



TRADE POLICY REVIEW

REPORT BY

TRINIDAD AND TOBAGO

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Trinidad and Tobago is attached.

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1 INTRODUCTION

1.1. During the period under review (2012-2018), Trinidad and Tobago was led by two different administrations and hence, two (2) different strategic approaches shaped and influenced macroeconomic policies and activities in the country. These differing approaches are embedded in the Medium Term Policy Framework 2011-2014 (MTPF) developed by the Peoples Partnership (PP) Government in 2011 and the National Development Strategy 2016-2030 (NDS) (hereafter referred to as Vision 2030) developed in 2016 by the currently ruling People's National Movement (PNM) Government.

1.2. The MTPF recognized that additional reforms were required to create a more productive, competitive, diversified and innovation-driven economy that will contribute to the attainment of "Prosperity for All". The MTPF identified seven (7) interconnected development Pillars to achieve the desired economic and social transformation of the country. Integral to the MTPF was the recognition that international trade is fundamental to the country's continued prosperity.

1.3. In 2016 Vision 2030 was developed to serve as a strategic roadmap to achieve developed country status by 2030. Vision 2030 takes into consideration all relevant regional and international commitments, including those of the World Trade Organization (WTO) and the United Nations (UN) Sustainable Development Goals (SDGs) and comprises five (5) fundamental pillars. The theme which guides the trading environment is **Theme IV: Building Globally Competitive Businesses**.

2 THE MACROECONOMIC ENVIRONMENT

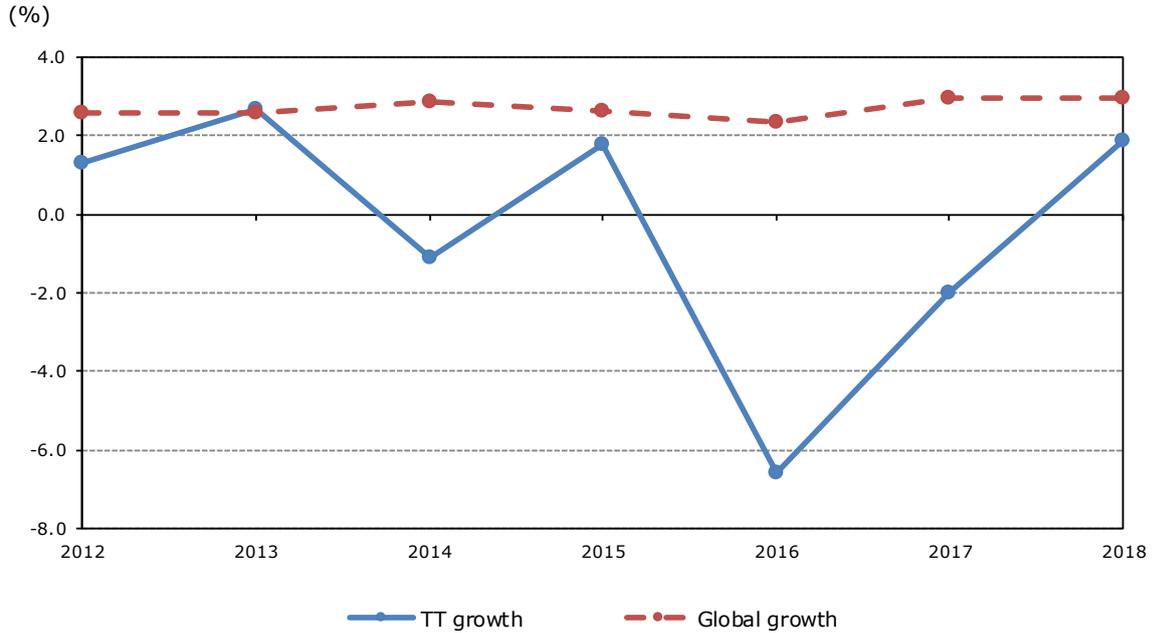
2.1 Economic Growth, Unemployment and Inflation

2.1. During the period under review (2012-2018) the rate of economic growth fluctuated within a range of -6.5% to 2.0%. In 2012 the growth rate was 1.3% which then rose marginally to 2.7% in 2013. However, during 2014 the rate plummeted to -1% but subsequently improved to 1.8% in 2015. In 2016 the growth rate plunged deeply to -6.5%, which was the lowest for the review period but recovered significantly over the next two (2) consecutive years with rates of -1.9% and 1.9% in 2017 and 2018 respectively. 2018 witnessed a welcomed upturn in economic activity as the economy entered a new growth path on account of improvements in the prices of crude oil and natural gas and a concomitant increase in output of natural gas. The International Monetary Fund (IMF) has projected that growth in Trinidad and Tobago's economy will average 1.5% over the next five (5) years (2019-2023).

2.2. Over the period under review (2012-2018) the rate of inflation trended downwards which positively impacted the economy and the purchasing power of consumers. Following a high of 9.2% in 2012 the inflation rate fell sharply to 5.1% in 2013, however in 2014 the rate of inflation nudged slightly upwards to 5.8%. During the period 2015-2018 there was a gradual decline in the rate of inflation from 4.7% in 2015 to 1% in 2018. The rate of inflation recorded in 2018 was the lowest rate for the period under review. One of the primary contributors to the ease in the inflationary pressures was the reduction in food inflation throughout the period owing to lower cost of production and greater local output.

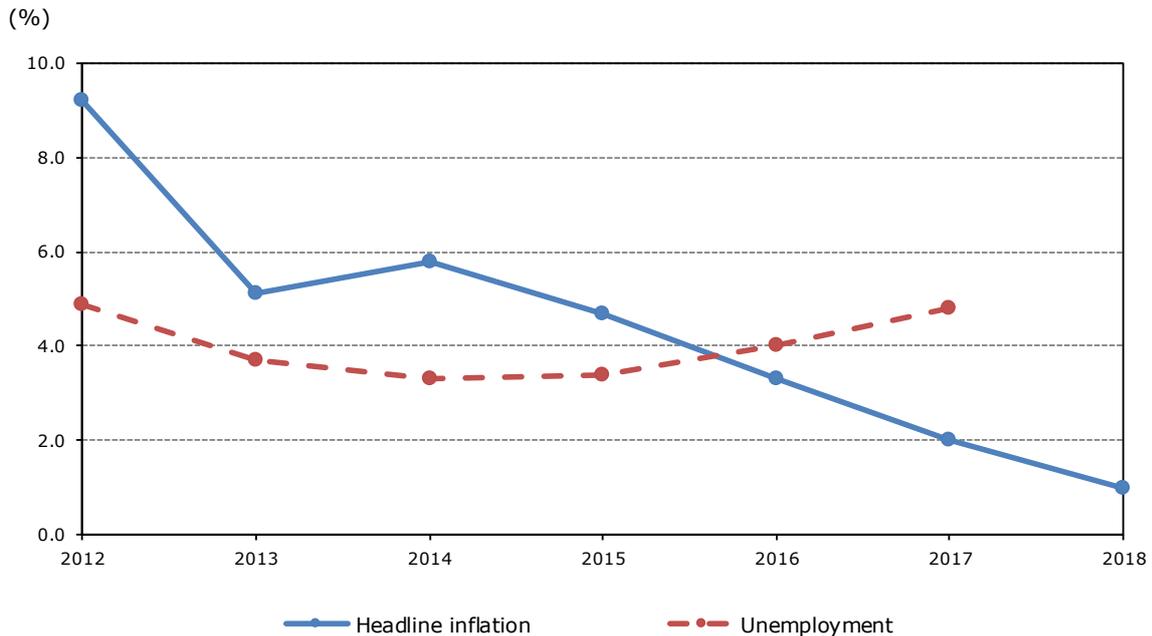
2.3. During the period under review (2012-2018), unemployment remained within the conservative range of 3-5%. In 2012 the unemployment rate stood at 4.9%, this was followed by a consecutive decline over the next two (2) years registering at 3.7% and 3.3% in 2013 and 2014 respectively. For the years 2015, 2016 and 2017, the unemployment rate increased marginally and was recorded at 3.4%, 4% and 4.8%, respectively.

Figure 1: Economic growth



Source: TT growth: Ministry of Finance, Review of the Economy, 2018, 2017 and CBTT.
Global growth: World Economic Situation Prospects, United Nations, 2018.

Figure 2: Inflation and unemployment rates



Source: Central Bank of Trinidad and Tobago; Central Statistical Office; and Review of the Economy, 2018.

2.2 Fiscal Performance

2.4. Over the period under review (2012-2018) the steep drop and subsequent fluctuation in commodity prices within a low band, declining energy output and gaps in tax compliance and administration, led to decreases in Government revenue which resulted in fiscal imbalances. In order to address the fiscal imbalance, the Government successfully undertook fiscal consolidation measures by reducing expenditure and increasing revenue. The fiscal and other measures implemented included the reduction in Value Added Tax (VAT) from 15% to 12.5%, efficient cuts in transfers and subsidies, improvement in revenue collection and tax reforms, increases in energy production and exploration activities and expansions in non-energy sector revenue streams through

diversification projects. Government's expenditure ranged from approximately USD 7.2 billion to USD 9.2 billion during the period under review. In 2012 expenditure was recorded at USD 7.8 billion but rose consecutively in 2013 and 2014 to USD 8.7 billion and USD 9.2 billion, respectively. However, during the next four (4) years expenditure declined successively to USD 8.8 billion, USD 7.7 billion, USD 7.3 billion and USD 7.2 billion in 2015, 2016, 2017 and 2018, respectively.

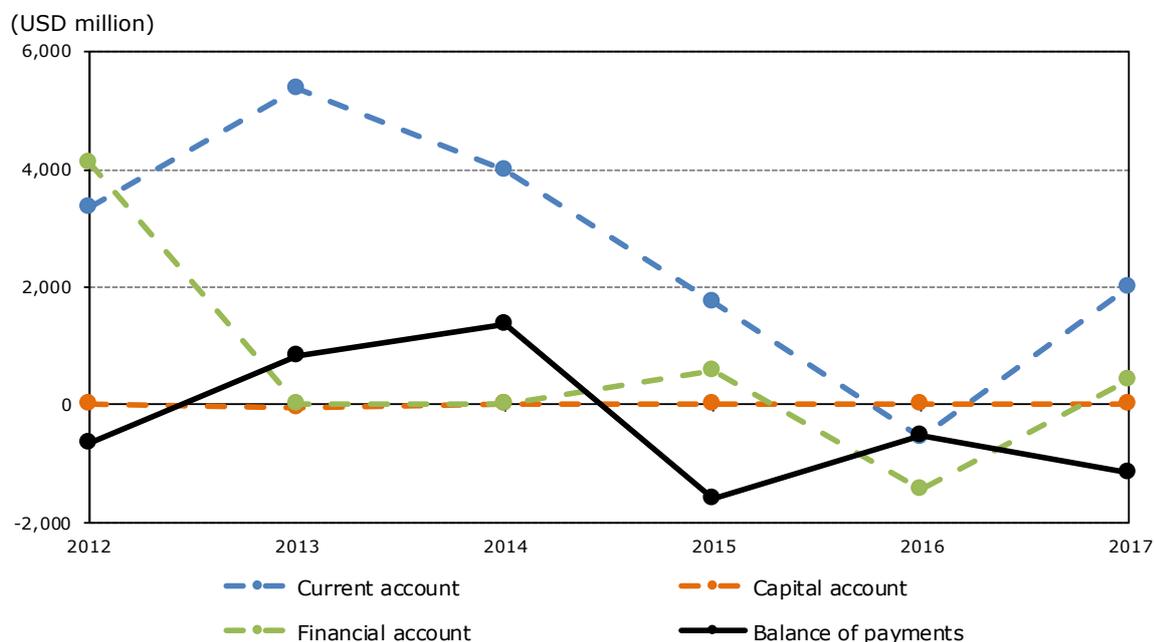
2.5. Government revenue over the review period (2012-2018) ranged from USD 5.3 billion to USD 8.6 billion. Government revenue in 2012 was USD 7.3 billion, this figure rose consecutively over the next two (2) years to USD 7.7 billion and USD 8.6 billion in 2013 and 2014, respectively. However, over the next three (3) years, Government revenue experienced a sharp decline from USD 8.4 billion in 2015 to USD 5.3 billion in 2017. The year 2016 revenue was recorded at USD 6.6 billion. In 2018 there was some recovery in Government revenue as revenue rebounded marginally to USD 6.3 billion. This recovery in Government revenue was on account of increases in the price of oil and a spike in the natural gas output.

2.6. The country's fiscal imbalance fluctuated throughout the period under review (2012-2018) whilst an overall deficit was maintained. Fiscal deficits were recorded in all years, with a deficit of USD 0.5 billion in 2012 followed by a rise to USD 0.9 billion in 2013. The deficit then fell to USD 0.6 billion and USD 0.4 billion in 2014 and 2015, respectively. However, the deficit then increased to USD 1.1 billion in 2016 and USD 1.9 billion in 2017. In 2018 the fiscal deficit once again fell to USD 0.9 billion.

2.3 Balance of Payments

2.7. Imports were approximately USD 11 billion in 2012 and increased to USD 12 billion in 2013. Imports then decreased thereafter over the next four (4) years falling consecutively to USD 10.6 billion, USD 8.7 billion, USD 7.9 billion and USD 6.9 billion in 2014, 2015, 2016 and 2017, respectively.

Figure 3: Balance of payments



Source: Review of the Economy, 2018

2.8. Exports were recorded at approximately USD 12.2 billion in 2012 and increased to USD 17.7 billion in 2013. Over the next three (3) years exports fell to USD 13.7 billion, USD 10.1 billion and USD 7.5 billion in 2014, 2015 and 2016, respectively. In 2017, exports rebounded to USD 9.1 billion on account of an increase in output of natural gas from the commissioning of British Petroleum's (BP's) Juniper Platform.

2.9. In 2012 the visible trade surplus was approximately USD 1.2 billion which increased to USD 5.7 billion in 2013. The trade surplus was reduced consecutively over the next three (3) years to USD 3.3 billion and USD 1.5 billion in 2014 and 2015 respectively, before falling to a deficit of approximately USD 0.4 billion in 2016. The trade balance recovered in 2017 with a recorded surplus of USD 2.2 billion. The trade performance is expected to continue on an upwards trajectory as BP's Angelin Platform commences production in 2019.

2.10. The Gross Official Reserves amounted to USD 9.4 billion in 2012 with an Import Cover of approximately 10.6 months. As at September 2018 the Gross Official Reserves amounted to USD 7.53 billion representing an average of 8.1 months of import cover which is well above international standards. The Heritage and Stabilization Fund (HSF) increased to USD 6 billion as at September 2018 from USD 4.5 billion in August 2012. During the period under review (2012-2018) two (2) withdrawals were made from the HSF in 2016 and 2017 at an amount of USD 0.38 billion and USD 0.25 billion respectively.

2.4 Economic Outlook

2.11. Trinidad and Tobago's future economic outlook should be viewed in the context of the global environment and in particular fluctuating commodity prices in crude oil and natural gas. Over the period under review, the price of crude oil fluctuated from an average of USD 94.08 per barrel in 2012 to an average of USD 65.06 per barrel in 2018. Currently (February 2019) the price per barrel based on the West Texas Intermediate is below USD 56.00.

2.12. Despite this exogenous shock, the economic outlook for Trinidad and Tobago remains positive which is demonstrated by increases in economic growth for 2018, estimated at 1.9%. This trajectory is expected to continue given the expansionary projects in both the energy and non-energy sectors currently being implemented. These include projects in the transport, maritime, manufacturing and agriculture and agro-processing sectors. The IMF has projected that growth in Trinidad and Tobago's economy will average 1.6% over the next 5 years (2019-2023), with the fiscal deficit narrowing to an average of 4% of GDP over the medium term as energy revenues rise, non-energy revenues recover and improvements are undertaken in the efficiency of transfers and subsidies.

3 INSTITUTIONAL FRAMEWORK

3.1 The Ministry of Trade and Industry

3.1. The Ministry of Trade and Industry (MTI) has the principal responsibility for formulating trade policies and negotiating and implementing trade agreements. However, it does not execute these functions in isolation, but with the active participation from other key stakeholders, organizations and bodies in crafting public policies. This institutional structure allows for the participation of various elements of civil society in policy making, as well as, the negotiations of trade agreements. This is done via a Ministry-led Cabinet appointed Technical Coordinating Committee (TCC) which is supported by sub-committees on agriculture, market access, services, investment, legal and trade related issues. These sub-committees provide advice to the TCC on the specific subject areas. Additionally, the Ministry of Trade and Industry is advised by wider dialogue which is carried out via monthly meetings of the private sector-led Standing Advisory Committee on Trade and Trade-Related Matters. This Committee comprising members from private sector entities, other key areas of civil society and representation from the Ministry of Trade and Industry. The Ministry representative provides advice on trade related matters as well as obtains information from the private sector on key issues which required intervention at the Ministry level.

3.2 Other Key Organizations and Stakeholders

3.2. Additionally, a myriad of strategic organizations and state agencies were established over the years to facilitate and promote trade, business and investment in the country. Such organizations include The National Export Facilitation Organization of Trinidad and Tobago – exporTT, the National Investment Promotion Agency of Trinidad and Tobago – invesTT, Evolving Technologies and Enterprise Development Company Limited- eTeck, the Trinidad and Tobago Creative Industries Company - creativeTT and the Coalition of Services Industries (TTCSI). These organizations were established under the guidance and leadership of the Ministry of Trade and Industry to provide the

enabling environment to achieve greater coordination in growing and developing business, trade and investment in the country.

4 TRADE POLICY AND STRATEGY

4.1. During the period under review (2012-2018), the Government of the Republic of Trinidad and Tobago (GORTT) developed a Trade Policy and Strategy for the period spanning 2013-2017. The overarching goal of this Trade Policy and Strategy was to ensure that the benefits of international trade contributed to the socio-economic development of Trinidad and Tobago; through the expansion and diversification of production, exports (goods and services) and markets.

4.2. The objectives of the Trade Policy and Strategy were as follows:

- To expand market access for Trinidad and Tobago's goods and services globally and regionally;
- To safeguard sensitive productive sectors;
- To increase export capacity and competitiveness of value-added goods and services, in the energy and non-energy sectors;
- To improve the business and trade-enabling environment;
- To strengthen the institutional framework for trade;
- To mobilize resources to finance needs of the trade and trade-related sectors;
- To deepen regional and hemispheric integration and cooperation as a means of increasing leverage when dealing with the international community; and
- To mainstream trade policy into the wider macro-economic and development policy-setting.

4.3. Since the expiration of the 2013-2017 Policy, the GORTT in collaboration with the Economic Commission for Latin America and the Caribbean (ECLAC) has commenced the development of a new Trade Policy and Strategy for Trinidad and Tobago for the period 2019-2023. The major aim of this Policy is to increase the country's non-energy exports. The new National Trade Policy and Strategy 2019-2023 articulates Government's trade-related policies aimed at enhancing and diversifying the country's exports (especially in the non-energy sector) and increasing its earnings of foreign exchange. The new policy will aim to transform Trinidad and Tobago's exports to ensure that the country produces increasingly high-value goods and services.

5 TRADE AGREEMENTS

5.1. The Government of Trinidad and Tobago continues to recognize the significance of improving and solidifying relations with its regional and international trading partners through deepening ties via a number of trade agreements. The involvement in these Agreements has been in coordination with other members of the Caribbean Community (CARICOM) and CARIFORUM (CARICOM and the Dominican Republic).

5.1 CARICOM Single Market and Economy (CSME)

5.2. Implementation of the CARICOM Single Market and Economy (CSME) became operational in January 2006. As a member of the Caribbean Community, Trinidad and Tobago is committed to the realization of the CARICOM Single Market and Economy (CSME). From 2012 to present, at the CARICOM level the CSME has progressed in several ways. In particular, there has been advancements in the free movement of goods, services, skills, capital and the cross-border establishment of businesses.

5.3. In addition, several domestic and regional achievements have taken place during the period under review including:

- i. all Member States have adopted the regional model law - "Caribbean Community Act" which gives the Revised Treaty of Chaguaramas the force of law in their respective Member States;
- ii. the Double taxation agreement has been incorporated into Member States domestic laws;
- iii. Member States have recognized the original jurisdiction of the Caribbean Court of Justice in domestic law; and

- iv. Caribbean Vocational Qualifications (CVQs) can now be issued by Barbados, Grenada, Guyana, Jamaica, Saint Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

5.2 CARICOM Bilateral Trade Agreements

5.4. As a member of CARICOM, Trinidad and Tobago currently has bilateral agreements with Venezuela, Colombia, the Dominican Republic, Cuba and Costa Rica. The Latin American markets are a point of focus given their geographical proximity, population, geographical disposition, purchasing power and investment opportunities.

5.5. With regard to the CARICOM-Cuba Trade Agreement, on November 10, 2017, a second protocol to the existing Trade Agreement between CARICOM and Cuba was signed. This new Agreement seeks to expand preferential market access. More specifically, Cuba has granted duty-free access to an additional list of approximately 326 items exported from CARICOM Countries. These products include meat, fish, dairy produce, fruits and vegetables, beer, rum, cement, soaps, articles of apparel and clothing. Whereas, CARICOM duty-free offer to Cuba includes; fish, pharmaceutical products, fertilizers, articles of iron and steel, electrical machinery and equipment and parts thereof.

6 PREFERENTIAL TRADE AGREEMENT

6.1 CARIFORUM-EU Economic Partnership Agreement (EPA)

6.1. The CARIFORUM-EU EPA Agreement was signed in 2008 and is being provisionally applied. The CARIFORUM-European Community Economic Partnership Agreement Act No. 9 of 2013 was assented to on 17 July 2013.

6.2 CARIBCAN

6.2. Trinidad and Tobago continues to be a beneficiary of the 1986 Caribbean/Canada Trade Agreement (CARIBCAN) which provides non-reciprocal duty free access to the Canadian market for all goods excluding: textiles and clothing, footwear, leather garments, luggage and handbags and lubricating oil from participating CARICOM countries. A successor Agreement between CARICOM Member States and Canada failed to materialize after seven (7) rounds of negotiations and the process was formally suspended by Canada on 4 May 2015.

6.3. However, in July 2015, at the request of Canada, the WTO General Council extended the Most Favoured Nation (MFN) waiver for CARIBCAN, whereby preferential access is granted for exports to be allowed into Canada from CARICOM Member States until December 2023.

6.3 Caribbean Basin Initiative (CBI)

6.4. The Caribbean Basin Initiative (CBI) was established in 1983 through the Caribbean Basin Economic Recovery Act (CBERA), which came into effect on 1 January 1984. This program was expanded in 2000 through the US-Caribbean Basin Trade Partnership Act (CBTPA), which entered into force on 1 October 2000. The CBTPA, through which the benefits under CBERA were further expanded, is due to expire on 30 September 2020.

7 TRINIDAD AND TOBAGO BILATERAL AGREEMENTS

7.1. Trinidad and Tobago has negotiated and concluded several Partial Scope Trade Agreements (PSTAs) with countries in Latin America, namely Panama, Guatemala and El Salvador. This illustrates the Government's commitment to extending its economic presence in Latin America. Another country of interest that Trinidad and Tobago is desirous of establishing a PSTA with is Chile. In 2017, Trinidad and Tobago re-engaged Chile for the exploration of a Partial Scope Trade Agreement, and both countries exchanged an initial list of products of interest in 2018.

7.1 TT-Panama Partial Scope Trade Agreement

7.2. The Trinidad and Tobago-Panama Partial Scope Trade Agreement (PSTA) Agreement was signed on 3 October 2013. The legislation which gives effect to the Agreement was approved by Parliament and then assented to by the President on 1 April 2015 via Act No. 5 of 2015 and entered

into force on 5 July 2016. Since entering into force, a Joint Administrative Commission (JAC) has been formed to aid in the implementation of the PSTA. The Commission will meet in 2019 to discuss the implementation of the Agreement.

7.2 TT-Guatemala Partial Scope Agreement

7.3. The TT-Guatemala PSTA was negotiated by both countries on 6 February 2015. This Agreement aims to enhance economic relations between both countries through the expansion of trade in goods and services. The Agreement provides for local manufacturers in Trinidad and Tobago to benefit from preferential rates on one hundred and forty-six (146) products. It is intended for all Trinidad and Tobago exporters to sell products such as agro-processed goods, curry, chocolate, guava jams and jellies, peanut butter, hydraulic fluids, toilet or facial stock, building bricks, tiles and aluminium doors, at a duty-free rate to a market of approximately 15.4 million persons. There has been consequent consideration of particular agricultural products being included and discussions are ongoing between both Governments.

7.3 TT-El Salvador Partial Scope Trade Agreement

7.4. El Salvador and Trinidad and Tobago undertook negotiations for the Partial Scope Trade Agreement (PSTA) in 2014. This Agreement will strengthen trade and cooperation ties between both countries. It is also expected to open the doors to increase trade, which currently ranges around USD 60 million per year in products of reciprocal interest such as metal containers, plastic products, cosmetics, pharmaceuticals, furniture, tuna and leather packaging by El Salvador; and oil and lubricants, natural gas, matches, condiments and spices among others by Trinidad and Tobago. The Government has not moved forward from the negotiation stage

8 THE MULTILATERAL FRAMEWORK

8.1 The World Trade Organization (WTO)

8.1. Trinidad and Tobago remains firmly committed to a fair and equitable rules-based multilateral trading system that is supportive of the development pursuits of Members and which it considers to be the foundation of its relationship with trading partners. As a small and vulnerable economy (SVE) with supply-side capacity constraints, Trinidad and Tobago recognizes the importance of trade as a development tool and therefore looks to the multilateral trading system as an avenue to reduce its vulnerabilities.

8.2. Trinidad and Tobago is deeply committed to the negotiating process under the Doha Development Round and recognizes that its successful conclusion will bring benefits to all Members. However, there is advocacy for a pragmatic approach involving a work programme that takes due cognizance of the unique issues related to SVEs.

8.3. Trinidad and Tobago continues to submit notifications under the WTO Agreements as required, including in the areas of technical barriers to trade, sanitary and phytosanitary measures, import licensing, agriculture, subsidies and countervailing measures, anti-dumping measures and state trading enterprises.

8.2 Aid for Trade (Aft)

8.4. Trinidad and Tobago's National Aid for Trade (Aft) Strategy was approved in 2016 together with the development of a National Aid for Trade Monitoring Committee. This Strategy will assist donors, investors and international development partners in deciding where best to channel their resources to assist Trinidad and Tobago to further develop its international trade capacity. Notably, the Strategy identified funding for trade-related projects and programmes under three (3) pillars, namely:

- a. Export Diversification;
- b. Competitiveness; and
- c. Trade Facilitation.

8.5. One project entitled the Development of a National Quality Policy for Trinidad and Tobago was completed and approved by the Government under the AFT Strategy. Some of the Projects being considered for funding are from the services sector, in particular the creative industries.

8.3 National e-Commerce Strategy

8.6. In 2017 the Government developed a National e-Commerce Strategy aimed at increasing usage of e-commerce by businesses to increase exports in Trinidad and Tobago. Government's role is to ensure that businesses and consumers have the necessary tools and resources to derive tangible benefits from e-commerce, as well as, the legal and regulatory frameworks that foster business and consumer confidence in the establishment of a larger digital economy. The principal objective of this Strategy is to create an enabling environment that facilitates and promotes e-commerce for local businesses to serve domestic and international consumer markets. It is envisaged that such an environment will encourage firms, especially MSMEs, to conduct business online which will increase exports especially in the non-energy sector.

8.4 The WTO Agreement on Trade Facilitation

8.7. In 2015, Trinidad and Tobago ratified the WTO Trade Facilitation Agreement (TFA). The ultimate purpose of this Agreement is to reduce the costs and delays associated with procedures which enable trade within free-market principles and to contribute to economic growth driven by trade expansion. In keeping with the obligations under the TFA Trinidad and Tobago submitted its Notification for Category A commitments to the WTO during the review period.

8.8. A National Trade Facilitation Committee's (NTFC) comprising representatives of the public and private sectors and was established on 23 March 2016 under the aegis of the Ministry of Trade and Industry. The Committee's mandate includes the domestic implementation of the WTO TFA. Since 2016, the Committee has undertaken a range of activities which are required for coordinating and implementing various provisions under the TFA. These activities include the development of a Roadmap and an Implementation Plan for Trade Facilitation, as well as, the submission of Trinidad and Tobago's priority training needs to the CARICOM Secretariat under the CARICOM Regional Strategy for implementation of the WTO TFA.

8.9. Furthermore, Trinidad and Tobago also participates in the CARICOM Regional Committee on Trade Facilitation (RCTF) which was established to facilitate regional coordination and implementation of the TFA within CARICOM and to promote consistency between national and regional trade facilitation priorities.

9 BUSINESS REFORMS

9.1. Improving the domestic business and investment climate remains one of the key objectives of the Government. While the Ministry of Trade and Industry is charged with implementing specific business reforms, it is also responsible for monitoring and reporting on the implementation of reforms under several other Ministries and Government agencies that impact on overall business and investment. These reforms are categorized under the following three (3) broad areas:

- a) **Improving the Ease of Doing Business** – In June 2013, an Inter-Ministerial Committee, chaired by the Minister of Trade and Industry, was formed and charged with the mandate of implementing an aggressive package of reforms to improve Trinidad and Tobago's ranking in the World Bank's Doing Business Index. To encourage collaboration and buy-in from all relevant stakeholders, an implementation plan for measures to improve the ease of doing business in Trinidad and Tobago was approved by the Cabinet in April 2017.
- b) **Implementation of a New Investment Framework for the Approval and Facilitation of Investments in the Non-Energy Sector** – In April 2017, Cabinet agreed to establish this framework with the aim of reducing bureaucracy and red tape faced by current and potential investors. A key component of the Framework is the Inter-Ministerial Committee (IMC) appointed by Cabinet and chaired by the Minister of Trade and Industry. This Committee was established to improve the processing times involved in approving and facilitating investments in the non-energy sector.

c) Strengthening of the Single Electronic Window (SEW) for Trade and Business Facilitation (TTBizLink) – In January 2016, Cabinet agreed to the execution of a USD 25 million loan from the Inter-American Development Bank to fund the strengthening of the Single Electronic Window for Trade and Business Facilitation. The main projects under this programme are:

- i. Review of the Legislative and Institutional Framework for Trade and Business
This project involves diagnosing and updating the legislative and institutional framework for trade and business in Trinidad and Tobago and making appropriate recommendations for improvement consistent with international best practice.
- ii. Consultancy to Implement a Risk Management Solution
This consultancy will enable officers in the relevant agencies to make risk-based decisions within their day to day border management tasks, using an advanced automated risk management system which will result in improved accuracy and targeting of high-risk cargo.
- iii. Consultancy to Develop and Implement an Automated Construction Permit System
The existing construction permit processes will be re-engineered from a paper-based system to an automated online system which will significantly reduce the time to obtain construction permits for business activity.

10 DIVERSIFICATION

10.1. The Government has identified several key economic areas of interest for the diversification of the economy. These include the manufacturing sector, financial services, maritime services, aviation services, fishing and fish processing, agriculture and agro-processing and software design and application.

10.1 The Manufacturing Sector

10.2. Over the period 2012-2017 the Manufacturing sector, on average, recorded negative growth. However, in 2018, the Sector rebounded with growth of 7.3%, registering an uptick in economic activity in most manufacturing subsectors.

10.3. This performance can be attributed to the Government's focus on reforming the economic environment to facilitate business growth and development with a focus on non-energy exports. Some of the measures being implemented in this regard include the development of a National Quality Policy, the creation of new economic spaces and the drafting of a new Special Economic Zones Policy for Trinidad and Tobago, as well as, enhanced market access and improved access to finance for domestic manufacturers.

10.4. The Manufacturing sector in Trinidad and Tobago is entering an era of rapid technological change with the onset of the 4th Industrial Revolution, which the Government intends to take advantage of. Advances in technology will have tremendous impact on production, products and processes of manufacturers. In particular, the 4th Industrial Revolution will beckon manufacturers in Trinidad and Tobago to re-examine the way they do business. Manufacturers are being facilitated, through the recently implement Research and Development and Grant Fund Facilities, to invest in new technologies in order to adapt to these changes, especially when meeting the needs of customers in new and existing export markets.

10.1.1 National Quality Policy

10.5. The Government understands that quality is critical to productivity, innovation, competitiveness, and trade facilitation and has therefore developed a National Quality Policy for the period 2018-2030. One of the main objectives of this Policy is to improve the operating framework of Trinidad and Tobago's Quality Infrastructure by providing guidance to the development of the human capital, physical infrastructure, governance arrangements and implementation of legal reforms.

10.1.2 New Economic Spaces

10.6. Many new businesses and industries are being promoted by the Government in various industrial estates throughout the country. The Government is improving and expanding the supply of investment-ready spaces for the expansion of economic activity and investment. One such space that is currently being developed is the Phoenix Park Industrial Estate in Couva.

10.2 Maritime Sector

10.7. The Transshipment and Cold-stacking activities in the Gulf of Paria are attracting an upsurge of interest from both local and foreign entities. These activities in the Maritime sector do not require infrastructure while generating significant employment. Another related Maritime project that will create employment and be a significant revenue and foreign exchange earner is the establishment of a dry-docking facility in La Brea.

10.3 Yachting Sector

10.8. A Yachting policy was developed and is currently being implemented. Yacht arrivals have been on the increase, rising from 904 in 2017 to 1031 in 2018, representing an increase of 14% in arrivals. Yachting is an important tourism niche and to this end, the Government is expediting the development of two (2) marina facilities, one (1) in Trinidad and another in Tobago.

10.4 Creative Industries

10.9. The Government is also actively facilitating the development of a creative industry sector. In this regard, the state agency responsible for growing and developing the creative industries, creativeTT, has been mandated to oversee the implementation of business and export-oriented projects, with emphasis on distribution, capacity building, marketing and promotion. Strategic plans have been prepared to guide the development of the film, fashion and music subsectors.

10.5 Agriculture

10.10. The diversification of the Agriculture sector remains a high priority for the Government. Therefore, the Government offers a number of incentives through its Agriculture Incentive Programme in a variety of areas such as *inter alia* land preparation, machinery and equipment, tree crops and pasture management for livestock. Additionally, a number of initiatives are being implemented by the Government to facilitate the diversification of the sector such as the development of an Agro-Processing and Light Industrial Park in Moruga. This Facility is now in construction phase and will allow for significant value added in agriculture and agro-processing incorporating facilities for canning, bottling and freezing of finished products. The Government continues to build on the country's competitive advantages through the rehabilitation of the country's coconut, cocoa and citrus industries through programmes such as the Coconut Rehabilitation and Replanting Programme and the Cocoa Rehabilitation Programme.

10.6 Tourism

10.11. The Government is also working assiduously on reforming the Tourism industry in Trinidad and Tobago. Some related tourism projects to boost tourism in Tobago include the construction of a new airport terminal in Tobago, as well as, the purchase of two (2) new ferries to service the sea bridge between Trinidad and Tobago.

10.7 Services

10.12. In 2017, total services exports from Trinidad and Tobago accounted for approximately USD 1.08 billion or 0.02% share of total world exports. In comparison to 2012, Trinidad and Tobago's services exports was approximately USD 1.4 billion accounting for approximately 0.03% of total world service exports.

10.13. Notably, Trinidad and Tobago has considerable potential to benefit from this trade, since services now account for around 60% of its total value added. However, exports of services accounted for only USD 1.118 billion or only 10% of total national exports in 2017. The fastest

growing sector was other business services such as legal, accounting, management consulting, public relations and research and development, followed by travel, transportation, computer and information services, financial services and royalties and license fees.

10.14. The Government has embarked on an aggressive agenda of building the export capability of the services subsectors, such as financial services, maritime services (ship repair, dry-docking, transshipment services and yachting), aviation services, tourism services, creative industries services, soft-ware design and application, education services, health care services, professional (degree-based) services, financial services, business process outsourcing, engineering and architecture services, renewable energy services, offshore platform fabrication and construction services.

11 INVESTMENT

11.1. Trinidad and Tobago is an attractive destination for Foreign Direct Investment (FDI) since it provides investors with numerous benefits such as, a highly competitive cost of doing business, access to global markets, ideal geographic location being a gateway to the Americas, a regional transshipment hub and a relatively stable economic and political environment. Its investment climate is generally open with minimal investment barriers. In order to facilitate increase inward investment flows the GORTT has signed thirteen (13) Bilateral Investment Treaties and seventeen (17) Double Taxation Agreements with other Governments across North America, Latin America, Europe and Asia. These agreements ensure the protection of investments made by either Party to the Agreement. Trinidad and Tobago has proposed the negotiation of BITs with Brazil, Chile, Colombia, Italy, Norway and Panama.

11.2. In addition to this competitive investment landscape, investors can benefit from a range of investment incentives across the energy and non-energy sectors inclusive *inter alia* of: manufacturing, creative, tourism, agriculture and maritime. These incentives are aimed at promoting local and foreign investment, while also creating an enabling business environment for all investors. Additionally, investors can benefit from guided facilitation from the national investment promotion agency, InvesTT. InvesTT was established with the mandate to implement Government's investment policy, act as the focal point of access for potential foreign investors in all sectors of the economy as well as to facilitate all requirements, including regulatory approvals necessary to establish a business.

12 CONCLUSION

12.1. During the period under review the Government of the Republic of Trinidad and Tobago focused on stabilising the economy by implementing fiscal consolidation measures, stimulating economic growth, encouraging FDI and promoting trade diversification through expansions in both its energy and non-energy sectors. Accordingly, Trinidad and Tobago has continued to actively engage and support the multilateral trading system and encourage free trade agreements in the region (Latin America and the Caribbean) in keeping with WTO principles, rules and guidelines.

12.2. To ensure active and increased participation in the international trading environment the Government has developed specific policies, strategies and programmes to guide its trading agenda. These developments are aimed at diversifying the economy, improving the economic performance of the non-energy sector and business climate, in order to maximize gains stemming from increased market access. The Government is of the view that a stronger resilient and more diversified economy will increase the country's foreign exchange earnings and international trade performance.
