   |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|
|  | 1994     | 1995     | 1996     | 1997     | 1998     | 1999     | 2000     |
| <b>NON-OIL</b>                               |          |          |          |          |          |          |          |
| Manufacturing Sector<br>Section (1, 6 and 8) | 1817.8   | 2,516.4  | 2,420.3  | 2,862.2  | 3,074.5  | 2,880.9  | 3,079.4  |
| Food and Live Animals                        | 636.7    | 824.1    | 781.3    | 943.6    | 914.8    | 904.6    | 933.8    |
| All other Non-Oil                            | 139.6    | 204.4    | 213.4    | 243.2    | 242.6    | 227.7    | 221.3    |
| <b>TOTAL NON-OIL</b>                         | 2,594.1  | 3,544.9  | 3,415.0  | 4,049.0  | 4,231.9  | 4,013.2  | 4,234.5  |
| <b>TOTAL OIL &amp; NON-OIL</b>               | 11,249.4 | 14,031.1 | 14,368.4 | 15,178.5 | 13,659.6 | 16,886.4 | 26,033.6 |

TABLE 2: DIRECTION OF DOMESTIC MANUFACTURING EXPORT TRADE 1994 - 2000

| S.I.T.C<br>CLASSIFICATION   | TT\$MN |        |         |         |        |        |         |
|---|--------|--------|---------|---------|--------|--------|---------|
|   | 1994   | 1995   | 1996    | 1997    | 1998   | 1999   | 2000    |
| <i>Code Description</i>   |        |        |         |         |        |        |         |
| 1. Beverages and Tobacco  | 236.9  | 315.6  | 364.8   | 462.2   | 552.1  | 490.5  | 487.0   |
| 6. Manufactured Goods Classified<br>Chiefly By Materials  | 1399.2 | 1978.1 | 1,822.9 | 2,124.2 | 2218.5 | 2056.6 | 2,257.5 |
| 8. Miscellaneous Manufactured Articles  | 181.7  | 222.7  | 232.5   | 275.8   | 303.7  | 333.9  | 334.9   |
| <b>TOTAL Domestic Manufacturing Exports</b>   | 1817.8 | 2516.4 | 2420.3  | 2862.2  | 3074.3 | 2881   | 3,079.4 |
| %Contribution of total domestic<br>manufacturing export to total domestic<br><b>NON-OIL EXPORTS</b> | 70.1%  | 71%    | 70.9%   | 70.7%   | 72.6%  | 71.8%  | 72.7%   |
| %Contribution of total domestic<br>manufacturing export to total<br><b>DOMESTIC EXPORTS</b>         | 16.2%  | 17.9%  | 16.8%   | 18.9%   | 22.5%  | 17.1%  | 11.8%   |



**GRAPH 2: SMALL BUSINESS DEVELOPMENT COMPANY LTD.  
LOANS GUARANTEED 1990 - 1998**

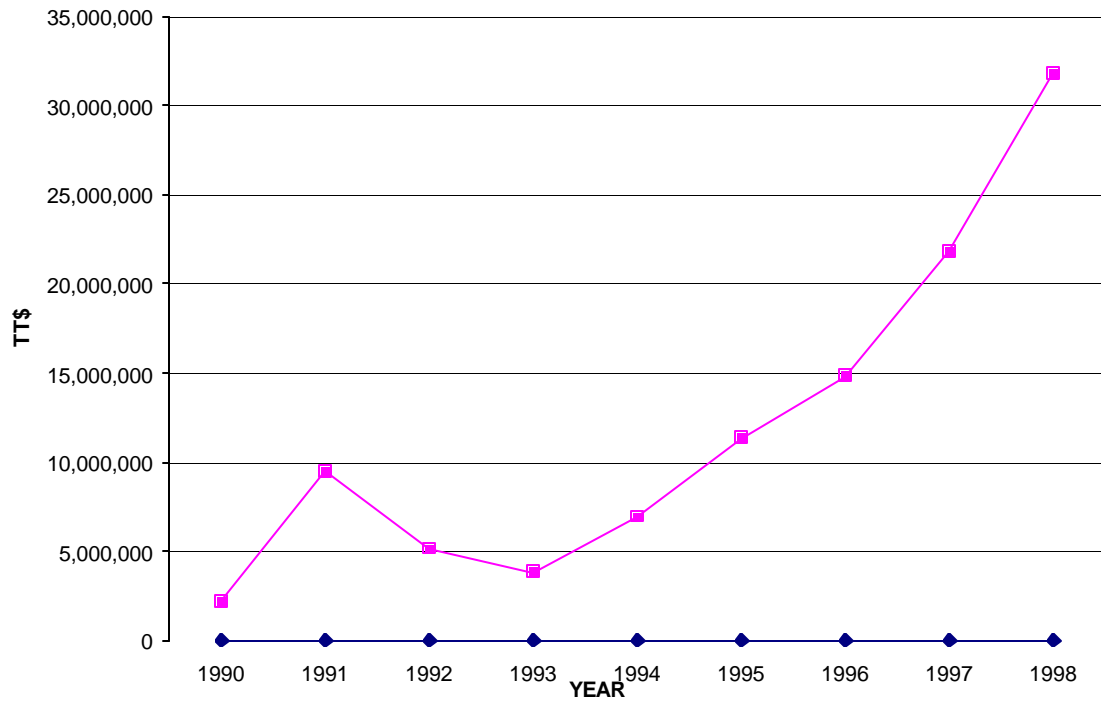


TABLE 3: SMALL BUSINESS DEVELOPMENT COMPANY LIMITED  
LOANS GUARANTEED

1990 – 1998

| YEAR               | NO. OF LOANS | GUARANTEE<br>AMOUNTS \$ |
|--------------------|--------------|-------------------------|
| 1990               | ..... 98     | 2,165,935               |
| 1991               | ..... 752    | 9,491,945               |
| 1992               | ..... 374    | 5,124,191               |
| 1993               | ..... 233    | 3,806,000               |
| 1994               | ..... 335    | 6,935,059               |
| 1995               | ..... 461    | 11,346,119              |
| 1996               | ..... 559    | 14,785,812              |
| 1997               | ..... 667    | 21,800,000              |
| 1998               | ..... 563    | 31,800,000              |
| TOTAL              | ..... 4,042  | 107,255,051             |
| Oct 1998-Sept 1999 | ..... 250    | 10,883,359              |
| Oct 1999-Sept 2000 | ..... 191    | 9,862,241               |
| Oct 2000-Apr 2001  | ..... 210    | 6,194,871               |

Source: SBDC  
CBTT Annual Economic Survey 1998

**TABLE 4 : THE SECTORAL DISTRIBUTION OF EMPLOYMENT, 1996 – 2000**  
*/thousand/*

|                        | <b>1996<br/>Employ</b> | <b>1996<br/>%</b> | <b>1997<br/>Employ</b> | <b>1997<br/>%</b> | <b>1998<br/>Employ</b> | <b>1998<br/>%</b> | <b>1999<br/>Employ</b> | <b>1999<br/>%</b> | <b>2000<br/>Employ</b> | <b>2000<br/>%</b> |
|------------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|
| Agriculture            | 42.6                   | 9.5               | 43.7                   | 9.5               | 38.9                   | 8.1               | 39.6                   | 8.1               | 39.0                   | 7.9               |
| Petroleum/gas          | 16.4                   | 3.6               | 16.7                   | 3.8               | 17.6                   | 3.7               | 15.1                   | 3.1               | 15.6                   | 3.2               |
| <b>Manufacturing</b>   | 45.4                   | 10.2              | 47.6                   | 10.3              | 52.4                   | 10.9              | 53.6                   | 11.0              | 52.6                   | 10.8              |
| <b>Construction **</b> | 51.6                   | 11.6              | 56.9                   | 12.4              | 65.1                   | 13.6              | 67.1                   | 13.7              | 67.3                   | 13.6              |
| <b>Trans/str/comm.</b> | 30.7                   | 6.9               | 31.8                   | 6.9               | 35.5                   | 7.4               | 35.8                   | 7.3               | 37.6                   | 7.6               |
| <b>Other Services</b>  | 257.4                  | 57.9              | 262.9                  | 57.2              | 269.4                  | 56.2              | 277.9                  | 56.8              | 280.3                  | 56.9              |
| <b>Not classified</b>  | 0.2                    | 0.0               | 0.2                    | 0.0               | 0.3                    | 0.1               | 0.4                    | 0.0               | 0.4                    | 0.0               |
| <b>Total Employ</b>    | 444.2                  | 100.0             | 459.9                  | 100.0             | 479.3                  | 100.0             | 489.4                  | 100.0             | 492.8                  | 100.0             |

Source: CSO

\* including mining and quarrying

\*\* including electricity and water

**TABLE 5: TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED**  
**Listed Companies Information (as at December 31, 2000)**

| Security                         | Issued Share Capital<br>(000) | Market Value<br>\$Mn | Total Assets<br>\$Mn | Regular Trading Volume <sup>3</sup><br>(000) |
|----------------------------------|-------------------------------|----------------------|----------------------|--|
| <b>FIRST TIER MARKET</b>         |                               |                      |                      |  |
| CIBC West Indies Holdings Ltd.   | 620.8                         | 6,052.9              | 7,801.8              | 80.1   |
| R.B.T.T. Financial Holdings Ltd. | 340.2                         | 4,303.8              | NA                   | 12,846.2                                     |
| Republic Bank Ltd.               | 159.0                         | 5,152.0              | 16,893.5             | 5,516.5                                      |
| Scotia Bank of T & T Ltd.        | 117.6                         | 2,103.2              | 6,550.1              | 5,253  |
| <b>Commercial Banks</b>          | 1,237.6                       | 17,611.9             | 31,245.4             | 23,695.8                                     |
| ANSA McAL Ltd.                   | 173.6                         | 1,909.7              | 3,343.5              | 1,478.1                                      |
| Barbados Shipping & Trading      | 73.0                          | 711.8                | 739.1                | 556.9  |
| Grace, Kennedy & Co. Ltd.        | 180.5                         | 631.7                | 11,157.6             | 2,208.4                                      |
| Neal & Massy Holdings Ltd.       | 103.6                         | 1,335.9              | 2,472.6              | 9,401.8                                      |
| <b>Conglomerates</b>             | 530.7                         | 4,589.2              | 17,712.8             | 13,645.2                                     |
| Angostura Holdings Ltd.          | 206.3                         | 1,186.1              | 1,867.5              | 3,304.5                                      |
| Caribbean Comm. Network Ltd.     | 46.2                          | 143.2                | 154.8                | 6,298.3                                      |
| Lever Brothers W.I. Ltd.         | 26.2                          | 482.9                | 205.4                | 523.9  |
| National Flour Mills Ltd.        | 120.2                         | 510.8                | 420.4                | 4,034.7                                      |
| T'dad Publishing Co. Ltd.        | 40                            | 119.2                | 98.1                 | 3,522.7                                      |
| West Indian Tobacco Co. Ltd.     | 84.2                          | 449                  | 208.5                | 943.9  |
| <b>Manufacturing I</b>           | 523.1                         | 2,891.2              | 2,954.8              | 18,628.1                                     |
| Berger Paints Ltd.               | 5.2                           | 14.7                 | 47.4                 | 196.4  |
| Flavorite Foods Ltd.             | 5.0                           | 18                   | 28                   | 49.2   |
| Readymix W.I. Ltd.               | 12.0                          | 87.6                 | 78.7                 | 561.0  |
| Trinidad Cement Ltd.             | 249.8                         | 1,123.9              | 2,409.7              | 10,026.9                                     |
| <b>Manufacturing II</b>          | 272                           | 1,244.2              | 2,563.7              | 10,833.4                                     |

*Source: Trinidad & Tobago Stock Exchange*

*Annual Report 2000*

| Security                                | Issued Share<br>Capital<br>(000) | Market<br>Value<br>\$Mn | Total<br>Assets<br>\$Mn | Regular<br>Trading Volume <sup>3</sup><br>(000) |
|---|----------------------------------|-------------------------|-------------------------|---|
| Point Lisas Ind. Port Dev. Corp. Ltd.   | 26.4                             | 154.5                   | 465.8                   | 1,450.6   |
| Valpark Shopping Plaza                  | 3.7                              | 18.5                    | 58                      | 0   |
| <b>Property</b>                         | 30.1                             | 173                     | 523.8                   | 1,450.6   |
| Agostini's Ltd.                         | 26.8                             | 225.3                   | 215                     | 2,601.6   |
| Furness Trinidad Ltd.                   | 12.1                             | 19.9                    | 57.7                    | 25.1  |
| Prestige Holdings Ltd.                  | 60.0                             | 150.0                   | 136.2                   | 2,666.8   |
| L.J. Williams Ltd. 'B'                  | 19.7                             | 16.0                    | NA                      | 640.5   |
| <b>Trading</b>                          | 118.6                            | 411.2                   | 408.7                   | 5,934.0   |
| ANSA Finance & Merchant Bank Ltd.       | 31.0                             | 174.2                   | 714.6                   | 1,717.3   |
| Guardian Holdings Ltd.                  | 125.6                            | 1,836.6                 | 5,746.5                 | 4,175.4   |
| Life of Barbados Ltd.                   | 43.1                             | 394.3                   | 784.7                   | 72.6  |
| <b>Non-Banking Finance</b>              | 199.7                            | 2,405.1                 | 7,245.8                 | 5,965.2   |
| Alstons Ltd. 7% Pref.                   | 0.2                              | 1.3                     | 200.1                   | 2.5   |
| T'dad Pub. Co. Ltd. 6% Pref.            | 0.0                              | 1.1                     | **                      | 1.6   |
| L.J. Williams Ltd. 'A'                  | 46.2                             | 4.1                     | **                      | 2.2   |
| L.J. Williams 8% Pref.                  | 0.0                              | 0.2                     | **                      | 0.0   |
| <b>Others</b>                           | 46.4                             | 6.7                     | 200.1                   | 6.3   |
| <b>FIRST TIER TOTALS /<br/>AVERAGED</b> | 2,958.2                          | 29,332.6                | 62,885.2                | 80,158.8  |
| <b>SECOND TIER MARKET</b>               |                                  |                         |                         |   |
| Mora Ven Holdings Ltd.                  | 8.1                              | 12.6                    | 137.4                   | 948.7   |
| <b>TOTALS 2000</b>                      | 2,966.3                          | 29,345.2                | 62,992.6                | 81,107.4  |

**\*\* Refer to \$1.00 Ordinary Security**