

# THE MANUFACTURER



THE OFFICIAL NEWSLETTER OF THE TRINIDAD & TOBAGO MANUFACTURERS' ASSOCIATION Volume 36 | September 2013

## Taking Advantage of Global Opportunities

The  
Innovative  
Imperative



The  
Implications  
of Trade  
Liberalization  
for Caribbean  
Economies

Exploring New  
Markets  
For T&T's Products



Big Reach with  
Technology

The advent of cloud computing allows companies of any size to affordably use this technology. It's not only for the big guys anymore.

National  
Quality  
Infrastructure  
The Foundation to  
Competitiveness  
and Sustainable  
Development



# From the Desk of the President



On September 9th, 2013, the Government announced a \$61.4 billion budget, and the TTMA is encouraged by the measures outlined in the 2013/2014 fiscal package aimed specifically at bolstering this country's manufacturing sector.

As indicated by the Minister of Finance, the non energy sector is driving the recent growth in the economy, and as such the establishment of an enabling environment is critical for its continued growth and development.

The measure that will have the most impact for manufacturers in this year's budget is the issue of VAT. The Association is heartened by the injection of \$1 billion to remove the long outstanding backlog of VAT refunds due to companies which was one of the organization's recommendations for this year. The TTMA welcomes the commitment by the Government to ensure that all VAT refunds are made "at maximum, within the legal time frame", and notes the Minister's statement that the Government proposes to simplify the VAT refund process for the manufacturing sector.

It should be noted however that the TTMA, in its recommendations to the Government this year, called for the removal of VAT on all inputs

to be used in the manufacturing processes of firms established in T&T. This includes VAT exemption from capital items (machinery and equipment) for the purpose of manufacturing as well. The TTMA advocates that companies listed under the Third Schedule of the Customs Act qualify for this incentive in a manner similar to that offered under the Import Duty Concession, that is, an exemption from VAT on machinery, equipment and raw materials used in the manufacturing processes of companies operational in T&T. The Association believes this incentive will act as great impetus for investors coming to Trinidad and Tobago to set up manufacturing operations.

Further, the TTMA noted that the present system stipulates that VAT revenues collected are directed to the Consolidated Fund, and recommended that a separate account be established specifically for the collection of VAT revenues to ensure that funds collected through VAT payments by local businesses can be used specifically to make refunds and avoid some of the bureaucratic nuances as may be experienced through the Consolidated Fund.

The TTMA remains focused on the specific areas that must be addressed

to support businesses in developing and maximizing their competitive advantage to achieve the economic transformation that is required in T&T for diversification of the economy away from the energy sector.

Our local manufacturing sector continues to face many challenges in its regular interface with the agencies that regulate import and export trading activity. We have noted some encouraging signs and developments, but there remains considerable room for improvement in the service they provide to our business community.

A reduction of government bureaucracy and improved efficiency will increase our members' ability to compete locally and globally. This country's manufacturers have the capacity and expertise to compete in certain areas, but the inefficiencies of the Ports and Customs, and other regulatory agencies such as Chemistry, Food and Drugs Division hinder trade. Institutional strengthening is a fundamental issue that must be addressed in 2014 through the improvement of Border Control agencies to create a facilitating environment for manufacturers.

**NICHOLAS LOK JACK**  
PRESIDENT

## Vision STATEMENT

To be the voice of manufacturers in Trinidad and Tobago, creating value and providing world class service to our membership.

## Board OF DIRECTORS

Mr. Nicholas Lok Jack  
(President)

Mr. Paul Quesnel

Mr. Craig La Croix

Mr. Robin Lewis

Mr. Robin Phillips

Mr. Darren Leigh

Mrs. Genevieve Jodhan

Ms. Franka Costelloe

Mr. Roger Roach

Mr. Anthony Farah

Dr. Rolph Balgobin

Mr. Ashmeer Mohamed

DO YOU  
NEED  
TO CONTACT US?



## TRINIDAD & TOBAGO MANUFACTURERS' ASSOCIATION



2nd Floor, TTMA Building  
#42 Tenth Avenue, Barataria  
P.O.Box 971, Port of Spain  
Tel: (868) 675-TTMA(8862)  
Fax: (868) 675-9000  
Email: [membership@ttma.com](mailto:membership@ttma.com), [info@ttma.com](mailto:info@ttma.com)  
URL: [www.ttma.com](http://www.ttma.com)

Design & Layout



cgfxstudio

868.645.4133  
[ [interact@cgfxstudio.com](mailto:interact@cgfxstudio.com) ]



# THE INNOVATION IMPERATIVE

“Just as energy is the basis of life itself, and ideas the source of innovation, so is innovation the vital spark of all human change, improvement and progress.”

Theodore Levitt, American economist and professor at Harvard Business School

This year's Global Competitiveness Report released by the World Economic Forum presented some interesting developments for Trinidad and Tobago. Even though Trinidad and Tobago fell in the overall competitiveness ranking - 84th out of 144 countries in 2012 to 92nd out of 148 countries in 2013 - this country was placed into a higher category with respect to its stage of development, moving from a transition stage between Efficiency-driven and Innovation-driven completely into the Innovation-driven category. This classification is based on the GDP per capita, which is projected by the IMF to be about \$19,000 US with a growth rate of about 5% versus last year.

This new classification means that companies operating in Trinidad and Tobago must change the way they do business – and place greater focus on innovation as a growth strategy. The business community must pay close attention to strengthening their internal business environment – by adopting new technologies, upskilling workers at all levels, improving their physical environments.

Innovation is subjective. What may be classified as innovative to one company may be old news to another. Innovation can be thought of as something that is different or a more creative and

better way of doing things. There are several types of innovation inter alia product innovation, process innovation and innovation among the value chain. Before we delve into the various types of innovation, it is worth talking about all the other facilitating factors of innovation including creative people, an encouraging work environment and culture and funding.

## HIRING THE RIGHT PEOPLE

In order for a company to be innovative in their product offering or the way a product is delivered, it is essential that the company hires the right people. These persons should be innovators, creative-thinkers, problem solvers and learners. They should be able to adapt quickly to situations, be competitive in an ever-changing business environment, able to think outside of the box and possess the ability to learn what works and what does not work and improve upon what they have learnt. Trinidad and Tobago churns out thousands of tertiary-level graduates, both young and old from its various institutions every year. Most of these, if not all, have the capacity to be creative thinkers. These academically trained individuals once stimulated in a conducive work environment and culture should be able to develop innovative ideas and innovative products.

## ENCOURAGING WORK ENVIRONMENT AND CULTURE

Having creative and innovative persons in a company alone is not enough. The organization's work environment and organizational culture needs to be favourable to encouraging creativity, collaboration and innovation. If an organization's environment is not conducive to innovation, the innovative mind will not be put to its best use. Further, keeping an idea to oneself for fear that it might be snatched, is a surefire way, to not materialize ideas. This suggests that the work atmosphere needs to be conducive to new ideas and people need to be open to sharing their ideas. As the late Steve Jobs (2004) famously said, “innovation comes from people meeting up in the hallways or calling each other at 10:30 at night with a new idea, or because they realized something that shoots holes in how we've been thinking about a problem. It's ad hoc meetings of six people called by someone who thinks he has figured out the coolest new thing ever and who wants to know what other people think of his idea”. Trinidad and Tobago can follow suit to Steve Job's thoughts, as the co-founder and chairman of one of the largest companies in the world, Apple. Local companies need to be open to new ideas from all levels and types of employees. Further, they

need to stimulate innovation be it through training, brainstorming sessions or the aesthetic environment of the company, like Google has done.

## FUNDING

Funding is another condition necessary for innovation. Companies can have the best of ideas, but without sufficient funds to materialize their ideas, the idea is lost in the mind of the innovator. Research and development of ideas requires considerable funding to construct numerous prototypes. Funding is an issue that plagues Trinidad and Tobago companies. Companies can apply for funding from various institutions such as the Inter-American Development Bank, Caribbean Export and ExportTT to transform their abstract ideas to hard, material products.

## PRODUCT INNOVATION

Nike is a company that has continued to be innovative in their product and process lines. In fact, the company was among the top most innovative companies for 2013 (Fastcompany.com). One of Nike's most recent innovations is the FuelBand, an electronic fitness tracker bracelet that measures a person's movements throughout the day (be it walking, dancing or playing sports), counts how many calories an individual has burnt and calculates a

continued from page 3

person's total NikeFuel points (a proprietary metric of activity that Nike encourages persons to share online, thus playing a major role in social fitness). Essentially this is a more innovative pedometer. Nike took a simple product, revolutionized it digitally and added more creative fitness features.

In 2012, Nike's innovative product development led Nike Inc.'s Equipment division to have an 18% increase in profits after the introduction of the Nike+ FuelBand (Yahoo Finance). The Nike+ FuelBand has demonstrated Nike's transformation into a digital force. This illustrates how product innovation allows companies to grow, boost their market share and increase their profit margin. Nike's CEO Mark Parker said that "One of my fears is being this big, slow, constipated, bureaucratic company that's happy with its success... Companies fall apart when their model is so successful that it stifles thinking that challenges it". This highlights the fact that even industry giants need to continuously innovate and create in order to maintain a key position in today's dynamic business environment. Trinidad and Tobago companies can innovate their products creatively by improving quality or even packaging. One of Trinidad's very own make-up manufacturers realized the business potential in manufacturing foundation with yellow undertones for exotic Caribbean women, rather than foundation with red undertones for Caucasian women. This type of make-up catered to a special segment of the market that was not previously catered for. This type of product leadership is essential to maintaining market share on a local and global scale. Trinidad and Tobago companies must be able to diversify their product offering to meet the demands of consumers.

#### PROCESS INNOVATION

Ford Motor Company transformed the automobile industry in 1913 when it launched the world's first moving assembly line for the mass

production of an entire vehicle (PBS). This decreased the time it took to build an automobile from 12.5 hours to 93 minutes (Econproph). Ford's ability to think outside the box to maximize their production capacity and increase their competitiveness ultimately revolutionized the manufacturing sector. By altering the manufacturing process, whether it is computerizing operations, streamlining processes, using the latest technologies or simply processing at a more efficient rate, Trinidad and Tobago companies can engage in process innovation. This can improve their productivity as well as their profitability.

#### INNOVATION ALONG THE VALUE CHAIN

Michael Porter introduced the concept of the value chain in 1979. He suggested that businesses have multiple layers, which contribute to the total value passed on to the consumer. Direct activities like marketing and sales, clearly contribute to a company's revenue. Activities such as IT and customer service provide indirect, long-term value to the client.

All of these services form an interlinked and integrated value chain. All of these add value to customers' purchases as well as their purchasing experience.

Amazon.com is the number one e-commerce company in the world. However, Amazon has invested significantly in providing more value to customers than their rivals by having operational excellence, minimal shipping times and an exceptional return policy. Their innovation lies along the value chain that sells and delivers their products to the consumer, not the commodities themselves. Companies ought to take heed of this. In an increasingly competitive environment where products minimally differ, companies need to differentiate their product offering. This can be via superior customer service, after-care support or delivery, to name a few. It is essential for companies to innovate along the value chain if they are to be truly successful and maintain their market position.

Trinidad and Tobago companies must recognize the

need to promote quality along all facets of the value chain. They must work together along the value chain to provide a superior customer experience. This gives companies a competitive edge in areas such as delivery time, return policy and customer service even if the product offered is the same as others on the market. Operational excellence and customer intimacy are crucial in innovating along the value chain.

In an ever-evolving, technologically-driven society, innovation is of paramount importance. In order for local Trinidadian and Tobagonian manufacturers to succeed in the market place among international giants, they must have the necessary conditions for innovation as well as the ability to innovate in various areas. With our resources – our people, our skills and our innovative capacity, Trinidad and Tobago companies can innovate to survive, grow and compete on an international scale. As John Herrington (1939) highlighted, "there are no dreams too large, no innovation unimaginable and no frontiers beyond our reach".



Presents its

## Christmas Lime 2013

Friday 6th December, 2013

House of Angostura

7:00 p.m. to 11:30 p.m.

Kick off the season with this all-inclusive event, which offers a great opportunity to network with TTMA member companies!

With live performances by

❄️ **Mayaro the Band**

❄️ **Karma**

❄️ **Shurwayne Winchester**

Cost: **\$550** Vat inclusive

To purchase tickets: Please call 675-8862, or email: [events@ttma.com](mailto:events@ttma.com)



HOSTED BY


**TIC**  
**2013**
**Trade & Investment Convention**

June 1



# The Best of Business!

The 14th annual Trade & Investment Convention (TIC 2013) took place from June 12-15, 2013 at the Hyatt Regency in Port of Spain, hosting international buyers and exhibitors from around the world.

The event was hosted by the Trinidad and Tobago Manufacturers' Association and sponsored by the Ministry of Trade, Industry and Investment, First Citizens and TSTT Blink-Mobile.

TIC was a fully international business forum with attendance by businesses from 35 countries and international pavilions from Argentina, Brazil and the French Caribbean Territories. TIC brought together exhibitors and local and international business buyers to facilitate immediate business transactions on the tradeshow floor.

Exhibitors at TIC 2013 were given the opportunity to promote their products and services directly to qualified buyers with genuine purchasing power. On display was the best of Trinidad and Tobago, alongside exhibitors from the UK, Argentina, Martinique, Brazil, the Dominican Republic, and many other international exhibits.

TIC's multi-sectoral tradeshow hosted 128 booths. More than 4,600 persons attended the show, with 605 international Buyers and Distributors.

The Convention was officially opened by Minister of Trade, Industry and Investment, Vasant Bharath, who noted that TIC, since its inception, has generated US \$450 million or TT \$2.7 billion in business.

"For the first time in TIC's 14 year history, the agencies aligned under the Ministry of Trade, Industry and Investment will participate as one at the Convention," Minister Bharath said. The Minister affirmed to the investors and delegates that Trinidad and Tobago is open for business and is aggressively pursuing economic diversification and streamlining processes in favour of potential investors and business partners.

In welcoming attendees to the show, TTMA President Nicholas Lok Jack noted that the Trade and Investment Convention provides the opportunity to buyers and foreign investors to view, for themselves, some of the benefits engaging in business both from an investment prospective and trading perspective in Trinidad and Tobago.

TIC 2013 saw the introduction of a new pavilion hosted by Argentina, while Brazil maintained its strong presence with a six-booth pavilion. This proved extremely attractive to local and international buyers and further cemented the Convention's reputation as a

nexus for Caribbean-LatAm trade generation.

This year TIC introduced an exciting new element into the convention: Fashion at TIC. This included the House of Jaipur Pavilion, a special display in the MTII Investment Boulevard and three impressive fashion shows – hosted by House of Jaipur, MTII and TSTT respectively showcasing more than 20 designers. House of Jaipur funded an inward bound mission of regional hoteliers and boutique buyers whose presence was much

appreciated by other exhibitors on the tradeshow floor.

TIC 2013 was extremely successful for all participants. International buyer participation was strong with 605 overseas attendees from a record-breaking 50 countries represented. Approximately 4,600 business representatives attended the event, encouraged by a strong marketing, public relations and advertising campaign, and by the 39 seminars that comprised this year's TIC Business Education Programme.

## BEST OF TIC 2013 BOOTH AWARD WINNERS

### BEST PAVILION (OVER 4 BOOTH SPACES)

Winner: **Ministry of Trade, Industry & Investment** (Trade & Investment Boulevard)

Second Place: **TTMA's Value Chain Development Project** (Member companies involved in the Value Chain Project)

### BEST LARGE BOOTH (2-3 STANDARD SIZED BOOTHS)

Winner: **Lifetime Solutions**

Second Place: **Angostura Limited**

### BEST STANDARD BOOTH

Winner: **Tobago House of Assembly**- Division of Tourism and Transportation

Second Place: **Sacha Cosmetics**

### BEST SMALL BOOTH

Winner: **Caribbean Power Solutions**

Second Place: **Customs and Excise Division**

### PEOPLE'S CHOICE TIC 2013 AWARD WINNER

**House of Jaipur**





# RBC: PARTNERING WITH T&T'S MANUFACTURERS FOR ECONOMIC GROWTH AND RESILIENCE

By: Suresh Sookoo, CEO, Caribbean Banking, RBC



RBC Royal Bank

RBC believes that a robust manufacturing sector is an important driver for a country to achieve economic independence and sustainability. There is no disputing that historically, countries around the world have used manufacturing as a path to development: In the last hundred years, nations have strategically developed high-quality manufacturing sectors as a route to the creation of national wealth. From the rise of England in the 19th century, to the rise of the US, Germany, and Japan in the 20th, to the newly industrializing countries like Korea, Taiwan, India and China today, manufacturing has been the key to prosperity. This is a lesson which Trinidad and Tobago must internalise as we seek to thrive in today's challenging global environment.

Manufacturing must play a vital role in Trinidad and Tobago's move towards a diverse economy and increased innovation. Even in our energy-driven economy, our manufacturing sector and the continuous technological improvements that it delivers are important drivers of sustained, long-term economic growth. In this context, it is pleasing to see the steady increase in the contribution of the manufacturing sector to Trinidad and Tobago's GDP between 2008, when the sector

contributed 4%, to 2012 when that contribution was 6% - no mean feat given the very difficult global economic environment and the constraints in our manufacturers' key CARICOM markets.

What is more, the manufacturing sector has one of the highest multiplier effects of all industry sectors. The outsized economic impact of manufacturing lies in great part in the sector's role as a provider of skilled and well-paid jobs. Trinidad and Tobago's manufacturing sector is the second largest employer in our nation after the Government; Manufacturers directly employ more than 60,000 people. It is well worth noting that the energy sector uses more than ten times the capital to employ a single person compared to the manufacturing sector.

This means that the positive effects of a robust sector are critical from a social perspective as well as an economic viewpoint – the important contribution manufacturing makes to employment generation is vital to sustaining our social stability and resilience as a country. This is one

reason for Trinidad and Tobago's proven ability to weather the

“The health of Trinidad and Tobago's economy is critically dependent on the health of the manufacturing sector...”

global economic downturn of the last four years. Quite apart from social benefits, it is worth noting that value-added manufacturing production reduces the need for foreign exchange as “Made-in-T&T” goods displace imports.

Speaking of ‘Made-in-T&T,’ there is one further, and very persuasive reason, that a vibrant manufacturing sector is important to the country: National Pride. All of us take great pride when we see Trinidad and Tobago's manufactured brands on our shelves, and on shelves across the Caribbean. Everyone can admit to the thrill of excitement when we see Angostura's aromatic bitters in bars in the USA, England and even Russia!

To sum up, then: the health of Trinidad and Tobago's economy is critically dependent on the health of

the manufacturing sector, and an invigorated sector has the potential to provide hundreds of new jobs and to underpin a sense of national pride. A safe, sustainable and surging manufacturing sector must be seen as a mechanism for driving diversification and innovation.

The Government has clearly recognised this: In his Budget speech in October 2012, the Honourable Minister of Finance, Larry Howai, advised that the Government would offer a two-year moratorium on Import Duties, as well as other tax incentives, on all equipment for the light manufacturing sector. This incentive provides the sector with an opportunity to retool operations while saving at least 20 per cent on the cost associated with the importation of the equipment, thereby positioning the businesses for the eventual economic turnaround.

## RBC & THE MANUFACTURING SECTOR

RBC's vision of “Always Earning the Right to be our clients' first choice” means that we take great pride in serving our clients with the products and services they need to meet their needs, and doing what matters most for our clients and the communities in which we operate. In line with this philosophy



# Global Expertise Local Impact

**In 2013, RBC® was named one of the Global 100: Most Sustainable Corporations in the World for the ninth consecutive year.**

A name you have known and trusted in the Caribbean for over 100 years, and a part of the 11th largest bank in the world, RBC Royal Bank™ blends experience in the region with global expertise to bring value to our customers and communities every day.

Our strength comes from being part of the world's soundest banking system. As a responsible bank, we are committed to corporate integrity, positive community and economic impact, environmental sustainability and we strive to deliver value for our customers and employees.

**Let our global expertise work for you today:**

- › Best Private Banking Services Overall – Canada, the Caribbean and the Cayman Islands (Euromoney Private Banking Survey)
- › 10th largest Global Investment Bank by net revenue (Dealogic 2012)
- › Top sixth Global Wealth Manager by assets (Scorpio Partnership)
- › 80,000 employees in 46 countries

**Strength at Work for You**



**RBC Royal Bank**





continued from page 7

and cognizant of Government's new incentives, RBC has envisaged an innovative suite of products and services that will benefit and underpin the manufacturing sector.

Our new flagship product is the **"Manufacturing Sector Equipment Financing Initiative"** which encourages manufacturers to take advantage of the window for replacing aging equipment and machinery at a significant cost savings. And, while the exemptions contained in the 2012 Budget focus on import duties, RBC's sector-specific offer extends to all equipment financing deals for the sector. This unparalleled opportunity for the Manufacturing Sector to meet equipment financing needs includes:

- \* A loan to value ratio of Up to 70% of the lower of cost or valuation of the equipment
- \* A repayment period of up to 7 years (not exceeding the useful life of the asset)
- \* A Moratorium of principal repayment for up to 6 months
- \* Collateral Security of a chattel mortgage over new or reconditioned equipment

#### RBC'S RELATIONSHIP MANAGERS

At RBC we believe that helping our clients grow their businesses and succeed requires a true partnership, which is why every one of our business clients enjoys the services of a Relationship Manager. The Relationship Manager will leverage the bank's expertise and suite of products to provide your business with the tools it needs to achieve success. Whether you need a mortgage, risk management advice or credit solutions the relationship manager will facilitate your requests.

As a valued RBC client you enjoy the convenience of liaising with one person for all of your banking needs. This relationship management system helps RBC to be faster at providing the solutions you need, simplifies your banking relationship with us and also helps us become better at serving you.

Consider your Relationship Manager a member of your own team, an extension of your business and a resource that you can leverage for your success. He or she will work closely with you to gain a full appreciation of where your business is, as well as where you would like it to go. This will guide RBC in anticipating your banking needs and steering you towards success.

#### A FULL SUITE OF SERVICES FOR EVERY MANUFACTURER

RBC is here to assist manufacturers with all of their business needs, from capital expenditure financing, to project financing, bonds, investment management or even Initial Public Offerings! And, while RBC's Equipment Financing loan offer is our newest innovation, we are in fact positioned to meet all of your holistic banking needs, with a wide range of products and services, including:

- \* **Additional Overdraft Financing:** Your Relationship Manager will review your current working capital to determine whether there is the need for an increase in your overdraft limit, to address increases in production capacity or the expansion and diversification of your product lines.
- \* **Commercial Mortgages:** Do you need to expand your premises to meet the requirements of new

equipment production? Your Relationship Manager will help you decide on financing.

- \* **Foreign Trade Solutions:** We know that manufacturers rely heavily on foreign trade for both the importation of raw materials and the export of their final products – that's why RBC offers the full range of foreign payment solutions, from Letters of Credit, to Bills for Collection, Business Credit Cards, and hard currency.
- \* **Global Operations and Trading:** RBC operates in 20 markets in the Caribbean, as well as in major international markets. This allows us to offer unparalleled service to manufacturers operating across regional and international boundaries. We can literally offer our manufacturing clients banking in all our markets in the Caribbean.

#### NOW IS THE TIME FOR MANUFACTURERS!

In his inaugural speech, the TTMA's President, Nicholas Lok Jack said something which I consider vitally important for all manufacturers to note. "We Must" Said Mr. Lok Jack "invest to increase capacity and improve productivity if we are to succeed at going to the next level. Do not strip the profits out of your businesses to invest in other ventures at the expense of your factories. I implore you...

Do not let your factories get run down and obsolete. The time for investment is now - there is liquidity, and interest rates are at an unprecedented low level." Mr. Lok Jack was absolutely correct! Now is the time for manufacturers to take their businesses forward. And I have no doubt that they will, for, as always, our manufacturers epitomise

the never-say-die, forward-thinking, fighting spirit that characterises the best of business in Trinidad and Tobago. That is why RBC has worked so hard to isolate the special needs of the sector and to devise unique tailored products and services to serve our manufacturers.

**Now, more than ever before, we have an unmatched ability to help our manufacturing customers transcend new boundaries. We can help you identify new opportunities, and we can chaperone you – our partners – into new markets, acting as a bridge between T&T and the world. We believe our service to manufacturing is a service to the national economy. By helping manufacturers we are helping to create jobs, drive innovation, improve productivity and, ultimately, sustain a vibrant economy.**

# THE IMPLICATIONS OF TRADE LIBERALISATION<sup>1</sup> FOR CARIBBEAN ECONOMIES

## Emancipation

the process of emancipating, i.e. the freeing from any controlling influence. While the term resonates well with regards to slavery, one may apply the term to the various markets that have been liberated courtesy the General Agreement on Tariffs and Trade (GATT), and now the World Trade Organisation (WTO). Various pieces of literature state that trade liberalisation has resulted in positives for various economies. But what are the implications for trade liberalisation for Caribbean economies (in particular)?

Caribbean<sup>2</sup> economies are similar in some aspects, and different in others. The countries are all small island developing states, as well as small, vulnerable economies (excluding the Bahamas). Additionally, the debts of two economies have rendered them each the status of heavily indebted poor country. Furthermore, GDP per capita ranges from USD 726 in Haiti to USD 22,431 in the Bahamas (2011), and economic growth ranges from -5.3% in Barbados to 5.4% in Guyana (2011). As members of the WTO, the various Caribbean economies have removed the import duties on several tariff lines. Additionally, as an agglomeration in pursuit of freer trade, the region has opened its borders to various Latin American and European states. There is even the possibility that the borders will be opened to Canada as well. Based on the differing levels of economic prowess among the Caribbean states, there can be no one implication of trade liberalisation for Caribbean economies. However, there are some characteristics which can

apply to various facets of society throughout the region. The removal of the duties affects, adversely or otherwise, the government, the consumer, and the private sector<sup>3</sup>.

The government is disadvantaged, as it loses a source of revenue. Between 2007 and 2012, import duties provided an average of TT 2,064 million per year for Trinidad and Tobago<sup>4</sup>. Government's revenue is not only used on increasing the welfare of the average citizen (such as better health care, access to education, increased national security), but it is also used for development of the local manufacturing community. In response to tariff removal, substitutes may be created. Thus, the value of current taxes may be increased, and/or additional taxes may be imposed on the citizenry. Conversely, the consumer benefits, as he is afforded a larger pool of goods from which to purchase. Thus, the consumer should be better off, as he is able to choose products from which he will derive the most utility (i.e. optimal satisfaction

based on his financial resources). These alternatives may be cheaper and/or of a higher quality than that of the local counterparts.

The private sector is affected both positively and negatively, depending on whether the good is a raw material (i.e. used as an input in manufacturing), or a finished good (i.e. competition for the private sector). Raw materials are needed for production by the private sector, thus the removal of tariffs on these goods will decrease the cost of production, and exports will be priced more competitively in the global market, which will result in increased sales. In Trinidad and Tobago, however, manufacturers are already afforded duty-free concessions on imports of various types of machinery, equipment and materials.

As taught in introductory economics, the quantity demanded for normal goods (which are typically manufactured within the region) increases as the prices of these goods decrease. Therefore, all things

considered, consumers will switch to cheaper alternatives once they are presented. Thus, finished goods are faced with increased competition, as imported substitutes are no longer faced with tariffs (undoubtedly, an import duty does provide a buffer on locally produced goods). In addition to the removal of import duties, quotas (as import controls) have been removed, courtesy trade liberalisation. Limits placed on the level of imports (of finished goods) into the Caribbean prevent the various markets from being flooded with foreign goods. Domestic industries were therefore protected from any onslaught of imports.

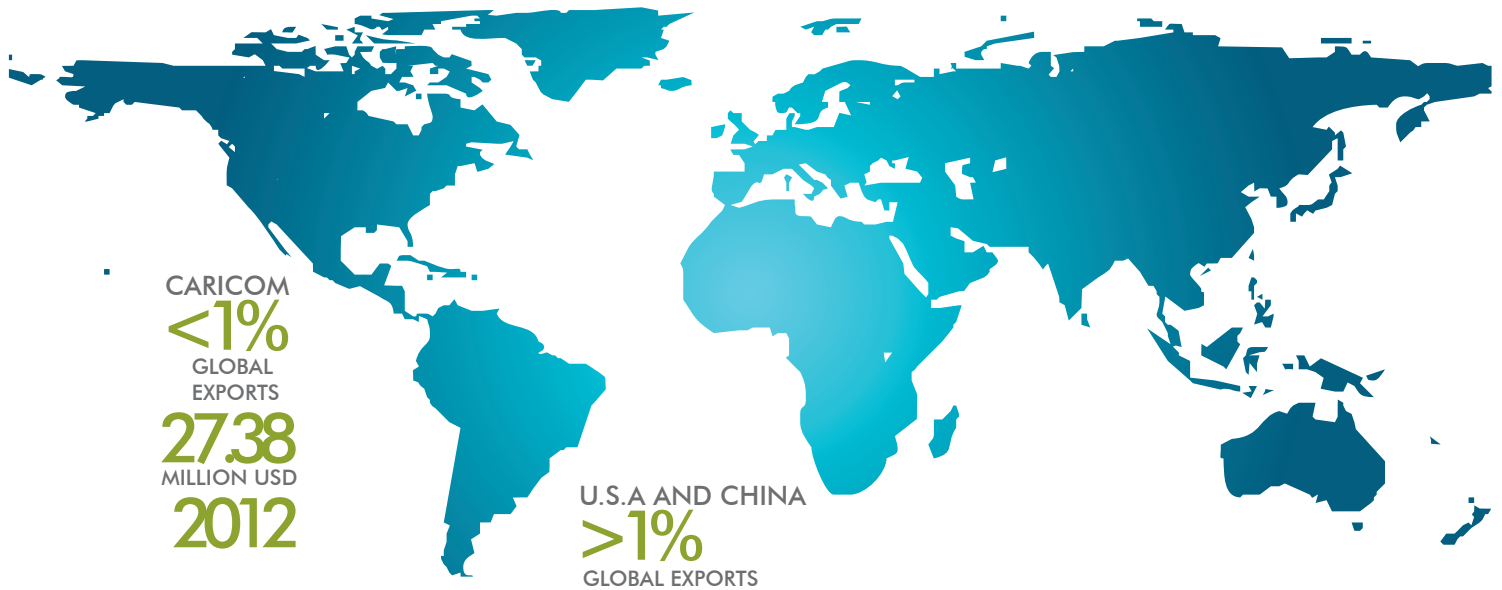
There is the possibility that firms may be closed, as they are unable to compete with their foreign counterparts. If this occurs in any given Caribbean economy, the consumption of local goods would shift to foreign goods (whether intra-regionally or extra-regionally) then on to the foreign markets for the various consumables.

<sup>1</sup> Specifically, the free trade of goods (as opposed to other services, capital etc)

<sup>2</sup> The term Caribbean in this article refers to the members of CARICOM.

<sup>3</sup> The private sector refers to manufacturers only (thus, it does not include distributors).

<sup>4</sup> Appendix 22 of the Review of the Economy 2012, author's calculations.



Other members of the WTO have also removed import duties on various tariff lines, so that Caribbean products can also benefit from freer trade. However, the economies of Caribbean states are different to that of many other countries. Several Caribbean countries experience severe supply-side exports constraints. Each of these countries possess a combination of some or all of the following constraints – low per capita income, a low share of international export markets, and the concentration of exports of goods with little or no manufacturing content, such as agricultural products. Thus, even if trade has become freer for the region, are Caribbean economies able to exploit these foreign markets? This may not be the case. According to one manufacturer, Trinidad and Tobago should start signing “fair trade, not free trade agreements”. His view was presented when he was questioned on liberalising Trinidad and Tobago’s market with a Latin American market.

In the countries with low per capita income (Guyana being a low middle income economy, and Haiti being a low income

country, according to the World Bank), the financial resources of the state must be aptly used to benefit all factions of society. Thus, any support given to the private sector must be adequately balanced with the support given to the various other sectors, such as health sector, national security, and education. This “balancing act” may prove onerous for some governments, as the diversion of expenditure of the public purse towards any one sector has an impact on the others.

Despite GDP per capita, countries have been able to export goods to various international markets. Interestingly, the region has signed several free trade agreements, and is (still) a beneficiary of preferential trading arrangements. Additionally, individual Caribbean states have signed free trade agreements. Nevertheless, these countries have not been able to secure a large share of the export market. There are several reasons that can be identified, including prohibitive non-tariff measures, the productive capacity to supply these markets, as well as a lack of demand for the product. This point is stressed by Mr. Ramesh

Ramdeen, CEO of the TTMA, who pointed out that “access to markets does not translate to market access”. It should be noted that CARICOM, as an agglomeration, has contributed less than 1% of global exports for the past few years – the region exported approximately 27.38 million USD in 2012, while global exports was worth 17.98 billion USD for the same period. Conversely, countries such as the United States of America and China have each contributed in excess of 1% toward global exports annually.

Irrespective of the GDP per capita and the low share of markets for the exported products, some Caribbean countries still focus on exports with little manufacturing content. Such goods will fetch low prices on the international market, as the value added content is low. With reference to agricultural products, the conversion of these products into processed delicacies (such as preserved fruits) has been done by many SMEs and individuals in the past. However, has the export potential of these products been fully explored, via the trade in ethnic goods?

Furthermore, the international trade is predicated on the ability to competitively produce goods that can attract a market. This may be difficult for some countries within the region. One can attribute various factors to the difficulty experienced by manufacturers within the region, such as higher costs of the factors of production (i.e. higher cost of capital, labour, and land), as well as a lack of economies of scale based on production capacity and market size. The population of the Caribbean is 17 million, when compared with Canada’s 34 million and the USA’s 311 million.

An important aspect of the above text is that the WTO is a proponent of trade liberalisation. Each Caribbean country is a member of the WTO, and is subject to the multilateral trading system which the Organisation supervises. Thus, unless the rules of the trading system are changed, any adverse effects that are associated with trade liberalisation will need to be absorbed. Therefore, creative ways to exploit the global trading environment will need to be explored, as the region strives to “keep its head above water”.



EXPORTERS...  
READY TO REACH OUT  
TO GLOBAL MARKETS?

**WE'LL  
PROVIDE A  
LENDING  
HAND**

For a  
**consultation**

call us at  
**628-2762** or  
**628-1382**

Whatever the scale of your business, we support you from home ground to the global front by providing complete financing and insurance facilities customised to your individual circumstances.

**You benefit from:**

- Small Business Export/Import Financing
- Export Credit Insurance
- Pre and Post Shipment Financing
- Short-Term Working Capital Facilities
- And more



EXPORT - IMPORT BANK OF TRINIDAD & TOBAGO LTD.

**Empowering exporters for the future**

30 Queen's Park West, Port-of-Spain  
Email: [eximbank@eximbanktt.com](mailto:eximbank@eximbanktt.com) • [www.eximbanktt.com](http://www.eximbanktt.com)

# TTMA'S PREMIUM DISCOUNT CARD PARTNERS

TTMA's Premium Discount Card is aimed at encouraging all of our valued members to support local businesses for the sustainable development of the T&T economy. TTMA believes that all of our members should be given the opportunity to support each other through direct purchases. This dynamic initiative offers benefits to ALL of our members with discounts ranging from 5-35%.

We hope that all of our members will take advantage of the specials offered by our programme partners over the next year.



## ADVERTISING

### LONSDALE SAATCHI AND SAATCHI

Rachel Stämpfli  
868-622-6480  
rachel@lonsaatch.com

#### Discounts:

- 10% discount off a website or microsite from our division IUGO Digital Marketing.
- 10% off layout fees on publications jobs from our division Sage Corporate Communications and Publications
- 5% off Event Management fees from our event management division, The Aesthetic 868

## AUTO CARE

### AUTOMOTIVE COMPONENTS

Ronald Elcock  
868-642-4236 ext 104  
relcock@acl-tt.co  
www.acl-tt.com

#### Discounts:

- 5% on Batteries, New Tyres, Lubricants, Retreads

## LAUGHLIN & DE GANNES

Raquel De Verteuil  
868-625-1712  
raquel\_dev@ldggtt.com  
www.ldggtt.com

#### Discounts:

- Tool Store- 10% on all items excluding sale items & lubricants
- Service Centre- 10% on all services excluding labour, tyres & Battery

## AUTO RENTALS & LEASING

### AUTO IMAGE RENTAL

Rommel Maraj  
868-662-1201/680-8078  
rommelmaraj@gmail.com

#### Discounts:

- 10% off All regular rates, 15% Off all items (Free Installation of wiper blades, Seat covers & Hub Caps with purchase)

## KALLOO'S RENTAL & TAXI

Ronald Seenath  
868-628-2394  
kalloo@tstt.net.tt  
info@kalloos.com  
www.kalloos.com

#### Discounts:

- 10%

## BOOK STORES

### RIK SERVICES LIMITED

Mrs. Joycelyn Bodden  
Mrs. Hasina Karim  
868-223-1137, 223-1138,  
223-1139  
jbodrik@tstt.net.tt  
hasinarik@tstt.net.tt

#### Discounts:

- 10% with the exception of school books, school uniforms, special items, items that have already been reduced, magazines, and discounted items during special sales.

## CONSTRUCTION

### ANSA COATINGS (PENTA PAINTS)

Adiola Monsegue  
868-643-2425 ext 234  
adiola.monsegue@ansamcal.com  
www.pentapaints.com

#### Discounts:

- 5% on mixed colours
- 20% on Standard Colours

## BONSAL CARIBBEAN LTD

Stanley Tempro  
868-646-1122  
bonsalcaribbean@tstt.net.tt  
www.bonsalcaribbean.com

#### Discounts:

- 20% off Retail prices of quantities of 1 pallet or more on BONSAL PROSPEC Brand thin set mortars

## CANTREX LIMITED

Mona Sookmanee-Meighoo  
868-399-6539/ 642-3491  
mona@cantrexaluminium.com  
www.cantrexaluminium.com

#### Discounts:

- 10% discount on our regular price- This excludes all preferential and discounted rates enjoyed by our existing customers

## CERAMIC TRINIDAD

Roger Hadeed  
868-627-3397, 624-0916  
ceramic@tstt.net.tt  
www.ceramictrinidadltd.com

#### Discounts:

- 5%

## DELTA WINDOWS & DOORS

Kenny Maharaj  
Vanessa Khan  
868-674-1474/675-5850  
marketing@deltawds.com  
vkhan@deltawds.com  
www.deltawds.com

#### Discounts:

- 20%- Glass
- 15%- Aluminum

## HALL OF ELEGANCE LIMITED

Mr. A. Maharaj  
868-645-4438/645-8697  
info@hallofelegance.com

#### Discounts:

- 5%- Materials
- 20%-Installation

## HARRICRETE LTD

Nichole Koon Koon Sooknarine  
868-669-4011,4037  
hcrete@tstt.net.tt  
www.harricrete.com

#### Discounts:

- 5% discount on Harricrete Products

## LIFETIME SOLUTIONS

Franka Costelloe  
868-735-1704  
f.costelloe@lifetimesolutionstt.com  
www.lifetimesolutionstt.com

#### Discounts:

- 5% on Retail Metal Roofing Products  
Does not include Contract jobs, Windows, Decra Sheets, Prodex & Polycarbonate Skylights

## ROOFMAN LIMITED

Roanna Maraj  
868-662-0132  
admin@roofmantt.com  
sales@roofmantt.com  
www.roofmantt.com

#### Discounts:

- 3%

## ROOF SYSTEMS LIMITED

868-662-8205  
chospedales@roofsystems.org  
www.roofsystemstt.com

#### Discounts:

- 5%-Roof Materials
- 5-10%- Contracts (Dependent on Nature of Work)



**CONSTRUCTION  
SEAL SPRAYED SOLUTIONS  
(T&T) LIMITED**

Dr. Mark Williams  
868-675-7325/ 686-7325  
sealspraytt@gmail.com  
www.sealsprayed.com  
Discounts:  
• 3%

**CONSULTING  
ESTUARY PR LIMITED**

Liza Miller  
868-367-5295  
info@estuaryPR.com  
www.estuaryPR.com  
Discounts:  
• TTMA members may now enjoy complimentary promotion via estuary PR's social media network (Facebook, Twitter, Instagram, Pinterest, Youtube, LinkedIn). estuary PR will promote four (4) products or services or promotional offers per year (1 promotion per quarter) per interested TTMA member.

**ODYSSEY CONSULTinc**

Tonia Watkins  
868-627-4964/4166  
info@odysseyinc.com  
www.odysseyconsultinc.com  
Discounts:  
• 10% off merchandise  
• 5% off consulting services

**SOCIAL MEDIA BUZZ**

K. Aleong  
868-702-0723  
socialmediabuzztt@gmail.com  
www.socialmediabuzztt.com  
Discounts:  
• 15%

**COURIER/FREIGHT  
FORWARDING  
CHINA-WEST LOGISTICA  
COMPANY LIMITED**

Andre Aleong  
868-681-4070  
info@china-westlogistica.com  
www.china-westlogistica.com  
Discounts:  
• 10%

**JET EXPRESS TRINIDAD LIMITED**

Collin Corbie  
868-674-2642  
ccorbie@jetexpresstt.com  
www.jetexpresstt.com  
Discounts:  
• 10%

**DHL EXPRESS**

Daniel Arias  
868-313-6590  
daniel.arias@dhl.com  
www.dhl.com.tt/en.html  
Discounts:  
• TTMA members with existing DHL accounts will be entitled to 15% discount  
• TTMA members opening new DHL accounts will be entitled to 35% discount

**DESIGNERS  
KAJ DESIGNS**

Liza Miller  
868-639-6525  
ttma@kajdesigns.net  
www.kajdesigns.net  
Discounts:  
• 10% off all ready to wear garments; 10% off of the design and conceptualisation of corporate wear for staff teams and promotional wear for brand ambassadors.

**DISTRIBUTORS:  
WHOLESALE & RETAIL  
ACROSS THE BORDER LIMITED**

Mitchell Singh  
868-780-8650 /673 -4006  
mitchacrosstheborder@gmail.com  
Discounts:  
• 3% off additive products

**ADVANCE FOAM LIMITED**

Nancy Wilson-Ajodha  
**Karen Chin**  
640-6595 ext 314/226  
admin@adfoam.com  
Discounts:  
• 10% on Serta Mattresses

**EDOO'S WELDING & INDUSTRIAL  
SUPPLIES CO. LTD**

Imtiaz Edo: CEO  
868-652-4924/657-5164  
ewisco@tstt.net.tt  
www.edooscaribbean.com  
Discounts:  
• 5-10% on selected items only

**PRINTED MATTER DISTRIBUTION  
LIMITED**

Christine Sa Gomes  
868-622-4354  
subscribe@4magazines.co.tt  
www.4magazines.co.tt  
Discounts:  
• 10 % OFF on Subscriptions

**SHAZAM ENTERPRISES &  
INVESTMENTS LTD**

Faiz Mohammed  
868-650-3575/5565  
shazament@tstt.net.tt  
Discounts:  
• 10%

**ELECTRICAL**

Tye Manufacturing Company Limited  
Mr Rodney Deonarine  
662-1781 ext 240, 232, 229  
sales@tyett.com  
rodneydeonarine@tyett.com  
www.tyett.com  
Discounts:  
• 10%

**ELECTRONICS  
PRW ENTERPRISES LIMITED**

Shanti Weston  
632-9938/ 357-0006  
shanti@prwe.com  
www.prwe.com  
Discounts:  
• 5%

**FOOD & BEVERAGE  
B'S HOME MADE ICE CREAM**

Katherine Bethel  
868-662-5747/645-3786  
beeshic@tstt.net.tt  
www.beesicecream.com  
Discounts:  
• 5%

**HEALTH & BEAUTY  
THE FITNESS CENTRE LTD**

Kathleen Ibrahim  
868-637-7765  
fitness@tstt.net.tt  
Discounts:  
• 10%

**THE SANCTUARY DAY SPA**

June Blackburne  
868-625-8040/685-3588  
thesanctuarydayspatt.com  
www.sanctuarydayspatt.com  
Discounts:  
• 12%

**OPTICAL  
TODAY'S OPTICAL LTD**

Theresa Alexis  
868-623-2329  
theresaalexis@optometriststoday.com  
www.optometriststoday.com  
Discounts:  
• 20% Corporate Discount on spectacle frame & lens dispensing

**PET CARE  
TRINI DOG WATCH**

Paul Jackson  
868-688-9220  
trinidadogwatch@gmail.com  
www.trinidadogwatch.com  
Discounts:  
• 5% on Equipment

MEMBER  
DISCOUNTS  
RANGING FROM

5%  
TO  
35%

**PETROCHEMICALS  
CARIBBEAN PETROCHEMICAL  
MANUFACTURING LTD**

Malcolm Borde  
868-387-0399  
sales@cpmltt.com  
www.cpmltt.com  
Discounts:  
• 10%

**PRINTING  
CARIBBEAN PRINT  
TECHNOLOGIES**

Rhett K. Gordon  
868-675-9337  
rkg@cpteck.com  
www.cpteck.com  
Discounts:  
• 10%

**CREATIVE IDEAS LIMITED**

Paul L Jackson  
868-675-9738/ 222-9133  
info@creativeideastt.com  
www.creativeideastt.com  
Discounts:  
• 5%



## PACKAGING CENTER (T'DAD) LIMITED

Mr Taufeeq Ali  
868-672-7285  
sales@packagingtnt.com  
www.packagingtnt.com  
Discounts:  
• Varies

## PROFESSIONAL SERVICES

### CEEJAY ENGINEERING

Ms Lara Dowell  
868-674-4447/675-4811  
ceejay@mail.tt  
www.ceejaytt.com  
Discounts:  
• 10% off

## WESTERN INDUSTRIAL SOLUTIONS LIMITED

Narendra Moonan  
Beena Moonan  
868-658-7867/221-6189  
training@wislitt.com  
www.wislitt.com  
Discounts:  
• 10% off all services

## RESTAURANT

### THE VERANDAH

Phyllis Vieira, Lisa Vieira  
868-622-6287/ 795-3170  
lisavieira@mac.com;  
erandah.food@gmail.com  
Facebook – The Verandah  
Discounts:  
• 10% on final bills

## SAFETY

### REGIONAL FIRE & SECURITY LTD

Milind Ogale  
868-638-3473  
milind@1rfsgroup.com  
www.1rfsgroup.com  
Discounts:  
• 2.5 %- For Supply only goods. For Projects it depends on type & size and has to be treated as a case by case basis

## WOOD & RELATED PRODUCTS

### MDC-UM BUSINESS AND HOME FURNITURE

Kandice Cunha/Nicole Walker  
868-662-4496  
info@mdc-um.com  
www.mdc-um.com

#### Discounts:

- 10%- Locally manufactured chairs and desks \*Items must be purchased through MDC-UM's factory outlet (up to a maximum order amount of TT\$25,000.00 VI per customer, per day). This discount applies to cash purchases only, excluding sale items, custom made items and services.

## UNIQUE WOODWORKING

Harvey Sooree  
868-674-4092  
uniquewood@tstt.net.tt  
www.uniquewood-tt.com

#### Discounts:

- 20% on all imported wood & Steel, Doors & Abrasives

## HOTELS

### ANTIGUA

#### JOLLY BEACH RESORT

Andrea Jeremiah  
268-462-0061  
www.jollybeachresort.com

### BARBADOS

#### ACCRA BEACH HOTEL & SPA

Debbie Bartlett  
246-435-8920 ext 5400  
www.accrabeachhotel.com

## JAMAICA

### THE COURTLEIGH HOTEL & SUITES

Maurice Bryan  
876-936-3570  
www.courtleigh.com  
4 Star Hotel

### THE KNUTSFORD COURT HOTEL

Maurice Bryan  
876-936-3570  
www.knutsfordcourt.com  
3 Star Hotel

## SURINAME

### COURTYARD BY MARRIOTT PARAMARIBO

Niels Stuedemann  
00597 710 7716  
www.marriott.com

## TRINIDAD AND TOBAGO

### BLUE HORIZONS RESORTS COMPANY LIMITED

Kameal Ali  
639-0432/3  
kameal@blue-horizonresort.com  
www.blue-horizonresort.com  
Discounts:  
• 15%

## THE REGENT STAR HOTEL

Alana Doodhai  
868-669-7000/ 7235494  
regentstarmarketing@yahoo.com  
www.regentstarhotel.com  
Discounts:  
• 10%- Hotel, Food & Beverage, Conference Room Facilities



# EXPLORING NEW MARKETS FOR T&T'S PRODUCTS



Once referred to as the 'Caribbean Tiger', T&T is one of the most prosperous and developed countries in the Caribbean region. The twin isle's economy has been traditionally characterized as a 'dual' economy comprising of a dominant energy sector and a more subtle non-energy sector. However, recent economic reviews indicate that the local economy is showing stronger activity in the non-energy sector which has resulted in an overall growth of 1.7% in quarter 1 of 2013. Furthermore, growth in the economy for 2013 is likely to be driven by higher output from the non-energy sector, as the energy sector continues to underperform<sup>1</sup>. In this regard, the concept of 'diversifying T&T's economy' becomes even more relevant, as the non-energy sector morphs into a potential driver for future growth in T&T. The subsistence of this sector is supported by a dynamic export sector, fueled

by T&T's participation in trade liberalization, privatization and free trade agreements. While some local products have successfully penetrated regional and even international markets, the importance of exploring new markets is critical to stimulating growth and enhancing the competitiveness of the economy.

## OVERVIEW OF T&T EXPORTS AND THE MARKETS THAT IT SUPPLIES

Over the period 2001-2010, the manufacturing sector has contributed to an average GDP of 7%. The sector, which constitutes a key element of the non-energy sector in T&T, employs more than 30,000 workers. In 2012, the manufacturing sector marginally declined in real terms, by 0.4%, following a 1.1% decline in 2011, due to sluggish regional demand on account of weak global economic growth, and disruptions in the production of cement and cement related products in the wake of a prolonged strike in the local

cement industry. Furthermore, in 2012 the manufacturing sector has contributed to 8.8% of real GDP in T&T, marginally declining from 9 per cent in 2011<sup>2</sup>.

While local manufacturers export a range of products, (including chemicals and chemical related products, iron and steel, food and beverages, paper and paperboard, cereal and cereal products, tobacco, plastic goods and fertilizers), the most vibrant manufacturers reside within the Food, Beverage and Tobacco sector.

T&T's main trading markets lie within the CARICOM region. In the first quarter of fiscal 2011/2012, total manufacturing exports from T&T rose by 15.8% to \$1,150.7 million, up from \$994.0 million in the previous year. The increase was due to a 2.3% expansion in exports to Non-CARICOM countries (from \$706.8 million to \$864.4 million), which outweighed a 0.3% contraction in exports to CARICOM (from \$287.1 million to \$286.4 million).

Non-CARICOM exports reflected the moderate global economic growth conditions in 2011. Moreover, Non-CARICOM countries received 75.1% of all manufacturing exports in the first quarter of fiscal 2012, up from 71.1% one year earlier. As a consequence, CARICOM's share of Trinidad and Tobago's manufacturing exports fell to 24.9%, from 28.9%<sup>3</sup>.

In an effort to foster trade, T&T is engaged in various regional, bilateral and preferential trading agreements, which allow local exports to enter destination markets duty free or at duty-reduced rates. As member of CARICOM (in which T&T benefits from duty free access to the 15-nation market), T&T has trading relationships with Cuba, Costa Rica, Colombia, Venezuela and Dominican Republic. Also, the country has trading relations with Canada and the US through a preferential trading agreement between CARICOM and either country; as well as with Europe via the CARIFORUM-



EU Economic Partnership Agreement. Additionally, as a member of the WTO T&T is eligible for the Generalized System of Preferences schemes of Australia, Canada<sup>4</sup>, the EU, Japan, New Zealand, Russia and Switzerland. Apart from the aforementioned agreements, T&T is pursuing partial scope agreements with Panama and Guatemala to expand trade.

#### WHY NEW MARKETS FOR T&T'S PRODUCTS NEED TO BE EXPLORED

##### **Challenges with existing markets**

As T&T engages in trade with regional and international markets, local manufacturers encounter various challenges that hinder trade and the overall competitiveness of their exports. Several challenges arise from the existence of differing restrictive trade regulations that manifest themselves in the form of non-tariff barriers (NTMs), technical barriers to trade (TBTs) and sanitary and phytosanitary conditions (SPSs) in the external markets. Some examples include: (a) Law 173 in the Dominican Republic which grants extraordinary protection to the DR agents and distributors, in case of unilateral termination of a contract by the foreign exporter - thus mandating that the DR agents and distributors are made eligible for substantial indemnities, if a contract is terminated without a "just cause" by the exporter; (b) Product registration in Costa Rica is cumbersome – the registration procedure requires that a given product be differentiated i.e. registered by size, colour, flavour, scent, shade etc. (for the same product); (c) The introduction of the Food and Safety Modernization (FSMA) Act

Latin America is an excellent prospective market for T&T manufacturers to explore - with a \$4.8 trillion economy, approximately 600 million citizens ...

– FSMA requires that all exporters of food to the US comply with specific regulations, otherwise their exports will be rejected at the US border; (d) The difficulty of trading with Cuba which stems from: (i) A 360 days of credit requirement by Cuban enterprises (which delays the receipt of payment from Cubans; creating cash flow problems); (ii) Cuba's bureaucratic culture; and (iii) high air freight costs of delivery goods.

##### **Opportunities for new markets**

While local manufacturers have saturated the CARICOM markets, few have penetrated beyond the Caribbean and fewer have broken into international markets. As such, manufacturers are encouraged to enhance their productivity and competitiveness in order to expand beyond CARICOM and diversify their investment portfolio in alignment with new markets.

Latin America is an excellent prospective market for T&T manufacturers to explore - with a \$4.8 trillion economy, approximately 600 million citizens and a burgeoning middle class, Latin America is a rapidly-growing market. Within the last

decade the region has been experiencing significant growth evidenced by the fact that more than 50 million Latin Americans have joined the middle class. This expanding middle class, with a well-educated workforce, has created millions of new consumers for manufacturers.

The region offers numerous opportunities to exporters given that: (a) Mexico has set a political goal to grow at 6% per annum; (b) Chile can possibly gain 'developed nation' status within the next five years; (c) Peru is expected to grow by above 6% in 2013 and (d) Panama, which has doubled its GDP in the past decade, is expected to grow 9% by the end of 2013 – stemming from the expansion of the Panama Canal, the recent approval of Free-Trade Agreements with the United States, the European Union, and Canada, as well as a large private mining project.

In addition to these regional opportunities offered by the Latin American market, it should be noted that while foreign direct investment (FDI) worldwide fell 18% in 2012, and plummeted 32% in developing economies; FDI to Latin America grew 7%. In particular, FDI increased 58.7% in Dominican Republic, 48.7% in Peru, 34% in El Salvador and 32.2% in Chile<sup>5</sup>.

While exploring new markets, such as Latin America, is essential to increase exports of T&T products, it is equally important to note that targeting the T&T diaspora markets also forms an integral part of finding new markets for such products. Statistical data shows that South-North migration is important for T&T and as such, principal destinations<sup>6</sup> for T&T emigrants include the US, Canada and the UK. Therefore,

local exporters (and potential exporters) to these markets are encouraged to create niche products for the T&T diaspora in such markets. Furthermore, given the level of sophistication of T&T manufacturers coupled with the fact that people's tastes are changing globally, the Food and Beverage sector is particularly encouraged to pilot this effort.

##### **Strategies to penetrate new markets**

In order to penetrate new markets, such as Latin America, the manufacturing sector must enhance their innovative capacity and produce high quality goods at competitive prices. Thus, while local manufacturers are encouraged to explore new markets it is evident that this is no simple process; as such the role of Government is critical to guide this process. Additionally, the private sector must complement the work of the Government in this regard. In order to capture new markets, it is imperative that the Government provides substantial support to the private sector to enhance productivity and trade. Support may encompass comprehensive market researches, the facilitation of trade missions and trade exhibitions, financial assistance and the promotion of local products especially through T&T embassies.

It is evident that the private sector plays a key role as a potential driver of economic growth in the local economy through diversification, and must collaborate with the Government to boost growth levels in the country. To foster this process, exploring new markets to enhance trade is critical, and requires local manufacturers to become more innovative, more productive and more competitive.

<sup>1</sup> Retrieved from T&T Newday, re: Review on T&T economy by Marla Dukharan, Group Economist for RBC Caribbean

<sup>2</sup> Review of the Economy 2012, Ministry of Finance

<sup>3</sup> Review of the Economy 2012, Ministry of Finance

<sup>4</sup> Canada's General Preferential Tariff (GPT) regime is being modernized under the Economic Action Plan 2013 – in this regard 72 higher-income and trade-competitive countries, including T&T will graduate from the programme effective January 01, 2015.

<sup>5</sup> Latin Business Chronicle <http://www.latinbusinesschronicle.com>

<sup>6</sup> ACP Observatory on Migration. "Overview on South-South Migration and Development Trends and Research Needs in Kenya," <http://www.acpmigration-obs.org>.



DERRICK VILLENEUVE  
DIRECTOR OF STRATEGY  
DAVYN

# BIG REACH WITH TECHNOLOGY

As you look for ways to grow your organization you should consider technology as an enabler to expand your business. Current technologies provide a means for us to reach many people and companies for modest costs compared to traditional marketing methods. Even better, is that technology provides you with a means to measure your marketing campaigns, allowing you to refine your message to be as effective as possible

The advent of cloud computing allows companies of any size to affordably use this technology. It's not only for the big guys anymore.

We all know the internet is a great vehicle to promote your products and solutions. You can put up a web site, use social media like Facebook or LinkedIn and leverage email to get your message out there. The problem is how do you know what really works? Obviously if sales increase right after a promotion you could correlate it but rarely is it that straight forward.

There are solutions available today that allow you do some very interesting things such as:

- \* Monitor all of your web traffic
- \* Automatically Identify prospects and link to their social media profile (LinkedIn) to bring relevant information to your fingertips for a more targeted approach
- \* Track incoming queries or complaints from your web site and receive instant notifications directly to your

- \* mobile device. You can provide an automated reply in the meantime.
- \* Track your promotional emails and know how many were opened and by who. You can also tell who clicked through the link to the information or offer you are providing
- \* Monitor the effectiveness of your promotions on social sites like Facebook in the same way
- \* Use text messages (SMS) to contact your prospects and customers with updates or notifications

- \* Conduct surveys and track all of the data in a repository that can be used for reporting and further marketing efforts
- \* Leverage online repositories for managing your marketing materials so they are easily accessible at any time

The overarching benefit of this technology is that it provides you with a feedback loop for your marketing efforts so you know what is working and what is not. This allows you to maximize your marketing spend for optimal results. In a world where you have to compete for an individual's attention these tools could provide just the edge you need.

You can combine all of the above with a solution which easily allows you to monitor all of your opportunities and manage the process of converting them into sales, whether you are in the office or on the road.

With all of this in the cloud, you also never have to worry about losing this vital data. This is particularly true if you are an individual or small company who usually has all of your business data on one or two computers which are not diligently backed up.

If you are not leveraging this type of technology in your business today you need to be aware that some of your competitors are!



## Solutions For Your Business









<p>Integrate your... Financials, Inventory, Manufacturing, Supply Chain, Human Resources, Payroll, Operations.</p>	<p>Sales Optimization, Customer management, Social Media, Pipeline Management, Customized dashboards</p>	<p>No hardware costs, Business-class email, Anywhere access to files, HD video conferencing, Full Microsoft Office suite, Content management, Auto software updates</p>	<p>Rich data visualizations, Rapid-fire business intelligence, Data analytics, Drag and drop capabilities, Create interactive dashboards, Connect to any database</p>
--	--	---	---

**Microsoft Partner**

Gold Enterprise Resource Planning  
Silver Customer Relationship Management  
Cloud Accelerate

*Making Your Business Better!*

Contact us today for a free consultation at  
868-674-9788 | [info@davyntt.com](mailto:info@davyntt.com) | [www.davyntt.com](http://www.davyntt.com)

# PORT DEVELOPMENT, CUSTOMS AND TRADE FACILITATION

## PREPARING FOR THE PANAMA CANAL EXPANSION IN 2015

The global economic recovery. The Panama Canal expansion. The threat of China. These three matters of hemispheric and international significance should by themselves be enough to awaken our policy makers to the reality that, should we fail to enhance our port and maritime infrastructure, Trinidad and Tobago's commercial standing in the global marketplace can potentially be left in dire straits.

While it is important to enhance our export competitiveness through innovation and product differentiation, there must also be concurrent and consistent improvements in the efficiency and overall cost of doing business in and with T&T. The question of port efficiency is a natural follow up to these efficiency concerns, for reasons that are fairly obvious to all involved in the world of commercial shipping.

In this regard, our two major Ports - the Port of Port of Spain (PPOS) and the Point Lisas Industrial Development Corporation (PLIPDECO) are charged with the principal responsibility of shouldering the burden associated with these development needs. While both ports have transitioned to the relatively modern NAVIS SPARCS N4 Terminal Operating System, the gains reported by the companies designed to benefit from the system have been tempered by perennial issues of congestion at the ports, particularly in the area of berthing space. Investment in new equipment at both ports remain a priority - with the government as their principal shareholders, the message here is yet another clarion call for this administration to place renewed emphasis on port investment.

Additionally, there have been utterances in various circles

regarding the development of a new port in this country. The impact of such will be far reaching and it is hoped that proper feasibility studies are conducted to ensure that the economic 'opportunity costs', as well as the negative externalities that will attend such a decision are well factored in. Ultimately, ours is the hope that whatever decisions are taken serve the business community's best interests in the face of an influx of international competition in the post Panama Canal expansion environment (2015 and beyond).

The other agencies involved in this necessary maritime infrastructure evolution include, inter alia, the Customs and Excise Division, our Ministry of Trade, Industry and Investment and its affiliated agencies, the Ministry of Planning and Sustainable Development and the Ministry of Transport.

The recent passage of the Customs Amendment Bill to upgrade the Customs Border Control System during the last Parliamentary session was welcome news for the business fraternity, as it is in theory supposed to usher in major improvements in shipping efficiency through the faster flow of information between the regulators and the private sector. It is hoped that the legislation will be smoothly and seamlessly operationalized, and that the

Customs and Excise Division, along with the Ministry of Trade will work harmoniously in support of the private sector's Trade Facilitation efforts.

Our country's standing in the international logistics arena has recently been captured by the Arthur Lok Jack's Graduate School of Business Logistics Performance Index (LPI), which was designed using similar metrics as the World Bank's LPI - a ranking of countries globally according to their logistics performance. Using survey methods administered to logistics professionals, the LPI evaluated T&T in terms of the efficiency of Customs procedures, maritime infrastructure and the ability to track consignments and clear cargo in a timely manner. Based on these factors, T&T was ranked 68 out of 144 countries, suggesting that there is considerable room for improvement.

It will be interesting to see where this country stands when the legislation referenced above comes into effect. The private sector will be pleasantly surprised if our ranking improves drastically, after years of languishing in an environment of inefficiency and delays.

Additionally, the Graduate School of Business launched the Global Competitiveness Report for 2013-2014 on September 4th 2013. The results indicate that T&T

is now classified as an innovation driven economy, based primarily on its Gross Domestic Product (GDP) per capita. Despite this re-classification, T&T is now ranked 92 out of 148 countries listed in the index, a drop from 84 out of 144 countries listed in the 2012-2013 index. The Index is calculated using a combination of hard data from international agencies and a survey of executives working in the public and private sector.

The primary factors that account for this low ranking (described as "hindrances to doing business in Trinidad and Tobago) remain, like last year, the issues of crime and theft (which accounted for 20% of the respondents' votes), inefficient government bureaucracy (17.3%) and corruption (15.9%). In the context of an enabling environment for Trade Facilitation, this is not welcome news, effectively tempering the optimism spurred by the work being done at the level of Customs Administration and the Ministry of Trade, with respect to ASYCUDA World and TTBizLink respectively. It is a telling reminder that there needs to be a holistic approach to ensuring that the overall climate for all economic activity in this country lends itself to foreign investment and uninhibited international trade.

The age of China looms ominously, or rather spurs optimism depending on one's lenses, for the rest of the world. If Trinidad and Tobago is to partake in the latter rather than the former, fast and accurate policy decisions need to be enacted to transform our maritime infrastructure in this global trade revolution.

# FEEDING OURSELVES

By: Balraj Kistow, Member of Faculty of the Arthur Lok Jack Graduate School of Business.  
www.lokjackgsb.edu.tt

The Caribbean has always been the known as an agricultural super power since the days of the “King Sugar”. The fertile soil of the regions has enriched the colonial powers of Europe and has been the livelihood of many. Many of us who are today the leaders of society in many spheres, had our roots in agriculture, as we are the children of farmers or gardeners. I recently took a trip back to the Nariva Swamp, which borders my home village of Plum Mitán and was reminiscing of the days when accompanying our parents we would toil long days in the watermelon and rice fields. We were also given regular reminders that this was the fall back position should we not make good on our opportunity for education.

Agriculture and food production for the last two or three generations, has been pictured as a means of livelihood to improve your lifestyle and at the extreme, as a punishment for not succeeding in formal education. The extent to which this has subconsciously contributed to the poor support given at the level of governmental policy is not known. As the younger generation becomes more urbanized, there are now many rural cocoa and citrus plantations lying in ruins. We have seen recent attempts by the Ministry of Agriculture to change this image

by showcasing persons who have been successful through agriculture and is now achieving a higher standard of living through farming.

When we examine the global outlook as it relates to food and water security, we need to re-examine our paradigm as it relates to agriculture, agro-processing and food production in the regions. In his 2011 book “World on the Edge”, noted scholar and President of the Earth Policy Institute, Lester Brown, gives us an articulated view of the links among the environmental crisis, food security and social and political stability. He pointed out that increasing global temperatures have a real and terrifying effect on food security. Agriculture as we know it today has evolved over 11,000 years of climate stability. As the earth heats up and climatic conditions changes, agriculture would become increasingly out of sync with the climatic conditions that shaped it. Crop ecologists estimate that for every 1-degree-Celsius rise in temperature we can expect a 10% decline in grain yields.

The situation is made worse when we consider the issues relating to the world water supply and its impact on agriculture. On a global scale 70% of all water used is for irrigation purposes. From South America to North America to the heavily populated Asian continent, water supply

is becoming a cherished commodity as aquifers are depleted through over pumping; glaciers are melting faster than normal which reduces dry season flows, and extreme weather conditions result in droughts or severe flooding. In a world where we have recently seen the rise in the price of grains, any disruption to the production to wheat and rice in the high production centers of India and China would drive prices up even further.

A situation of falling supply and rising prices is a recipe for global chaos, especially in

the weaker economies of the world. In the period between early 2007 and 2008 the price of wheat, corn, rice and soybean tripled their historical levels. Social order in many countries came under threat. There were riots in countries such as Egypt, Cameroon, Haiti, Mexico, Indonesia and the Philippines, among others, resulting in deaths and threatening the political stability of some of these nations. Farmers in rural Thailand and the authorities in Pakistan had to resort to extreme measures to protect grain supply from looters and hijackers. This was but a



# IN THE 21ST CENTURY



preview of what can happen in the face of major disruption to the global food network.

The triple factors of rising population, rising affluence and the use of grains for bio fuels have increased the demand for food. At the same time, factors such as more frequent heat waves, aquifer depletion, soil erosion and melting ice sheets and mountain glaciers have all worked against expanding production to meet the rising demand. What this translates to is that we in the regions must put agricultural development as a top priority, since in

the future the ability to feed ourselves would become more apparent as a hallmark of our independence.

This would require a greater effort at the policy level to create the environment in which the agricultural sector are given the support so that it becomes economically feasible to engage in farming and the business of food production. Areas such as dairy and fish farming, rice, cocoa production and citrus are areas that hold much potential. At the level of production, the capital, fertilizer and agro-processing capabilities from

Trinidad and Tobago must be married with the labour and land of Guyana so that we can produce at a scale where unit cost is minimized. Making this happen cannot be left to regional governments as the pace at that level is extremely slow. Surely, there would be a role for the political directorates but this must happen at the level of the private sector. Regional Chambers of Commerce, agricultural societies and organisations and the regions' small business sector must be the driving force to make this happen.

Agriculture and agro-processing cannot be something that we do to only to make a livelihood. The farmers of today must be highly-trained professionals who understand the science behind crop yields and farming practices. They must be highly-trained business professionals who can see the entire value chain and how they are able to monetise their efforts and maintain consistency in quality and supply. This is not beyond our capacity since it is historical DNA. We just need to start moving sooner rather than later.



# NATIONAL QUALITY INFRASTRUCTURE

## THE FOUNDATION TO COMPETITIVENESS AND SUSTAINABLE DEVELOPMENT

Trinidad and Tobago Bureau of Standards

Sustainable development may be described as “providing for the needs of today without threatening the ability to meet the needs of future generations”. This sometimes requires that we face and address conflicting priorities; for example, how can we improve the quality of life and develop our economy while simultaneously protecting the environment?

Global competitiveness and diversification of our economy away from the traditional oil and gas sectors are essential components of a strategy to achieve sustainable development in Trinidad and Tobago. This must be viewed in light of the latest competitiveness ranking which places Trinidad and Tobago at 92nd position (out of 148 countries) according to this year’s World Economic Forum Global Competitiveness Index; this represents a further decline from the previous 84th position (out of 144 countries) in the 2012-2013 Report.

While there are many challenges with respect to sustainable development, there are also significant opportunities for us as a nation, including becoming more creative, innovative, and entrepreneurial as we seek to diversify our

economy and improve our global competitiveness. In order for a country to maximize opportunities for growth in sustainable development, trade and innovation, it is essential that certain fundamental quality-related infrastructure is in place; such a system is known as a National Quality Infrastructure.

A National Quality Infrastructure (NQI) is designed to ensure a certain level of quality in the goods and services produced or used in a country and provide a foundation for other aspects of development such as sound regulatory practices, trade competitiveness, and even innovation. The NQI supports three critical aspects for a country’s development: social advancement, environmental protection and economic development.

Aspects of an NQI include

well-developed systems for Standardization, Accreditation, Metrology and Conformity Assessment. While these are all to be developed at the national level, many developing countries have seen these efforts being championed by the National Standards Body (NSB), such as our Trinidad and Tobago Bureau of Standards (TTBS). This is largely due to the fact that the basic elements of the NQI are resident in the services offered by the NSBs; these include standardization, metrology services, certification services, inspection, testing services, and laboratory accreditation.

An effective and efficient NQI depends on the complex interrelationships between Government Ministries, regulatory agencies, and conformity assessment bodies which operate both in the public and private sector, NGOs and civil society.

The NQI has several benefits. It facilitates trade and also helps maintain a level of safety and quality for consumers in Trinidad and Tobago. It also supports environmental protection, social responsibility and sustainable development. The Ministry of Trade, Industry and Investment, the parent Ministry of TTBS, has been leading the charge with respect to making it easier to do business in

Trinidad and Tobago, encouraging local and foreign investment and opening new export markets by signing a number of trade agreements.

TTBS is committed to supporting our country’s manufacturers and exporters in providing high quality products and services and becoming more innovative and competitive. We as a country must become more creative and innovative and seek to build new business sectors which can increase our resilience to economic downturns. As we explore the development of new business clusters in areas such as Energy, Food Sustainability, Culture and Creative Industries, Maritime Industries, Tourism and Finance, we need to keep in mind the requirements of the global customer in terms of Quality, Safety and Performance; these customer requirements are normally embodied in Standards. We must meet and exceed international standards in order to compete effectively. Quality is no longer just a desirable goal for both products and services; it is a prerequisite for manufacturers seeking to expand their horizons.

TTBS has partnered with national stakeholders to formulate several National Standards aimed at supporting sustainable development in areas such as



water quality, motor vehicle emissions, energy management and renewable energy systems. Also, TTBS has engaged in a number of initiatives aimed at assisting the Government's diversification efforts. Efforts in this regard include the development of several standards to support the Fashion Industry in collaboration with bodies like the Trinidad and Tobago Coalition of Services Industries (TTCSI) which is playing a lead role in transforming the services sector and assisting local service providers to enter new export markets.

In order to successfully penetrate export markets, local manufacturers must be able to demonstrate compliance to Standards in the destination country; this normally entails certain Conformity Assessment activities at home or abroad. A major focus of the NQI is ensuring the local availability of testing bodies, inspection bodies and certification bodies which are internationally recognized, thus providing the means for local entrepreneurs to prove that our local products can compete internationally.

Trade and sustainability issues are becoming inextricable. Global customers are becoming more sophisticated and are demanding proof that products are sustainable

and business operations do not negatively impact the earth that we all inhabit. Issues such as Climate Change, Renewable Energy, Energy Efficiency, Low Carbon Footprint and Low Water Footprint are coming to the fore. Customers want assurance that products have been manufactured in a manner which is sustainable, energy efficient and causing minimal impact on our planet Earth. The National Quality Infrastructure provides a framework that manufacturers and customers can use to demonstrate that products and processes are sustainable.

In this regard, TTBS has adopted several standards to aid in sustainable production; a case in point is the suite of environmental management standards which can be used by companies to become 'green' businesses. In addition, we need now to encourage companies to become more energy efficient; in this instance, the Bureau has adopted an International Standard, ISO 50001 for Energy Management Systems. ISO 50001 provides an internationally acceptable framework to more effectively manage energy usage and reduce energy consumption, leading to both cost savings and minimizing effects on Greenhouse Gas emissions.

We should also be mindful

that Sustainable Development is also about the Quality Of Life. Manufacturers must be able to access a healthy, productive labour force. Where does the National Quality Infrastructure fit in this scenario? The NQI can assist in improving the quality of medical care services available nationally. Laboratory accreditation is a key tool in ensuring the competence of personnel in our health care facilities. Laboratories should be ideally accredited to ensure competence and thereby, provide assurance of reliable test results.

Laboratory accreditation is essential to Health Care, Food Safety, Forensics, Crime Investigation, Water Quality, Air Quality and essentially all sectors when there is a need for accurate testing and measurement. Recognizing the importance of having a National Accreditation Body, TTBS recently hosted the 18th IAAC Annual General Assembly and related meetings at the Hyatt Regency, Port of Spain. This event marked a significant milestone in the establishment of the National Accreditation Body for Conformity Assessment. The intent is to achieve international recognition of this organization through the signing of the Mutual Recognition Arrangement with IAAC and thus bring international

recognition to the conformity assessment practices of Trinidad and Tobago.

The strengthening of the NQI requires cooperation, above all, in order to successfully improve productivity and competitiveness of Micro, Small and Medium Enterprises (MSMEs), increase trade and protect consumers and the environment. We have to identify and establish key linkages, networks, and partnerships to further our competitiveness and sustainable development goals. Private sector companies, public sector organizations and civil society all have a part to play in the NQI.

The NQI pervades all aspects of the economy and human life, from trade, economic diversification, competitiveness to transport, health care, construction, green buildings, sustainable cities, renewable energy and energy efficiency. In order to realize our vision for sustainable development, the NQI is the critical foundation, providing essential support functions to assist both organizations and persons to wisely use resources, minimize negative impacts on the environment, while simultaneously achieving economic development and prosperity.

# Suriname

Jules Wijdenbosch Bridge

**Full name:** REPUBLIC OF SURINAME  
**Population:** 529,000 (UN, 2011)  
**Capital:** Paramaribo  
**Area:** 163,265 sq km (63,037 sq miles)  
**Major languages:** Dutch (official), English, Sranang Tongo, Hindi, Javanese  
**Major religions:** Hinduism, Islam, Christianity  
**Life expectancy:** 68 years (men), 74 years (women) (UN)  
**Monetary unit:** Suriname dollar  
**Main exports:** Bauxite, alumina, aluminum, crude oil, timber, shrimp and fish, rice, bananas  
**GNI per capita:** US \$7,640 (World Bank, 2010)  
**Internet domain:** .sr  
**International dialing code:** +597

## Economy at a Glance

### GDP (purchasing power parity)

\$6.685 billion (2012 est.)

\$6.429 billion (2011 est.)

\$6.173 billion (2010 est.)

(note: data are in 2012 US dollars)

### GDP - per capita (PPP)

\$12,300 (2012 est.)

\$11,900 (2011 est.)

\$11,600 (2010 est.)

(note: data are in 2012 US dollars)

### GDP - real growth rate

4.0% (2012 est.)

4.2% (2011 est.)

4.1% (2010 est.)

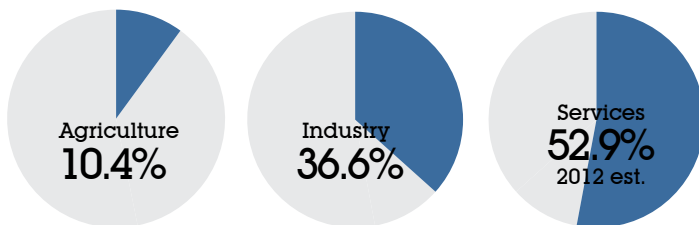
Suriname, once called the Dutch Guianas, is one of the smallest countries in the South American region. It has an estimated population of slightly over half a million persons (539,000, 2012) most of which inhabit the northern part of the country in the capital city of Paramaribo. As a part of the South American land mass, Suriname is bounded by Guyana to the west, French Guiana to the east and Brazil to the south, and is the only Dutch speaking, and one of the few non – island states in CARICOM. Considering its size, Suriname is considered to be one of the most ethnically diverse countries in the world, with each ethnic group in large measure preserving the cultural influences of their respective indigenous roots.

Once a dependency of the Netherlands, Suriname gained economic autonomy in 1955 and was granted full economic independence in 1975. In an attempt to rid itself of the vestiges of colonial rule, the country adopted inward looking policies, in its bid to become independent and self

sufficient. During much of the 1980's Suriname was mostly under military rule, which reinforced these "self – sufficiency" policies. However, from 1980 to 1988, GDP per capita in the South American country declined by 1.2 percent a year on average and per capita income fell by 2 percent per year and foreign debt rose from 3 percent to 27 percent of GDP. With the restoration of civilian control in 1991 came a shift in policy which saw the gradual 'opening' of the economy. Chief among these policies was a strategy of regional integration, which sought enhanced cooperation with the Caribbean Basin. As a consequence, July 1995 saw the accession of Suriname to the Caribbean Community (CARICOM) and the country becoming a full member of the WTO. In keeping with these policies the country also engaged in the signing of several bilateral agreements with such South American countries as Venezuela (1993) and Brazil (1997).

As a result of these efforts, Suriname now enjoys an open economy which has seen both trade and GDP increase each year for the period 2006 – 2012. As a total, GDP and GNI nearly doubled to USD 5173 million and USD 9321 million respectively in 2012. The country's economic successes are buoyed by a wealth of natural resources and traded

### GDP - composition by sector



Labour Force (2010)

103,915



Doing Business Ranking

164 <sup>OUT</sup> OF 185



commodities like gold, oil and to a lesser extent bauxite/ alumina. As a consequence of record prices for gold and fuel Suriname unlike many of its CARICOM partners grew significantly and was able to weather the economic storm of the global financial crisis of 2007. Thus in 2010, while most of its CARICOM counterparts averaged economic growth of 0.5%, Suriname enjoyed an average growth rate of 3%. While Suriname is significantly dependent upon its mineral reserves the country also boasts large exports of bananas, shrimp, frozen fish, exotic timber, rice and scrap metal. Primary export destinations are Canada (33%), United States (12%), Belgium-Luxembourg (12%), Guyana (7%), Barbados (7%). Preferred import partners on the other hand, are Trinidad and Tobago (20%), Netherlands (20%), United States (12%), China (9%) Brazil (6%).

Tight fiscal policy in Suriname has been credited for Suriname's economic successes over the past few years. Monetary policy in Suriname is focused on the maintenance of the exchange rate against the dollar, which, since devaluation in 2011, is

now set at SRD 3.25 to 3.35 to the US dollar. Despite enjoying a fiscal surplus for the past few years however, the revenue base is quite narrow with 30% of the revenues coming from the gold, bauxite and oil sectors. As such the country remains vulnerable to external shocks from fluctuations in international prices for these commodities. Services constitute a significant part of the economic sector in Suriname, accounting for over 60% of GDP. The wholesale and retail trades are dominant service activities, contributing 19% of the country's GDP in 2011. Manufacturing, primarily food processing and bauxite refining are also significant contributors with 21.4% in 2011.

Despite its many achievements and growth milestones, the Suriname economy continues to be hamstrung by a shortage of affordable energy to support any major industrial expansion. The country's main bauxite refinery at Paranam depends primarily on diesel generated energy to support its refining operations. Additionally, the state owned gold mining company Surgold has noted that any gold refinery built in Suriname will also have to be

powered by diesel generated energy. The doubling of the capacity of the power generating plant of the national oil company Staatsolie has helped in easing the demand for power in Paramaribo.

Due in large measure to its wealth of resources Suriname also boasts an above average performance in foreign direct investments. The mining sector traditionally attracted the highest percentage of FDI in Suriname, however the withdrawal of global mining giant BHP Billiton from the country's bauxite sector in 2010, has negatively affected FDI performance in this area. More recently there has been increased activity of Chinese investors in Suriname. Examples of these Sino investment flows are evidenced in such projects as that undertaken by the China Zhong Heng Tai company, which has invested significantly in the revitalization of the palm oil industry in the Patamacca region. Further a USD 600million Chinese investment project is underway for the construction of port and road construction; while significant concessions have been given to Sino Forest and Greenheart.

Despite such a healthy investment profile, Suriname ranks 164th (2012) out of 185 economies for ease of doing business according to the World Bank's Doing Business rankings. Starting a business in Suriname requires an average of 694 days and 13 different administrative procedures. The government is however in the process of drafting new investment legislation which it is hoped would provide greater opportunities for investment. The government has also identified agriculture, timber, tourism and other services as key areas for investment and sees infrastructure, roads, bridges, transport facilities, and telecommunications as being crucial factors to attracting investors to the country.

The Trinidad and Tobago Manufacturers' Association will be leading a trade mission to Suriname from 13th to 17th October 2013, to explore opportunities for trade and investment between the two countries. For further information please contact Ms. Renée Penco at [tradedesk@ttma.com](mailto:tradedesk@ttma.com).

#### SOURCES

WTO, Trade Policy Review Suriname - 2013  
BBC, Country Profile - Suriname  
ITC, Trade Map  
The Observatory of Economic Complexity - Country Profile Suriname

# Breakfast so Satisfying!



The advertisement displays a variety of Natural Delights products arranged on a light green surface. In the foreground, there are two white bowls filled with granola and yogurt, a glass of orange juice, and a small white bowl containing packets of Stevia sweetener. Behind these are several product packages: a box of TRIFLITOS cereal, a bag of Granola, a loaf of bread, a carton of 100% Soya Milk, a carton of Stevia, and a box of Natural Delights Soy Milk Strawberry yogurt. A red and white logo for 'Natural Delights' is positioned in the bottom right corner of the product display.



Sold nationwide  
[www.caribbeanhealthfoods.com](http://www.caribbeanhealthfoods.com)  
Packaged and distributed by  
Caribbean Health Foods Ltd.

Healthy never tasted  
so good!

# Member FOCUS



**Kaj**  
DESIGNS

**Kaj Designs – one of the TTMA’s newest members – is staking its claim on the international fashion scene.**

The premier fashion house is based in Scarborough, Tobago, and creates resort collections for the confident woman and outfits corporate ambassadors. The Kaj Resort line is available at Guadeloupe’s exclusive Caribbean boutique, KOD. The brand’s objective is to be known for its Caribbean aesthetic and to become a leader in Caribbean fashion, globally.

While the Creative Director, Mr. Kevin Ayong Chee Julien has been designing since 2005, Kaj Designs registered as a limited liability company in October, 2012. Pursuing a sound strategy and financing to activate its business plan, the company is well on its way to achieving its goals, says Liza Miller, the company’s CEO/Director and Ayong-Julien’s business partner.

“We are approaching the business with strategy and structure. We know that there is an international appreciation for all things Caribbean. We have a great product. The innovations behind the designs are unique. Kevin Ayong-Julien, our Creative Director is exceptionally talented. At the core of everything is his creativity and what has gotten us out there is the partnership that he and I have,” says Ms. Miller, who has a background in business administration and management of the creative industries and also operates leading marketing and communications firm for the creative industries, estuary PR.

Ms. Miller revealed that this year, Kaj exhibited at two of the largest fashion tradeshows in the world – Intermezzo, which is produced by ENK International and held in New York City from May 6th to the 8th, followed by

BLUEPRINT from the 16th to 19th of May in Singapore. Kaj won its bid to host one of the six runway shows that took place during the event and was the first Caribbean brand to exhibit and show at the core of Singapore’s fashion week, Asia Fashion Exchange.

According to Ms. Miller, the garments were well received at both shows due to the fine construction and high quality of textiles and raw materials used. The product also stood out for its originality, colour and flair. Ms. Miller described the tradeshow experiences as invaluable in moving the company closer to achieving its objective of establishing the Kaj brand as a Caribbean leader in fashion globally.

The company was able to expand its networks, raise awareness for the Kaj brand internationally and gain hands-on knowledge of tradeshow tactics including presentation, marketing and sales strategies. While in Singapore, the company was able to make contacts and build networks for accessing quality raw materials and production. Market research was carried out through interactions with customers, buyers, media and designers. These interactions have helped to identify demographics and psychographics, determine how the product measured against competitors, gauge the response to the product and determine its export potential in each target territory. Three core export markets were identified: 1) USA (New York, Miami and Los Angeles); 2) Asia (Singapore, Bali, Hong Kong and Tokyo); and 3) the Caribbean (Jamaica, Barbados, St. Maarten, St. Lucia, Guadeloupe and Martinique).

In August, the Kaj brand was the only Caribbean brand to show



in Bali at the inaugural Fashion Festival Bali. The Bali show producers saw Kaj at BLUEPRINT in Singapore and invited the company to take part in the high profile fashion show. Ms. Miller saw this as a great opportunity for publicity and sales and arranged for the collection to be shipped to the show. The show took place from August 24th to 31st and was presented by The Stones Hotel Legian. The show featured some of the region’s established and emerging designers from Bali, Jakarta, Singapore and Australia; with celebrity guests including Michael and Lindy Klim and Casey Burgess. Some of the major partners for the event included Indonesia Tatler, Esquire

Magazine, Harper’s Bazaar and Grazia Magazine.

Since launching the latest Kaj Resort collection, Tribu Sauvage, in May 2013, the demand for Kaj garments has grown both locally and internationally. The brand has enjoyed a 30% increase in its client base and continues to receive weekly inquiries about the availability of its clothing. KajFAB Femmes may look forward to the placement of its resort line at Manhattan’s trendsetting showroom and online boutique, Lion’esque Style, from September 2013. Additionally, the brand is currently negotiating orders for placement of its product at several online boutiques.

## CHALLENGES FOR THE COMPANY

Despite the positive outcomes mentioned above, the company was ill prepared for shows in terms of marketing as printing of sales and marketing materials were not completed on time due to severe financial constraints. "Funding is extremely difficult; banks are fearful to invest. They do not understand the business of fashion and its unique spending requirements," says Miller. According to Ms. Miller, the most serious challenge within the fashion realm in Trinidad and Tobago is the perception that the creative industries are not a lucrative sector.

Ms. Miller believes that education of suppliers, potential customers and the wider public is necessary. A public relations campaign on what the creative industries entail, the jobs it offers, and the mentoring opportunities available to young people will change the belief that the creative sphere is not economically viable.

Costs are also a big challenge. Due to the company's relatively small scale of operations, material and other supplies are purchased from distributors and not directly from the manufacturers. Designers in Trinidad and Tobago cannot access quality fabrics and raw materials locally. "Seconds are being imported. These fabrics are not of a quality that can be sold internationally," Ms. Miller explains. At present, the company sources all fabrics outside of Trinidad and Tobago. These costs are likely to decline as negotiations with distributors from Asia are underway following the Singapore visit.

Additionally, as no one in Trinidad and Tobago makes woven labels, these have to be sourced outside the country. Through TTMA's network, Kaj has been able to get suitable labels from Brazil.

Cost is further impacted by the labelling regulations for fabric content. These require the testing of fabric used in garments for export. In producing samples

for export the testing costs as much as the fabric. In addition, marketing costs are significant, as much as 40% of total cost as the brand must be able to hold its own against well established brands with huge marketing budgets.

There is also a shortage of skilled people in the sector as well as a shortage of expertise available in the professions that support the sector. "Production managers and assistants, pattern makers, stitchers, marketers and business managers and publicists in fashion are quite scarce," says Miller.

## WHAT THE FUTURE HOLDS

Maintaining its philanthropic outreach, Kaj has donated two dresses for auction at the upcoming celebrity charity event, Legends Beyond, which takes place in Los Angeles on September 19, 2013. Legends Beyond promises to attract an elite crowd with celebrity host, Vivica A. Fox and guests including Charlie Sheen, Jane Seymour and Nicole Kidman. Proceeds from the event will benefit Los Angeles County's breast cancer organization, Susan G. Komen for the Cure.

Locally, the brand will give of its time and resources to showcase at the Rotary Club of Princes Town's annual charity tea and fashion event on October 6, 2013 at the Hyatt Regency Hotel in aid of the Diabetes Prevention Project and Polio Eradication Campaign.

Additionally, the company has applied to be part of Dominicana Moda 2013 (DM2013). This fashion event will run from October 21-26, 2013 in Santo Domingo, Dominican Republic. If selected, the company will be able to participate in all activities revolving around DM2013 and present its collections on the runway. The show has grown to be the official fashion week of the Dominican Republic and it has become the fastest growing runway show in the Latin American region.

For the upcoming peak

tourism season in Tobago, the company has decided to have a number of pop-up boutiques at various hotels in Tobago weekly beginning in November. The company also plans to have pop-up boutiques in Trinidad every other month starting in November.

Although passion and creativity are vital aspects of the business, Ms. Miller is of the view that being aware of all other aspects of the business is equally important. To change the perception of the fashion sector, the company is considering hosting a mentorship program in schools.

In the 2013-2014 national budget the Minister of Finance Larry Howai mentioned the removal of customs duty and value added tax on commodities imported as inputs into the production of goods and services for this industry.

The Ministry of Trade, Industry and Investment's Fashion Industry Development Committee, of which Ms. Miller is a member, is in the process of developing a Strategic Plan. Tenders for consultants to develop a plan for Trinidad and Tobago's fashion sector will be sent out.

Ms. Miller notes that talent abounds in our nation. She believes that more needs to be done to help unify the sector. A culture of trust and mutual respect must be nurtured to allow for the sharing of information and collaborations between practitioners that would enable a more supportive environment ultimately strengthening the fashion sector as a whole. Creative industries offer the country the opportunity to diversify our economy on a "resource we will forever have."





# our TTMA continues to Family Grow

## Newest Members

### ACROSS THE BORDER LIMITED

46 CALCUTTA NO 2 FREEPORT  
MITCHACROSSTHEBORDER@GMAIL.COM  
1(868) 673-4006

### AIR2 WORK LIMITED

4A CENTRAL WAREHOUSING COMPLEX BUILDING,  
34 MUNROE ROAD, CHAGUANAS  
RICHARD.BRERETON@AIR2WORK.CO.TT  
1(868) 224-9894

### ALLTRIN LIMITED

23 ROMEO STREET, ST JAMES  
INFO@ALLTRINLTD.COM  
1(868) 622-6216

### B'S HOME MADE ICE CREAM LIMITED

INDUSTRY LANE, CHAMP FLEUR  
BEESHIC@TSTT.NET.TT  
1(868) 662-5747

### CARIBBEAN ANALYTICAL SERVICES LIMITED (CASL)

CORNER PHOENIX PARK ROAD WEST AND PACIFIC  
AVENUE,  
POINT LISAS INDUSTRIAL ESTATE, POINT LISAS  
INFO@CASL-GROUP.COM  
1(868) 679-8914

### CARIBBEAN LED SOLUTIONS LIMITED

44 GREENVALE AVENUE, VALSAYN NORTH  
SALEEM@CARIBBEANLEDSOLUTIONS.COM  
1(868) 350-5156

### CREATIVE IDEAS LTD

UNIT 2, LOT 2C CHOOTOO RD, EL SOCORRO SOUTH  
INFO@CREATIVEIDEASTT.COM  
1(868) 675-9738

### DAVYN LIMITED

52 NANAN TRACE, ARANGUEZ  
INFO@DAVYNTT.COM  
1(868) 674-9788/4435

### EDOO'S WELDING & INDUSTRIAL SUPPLIES COMPANY LIMITED

27 ROYAL ROAD, SAN FERNANDO  
EWISCO@TSTT.NET.TT  
1(868) 652-4924

### ENERGY DYNAMICS LIMITED

1 DEAN STREET, ST. AUGUSTINE  
INFO@ENERGYDYNAMICS-LAC.COM  
1(868) 645-4335

### ESTUARY PR LIMITED

SUNNYDALE TOWNHOUSES, UNIT 22,  
5 PASEA STREET, ST AUGUSTINE  
INFO@ESTUARYPR.COM  
1(868) 367-5295

### FIREONE FX LIMITED

MACOYA ROAD, TRINCITY  
INFO@FIREONEFX.COM  
1(868) 662-5261

### GREEN DUCT LIMITED

UNIT 4, #5 GASTON STREET,  
LANGE PARK INDUSTRIAL ESTATE,  
CHAGUANAS  
INFO@GREENDUCTLTD.COM  
1(868) 222-6970

### IXANOS LTD

LP 72 CORWER SMART AND FRANCIS STREET,  
ST. AUGUSTINE  
SAKING@IXANOS.CO.TT  
1(868) 662-0395

### KAJ DESIGNS LIMITED

35 FRIENDS FIELD ROAD, SCARBOROUGH,  
TOBAGO  
INFO@KAJDESIGNS.NET  
1(868) 639-6525

### KATBEJE GROUP LIMITED

SUITE 3, B'S COMPOUND, INDUSTRY LANE,  
CHAMP FLEUR  
KATHERINEBETHEL@ACTIONCOACH.COM  
1(868) 683-7050

### LITEKEY ANTILLEAN LTD

117 A 12TH STREET, BARATARIA  
INFO@LITEKEY-ANTILLEAN.COM  
1(686) 759-5419

### MARK LEE LUM

3 IRWIN AVE, LA SEIVA, MARAVAL  
MARKLEELUM@HOTMAIL.COM  
1(868) 788-2647

### MEICO LIMITED

113B CALCUTTA SETTLEMENT ROAD #2,  
FREEPORT  
SALES@BAREFRUITJUICES.COM  
1(868) 673-4997

### OMEGA BUILDING SYSTEMS LIMITED

19D DAVID BLAKE STREET, O'MEARA INDUS-  
TRIAL ESTATE, ARIMA  
SALES@OMEGABUILDSYS.COM  
1(868) 646-0436/2239

### PACKAGING CENTER TRINIDAD LIMITED

4B CENTRAL WAREHOUSE COMPLEX,  
CHARLIEVILLE, CHAGUANAS  
SALES@PACKAGINGTNT.COM  
1(868) 672-7285

### RESONANCE TRINIDAD LIMITED

134 ST. VINCENT STREET, PORT OF SPAIN  
EDEVISSE@RESONANCECARIBBEAN.COM  
1(868) 625-4785

### SAFE-TEC LIMITED

CORNER CLARE STREET & EASTERN MAIN  
ROAD,  
LAVENTILLE  
INFO@SAFE-TEC.COM  
1(868) 624-3473

### SAFETRAIN SERVICES LIMITED

LP #10 DAM ROAD, LONGDENVILLE  
SAFETRAIN@TSTT.NET.TT  
1(868) 789-9052/9053

### SHAZAM ENTERPRISES & INVESTMENTS LIMITED

#150 CARATAL ROAD, GASAPRILLO  
SHAZAMENT@TSTT.NET.TT  
1(868) 650-3575

### SMAKS LUXURY GROUP LIMITED

6 VALPARK PLAZA, 1 MOREQUITO AVENUE,  
VALSAYN PARK, VALSAYN  
SMAKSTRINIDAD@GMAIL.COM  
1(868) 663-3097/621-0699

### SONEIL MARKETING & DISTRIBUTION LTD

19 CASSIA STREET, MORVANT  
SONEIL.MARKETING@GMAIL.COM  
1(868) 638-5364

### SUSAN MORGAN AND ASSOCIATES LIMITED

25 MARAVAL ROAD, PORT OF SPAIN  
SUSAN@SMALTT.COM  
1(868) 391-3153

### TRANS CONTINENTAL DISTRIBUTION LIMITED (TCDL)

#14 RAMBHAIU STREET EAST, ARANGUEZ  
TCDLTT@GMAIL.COM  
1(868) 223-8235

### TRINI DOGWATCH

UNIT 2 LOT 2C CHOOTOO ROAD, EL SOCORRO  
SAN JUAN  
TRINIDOGWATCH@GMAIL.COM  
1(868) 688-9220

### WEST INDIAN PROJECTS LIMITED

16 ST. AUGUSTINE VILLAS, CIRCULAR ROAD,  
ST. AUGUSTINE  
WIPROJECTS@GMAIL.COM  
1(868) 662-4588

S	M	T	W	T	F	S
1	2	C	A	L	E	N
D	A	R	11	O	F	14
15	E	V	E	N	T	S
29	30					

### October 13th -17th

TRADE MISSION TO SURINAME  
Paramaribo, Suriname

### October 23rd

TTMA PRESIDENT'S DINNER  
Hilton Trinidad and Conference Centre  
7:00 p.m.

### December 6th

TTMA CHRISTMAS PARTY  
House of Angostura

### December 15th

END OF YEAR SALE  
TTMA Car Park, 9th Street Barataria