

SENATOR THE HONOURABLE PAULA GOPEE-SCOON
MINISTER OF TRADE AND INDUSTRY

“VIRTUAL POST-ANNUAL GENERAL MEETING EVENT”

RESILIENCE OF BUSINESS

TRINIDAD AND TOBAGO MANUFACTURERS’ ASSOCIATION

TUESDAY 5TH APRIL 2022

8:45AM

Salutations List

- Ms. Tricia Coosal - President, Trinidad and Tobago Manufacturers' Association
- Dr. Mahindra Ramdeen – Chief Executive Officer, Trinidad and Tobago Manufacturers' Association
- Mr. Rafeek Khan - President, Guyana Manufacturing and Services Association
- Board of Directors of the Trinidad and Tobago Manufacturers' Association
- Specially Invited Guests
- Members of the Media
- Ladies and Gentlemen

Good Morning,

It is my pleasure to be a part of the Trinidad and Tobago Manufacturers' Association Post–Annual General Meeting to deliver remarks at this event entitled Resilience in Business.

Firstly I wish to welcome back Ms. Tricia Coosal. I must recognize Ms. Coosal for her leadership over the past year. You began your tenure during a tenuous time but decisively led the TTMA undeterred by these challenges. I congratulate you on your second term in office and look forward to the continued collaboration between the TTMA and the Ministry of Trade and Industry in the drive to position Trinidad and Tobago's manufacturing sector as a leading and competitive industrial base in Latin American and Caribbean.

I must also extend a warm welcome to Mr. Rafeek Khan, President of the Guyana Manufacturing and Services Association. Guyana and Trinidad and Tobago have enjoyed deep, familiar relations including a long rich history of trading activities, predicated on Guyana's extensive Agricultural sector and Trinidad and Tobago's dynamic manufacturing sector. Guyana remains a key market for

Trinidad and Tobago. I look forward to hearing your presentation today.

Ladies and Gentlemen, today's theme of Resilience in Business is fitting to the manufacturing sector of Trinidad and Tobago. The term resilience speaks to the ability to recover quickly from challenges encountered and I add, with the flexibility and perseverance to thrive. As a developing country, Trinidad and Tobago continues to remain vulnerable to external and global events, the most recent being the Covid-19 Pandemic and the Russia/Ukraine War. With the business sector becoming more dynamic, resilience requires more than just new ideas. It requires a business model that embraces complexity, uncertainty and interdependence. Adaptability is now the new competitive advantage.

The resilience of our manufacturing sector is clearly demonstrated in the data.

The growth in the non-energy manufacturing sector is evident by the rebound in the export performance of the sector in 2021 when compared to levels in 2020 (the start of the pandemic) and 2019 (Pre-Covid). Specifically, by utilizing data from the Central

Statistical Office (CSO), it was estimated that for the eleven month period January to November 2021, non-energy manufacturing exports valued approximately TT\$9.76 Bn, representing an increase of 47% from January to November 2020 where it valued approximately TT\$6.62 Bn and 21% from January to November 2019 (Pre-Covid) where it valued approximately TT\$8.07 Bn.

Notably, the iron and steel industry accounted for approximately 50% of total non-energy manufacturing exports in January to November 2021. Notwithstanding this, the non-energy manufacturing sector (excluding iron and steel) also showed signs of significant growth. It was estimated that for the period January to November 2021, non-energy manufacturing exports (excluding iron and steel) valued approximately TT\$4.83 Bn representing an increase of 21% from January to November 2020 where it valued approximately TT\$3.99 Bn and 12% from January to November 2019 (Pre-Covid) where it valued approximately TT\$4.29 Bn.

Allow me to highlight some of these key sub-sectors which have been doing very well -

- Export output in the Food and Beverage Industry – increased by 28% from 2020 and by 22% when compared to 2019;

- Export output in the Plastics and Rubber Products Industry – increased by 36% from 2020 and by 29% when compared to 2019;
- Export output in the Ferrous Waste & Scrap Industry – increased by 47% from 2020 and by 20% when compared to 2019; and
- Export output in the Glass and Glass Products Industry – increased by 96% from 2020 and by 126% when compared to 2019.

The data is indicative that the manufacturing sector in Trinidad and Tobago remains a viable catalyst for achieving economic transformation, expansion and diversification in the domestic economy, providing significant levels of employment and foreign exchange earnings.

More recent, unprecedented events have taught us that a holistic approach is needed to enable the business community to respond better to crises. Firms in the manufacturing sector have indeed

effectively designed strategies to navigate their challenges productively and I wish to assure you that the government has been and will continue working closely to come up with the right policy prescriptions to enable positive transformation in the manufacturing sector in the medium to long term.

In 2020, with the onset of Covid-19, this government immediately established and convened a manufacturing committee, the output of which now forms a critical part of Trinidad and Tobago's Roadmap to Recovery. The Manufacturing Sector Sub-committee in its deliberations, elicited extensive stakeholder input and considered a broad spectrum of policy options for expansion to allow the further export of high-value goods. This was seen as a crucial first step in building much needed economic resilience.

I am pleased to state that we are well into phase 2 of the implementation of the Roadmap to Recovery. In this regard, the Government, in collaboration with the private sector, is currently pursuing a number of strategic interventions and initiatives to boost and enhance resilience and growth in business.

One such initiative is the Export Booster Initiative (EBI), which is a collaborative programme between the TTMA, the national export promotion agency, exporTT and the Ministry of Trade and Industry (MTI). The EBI consists of sixteen (16) initiatives under three (3) broad strategic areas including:

1. Export Promotion;
2. Capacity Building; and
3. Institutional Strengthening

The EBI will assist the TTMA in reaching its goal of doubling the value of non-energy manufacturing exports.

The Apprenticeship Programme for the non-energy manufacturing sector is another initiative aimed at enhancing the available cadre of human resource, by upskilling young persons in new and emerging occupational areas, to support the government's agenda of driving innovation and improving the competitiveness of the non-energy manufacturing sector. The Programme was approved by Cabinet on March 31, 2022 and the first intake is expected to take place in May 2022.

The Ministry of Trade and Industry in partnership with the Unit Trust Corporation also launched Cohort 2 of Scale Up Trinidad and

Tobago (Scale Up TT) in December 2021. The Scale Up Programme aims to strengthen and amplify the entrepreneurial ecosystem to facilitate the rapid, measurable and sustainable growth of businesses.

There is no doubt that SMEs comprise an important backbone of our economy. Part of ensuring resilience involves measures to promote what they need most, which is access to finance. The Ministry of Trade and Industry is currently implementing a number of grants, including:

The Grant Fund Facility (GFF) which targets SMEs in eight (8) designated sectors to financially assist with the acquisition of new capital requirements/expenditure, including, machinery, equipment, and in some cases, software, tools and patents for new technology;

The Research and Development Facility which seeks to promote increased business and trade, and engender innovation and competition, especially among small and medium-sized enterprises (SMEs) across all non-energy sectors; and

The Steelpan Manufacturing Grant Fund Facility which seeks to support the manufacturing of Steelpan and increase the export capacity of manufacturers. The Government is also seeking to expand this facility to provide the required resources to manufacture the much needed complimentary products, such as the accessories of the steelpan as we must push the exports of our indigenous and sought after instrument.

One of the key areas that the government feels strongly about and is keen to develop is the creation of local and regional value chains. There have been and continue to be significant disruptions in our global supply chains. While the recent global events have highlighted our dependency, it also provides us with the opportunity to see beyond these challenges and seize the opportunities within the sector. As manufacturers seek uninterrupted production, the need to source locally (reshoring) or regionally (nearshoring) become important to ensure continuity of supply. To address this several activities are being implemented.

As part of the EBI initiative, in collaboration with exporTT, a Certification Programme is being implemented to allow companies,

especially those with inputs into the production of key goods to meet international standards.

Additionally, the Government commenced the processes required to undertake a Study on the Regional Value Chains for the Manufacturing sector in CARICOM. A regional value chain would involve the splitting of the production process in stages at different locations. This fragmentation of production embraces value added contributions from different members of the region. This would allow for the identification of new and alternate sources of inputs for manufacturing including raw material, labour/skill needs, as well as, retail and distribution requirements.

It will also help uncover new business relationships that can improve operational efficiencies and lead to new product innovations, in addition to opening new business opportunities in Trinidad and Tobago for the CARICOM business community.

Ladies and gentlemen, despite unprecedented challenges, the manufacturing sector and indeed the business community displayed remarkable resilience and the capacity to quickly adapt, but the health of our economy is before us and much more is

required. The Government of Trinidad and Tobago remains committed to the implementation of key strategic activities to provide the support and create the right environment to allow our business sector to flourish. I wish to commend the TTMA for the excellent work they have done so far and look forward to our continued collaboration to ensure that our business sector not only remains resilient, but exceeds all of our expectations.

Once again, I congratulate the incoming President and Directors of the Board and the Executives.

I thank you.