

## **TTMA Remains Cautious and Awaits Greater Detail from the Budget.**

The Trinidad and Tobago Manufacturing Association (TTMA) has reviewed the government's Appropriation Bill for 2017-2018 entitled, "Changing the Paradigm", and is pleased to learn of the intent to treat with multiple issues pertinent to the development of the manufacturing sector. However, the TTMA remains cautious in its view until more details are made available on the implementation of some of the government's budgetary intentions.

According to Christopher Alcazar, President of the TTMA "The Association welcomes the government's intention to streamline the national tax administration system through the proposed Revenue Authority; the expansion of access to foreign exchange and the re-introduction of the Export Allowance facility for the manufacturing sector in Trinidad and Tobago. We are particularly encouraged to note the government's intent to improve support for fledgling businesses through its expanded small business development loans and grants programme, the incentive framework for the construction industry and the new proposed investments into the agri-business sector as well as the inclusion of new academic programmes in the areas of fashion, textiles and garments. Moreover, the reference made to the operationalization of the Public Procurement regime is a most important requirement for transparent procurement practices and is something for which the TTMA has been advocating for some time".

However, Alcazar noted that "the TTMA is concerned at the perceived attempt at harmonization of Corporation Tax to 30% across the board. We are of the opinion that this measure can have the deleterious impact of stifling the capacity and growth of small and medium enterprises that are already challenged with depressed local and regional market conditions".

The TTMA remains hopeful that the government, in its implementation plan for each of these areas, will give consideration to the following:

- 1) Tripartite discussions with the labour movement and industry will result in the development of a modern, fair and effective industrial relations regime through comprehensive legislative reform;
- 2) Access to foreign exchange through the EXIM Bank as a licensed dealer will be non-bureaucratic, non-partisan and will in fact support companies that are either exporters or demonstrate strong export potential;
- 3) The proposed Revenue Authority will place the VAT collection and refund system as a priority to ensure that our manufacturers' cash flows are not constrained by inordinate delays;
- 4) Tripartite discussions between the government, the agricultural sector and the manufacturing sector to create a secure value chain that properly links agriculture with local agro-processors, for commercialization within the local tourism sector;
- 5) The establishment of the office for the Procurement Regulator will take place in this fiscal year, to give life to the Procurement Act of 2015 and restore transparency to all procurement practices.
- 6) Commercial rates for water and electricity will be reviewed with a view to ensure that the effect on the business community is not drastic so as to undermine the cost of doing business, considering the present recessionary state of the economy.

In this regard the TTMA looks forward to the details that would be discussed in the ensuing debate.