

**PRESIDENT OF THE TTMA'S SPEECH
AGM & BREAKFAST MEETING 2018**

Honourable Minister of Trade and Industry - Ms. Paula Gopee-Scoon

Special invited guest – Secretary General of CARICOM – Mr. Irwin

LaRocque

Permanent Secretary MTI – Mr. Norris Herbert

Ag. Comptroller of Customs - Ms. Kathy-Ann Mathews

Chairman of exporTT - Mr. Ashmeer Mohamed.

Directors of the Board of the TTMA

Past Presidents of the TTMA

Past directors of the TTMA

Members and other key stakeholders of the TTMA

Our special invited guests from other BSOs

Other ladies and gentlemen

Media representatives.

Good morning, and thank you, Ramesh, for the introduction. It's a great day to be here at the Trinidad Hilton to kick off the Trinidad and Tobago Manufacturers' Association's AGM and Business Breakfast 2018.

It is an honour to be in the same room as some of the greatest innovators of this nation of ours. I am grateful for the confidence bestowed on me by the Board of the TTMA in electing me as President of this prestigious and worthwhile organisation once again. I'd like to sincerely thank my board of directors for the unrelenting support which I have received for the past year and I look forward to working with the new board in the upcoming term of my presidency. I am confident that we have a great team, one that can and will move the Association in the right direction.

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Our goal this year is simple: to do all in our power and influence to propel Trinidad and Tobago manufacturing into being the most sustainable source of revenue, employment, forex and essential goods and services for our country. We recognise that nation building - economic and social - is a collaborative effort and it is our mission to ensure that our Government recognises and embraces this so we can help each other to fulfil this mandate.

What is the state of manufacturing in Trinidad and Tobago?

Today, manufacturing in our country is a confident industry. We are growing, investing, hiring and raising standards of living in communities all across our nation. We are exporting and increasing our market share in that way. We are providing some of the highest quality products on the market today which gives the consumer the greatest return on our investment. We are truly striving towards self sufficiency as a nation. We have great leaders, innovators and entrepreneurs right within our own shores.

We have recognised that if we are to be a part of a sustainable economic solution for this nation and lead the diversification agenda, we need to grow rapidly. We have received incentives from the government in the past and we have seen the correlation with the results in our industry. However, despite the downturn in the economy - oil and gas remains the number one GDP earner for our country. To be a part of the diversification solution, we need to have a sustainable avenue to replace the GDP for our country which would've come from oil and gas. We are no where near this goal. As well as we are doing, only export will get us there. Our local market is

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simply too small to make the impact in GDP that our economy requires. We must export more.

As persons in business, we understand all about competing priorities. We understand about scarce economic resources and the opportunity cost of putting it to work. We are ever mindful of our dire financial constraints but we are also equally mindful that we have to stimulate the economy to start the wheels turning towards recovery.

For manufacturers, it's not about politics or personality. We simply want to get going and quite frankly, a great deal of work needs to go into growing our sector. Whether any of us like it or not, we need Government's buy-in and support to get where we both need to go. We can significantly grow our industry and market share by exporting but when we export, we need to effectively compete on the world's stage. Governments around the world recognise this and incentivise, create concessions and most significantly create the most empowering and conducive climate for success. It is difficult to compete when we are hindered by many issues which are not issues for our competitors from other nations.

Though I am heartened by the resilience of our industry and I have seen great strides in creation and innovation, our membership has continuously expressed that it is increasingly challenging to conduct business in Trinidad and Tobago. While trying to grow an industry in a significant way in a short space of time, within the recent past, we have been faced with increases in income tax, green fund, business levy, coupled with cuts in subsidies, and we are on the verge of the reintroduction of the property tax. If this particular tax is not done right, such an additional tax measure can be very

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onerous on the business community once implemented on plant and machinery. Let me say here that from the TTMA's perspective, we have made recommendations on how the framework for the reintroduction of the Property Tax should be rolled out and we await feedback from the government with respect to our proposals.

I have been approached by our members some of who have said that these measures have increased the obstacles and challenges to engaging business in T&T and has aided in eroding the attractiveness of setting up or continuing manufacturing business in this country. For that matter, some have already begun the process of setting up business in other islands and jurisdictions where the climate for success is better.

The bureaucratic issues when dealing with government agencies have been too time consuming for some and many are willing to take their investment elsewhere. These persons are not unpatriotic in any way, these persons have begun this process after years of frustration and hitting a brick wall when attempting to get the work done.

As such, government may not always be at fault here, but all the same, I do believe that government can use its authority to ensure processes are engaged in a timely, efficient and effective manner. I am certainly not professing that this would be an easy task for government but it is imperative that they address government agency inefficiencies to ensure that processes run smoothly. Whether it may be process realignment required, additional headcount to deal with the work load or different skill sets with staff with the right mindset to carry out the required duties, these issues are simply out of our control. Inefficient government bureaucracy remains in the top 3 problematic factors for doing business in this

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country. Where undue bureaucracies exist, I have come to realise that someone benefits at the expense of government, business and the tax paying population. We need to address these unwanted bureaucracies immediately. It seems that foreign consultants are continuously engaged in government agencies in order to audit, give advice and create a way forward for change. These reports often take a long period of time to compile and we never seem to get to the point of execution. I have met some good persons within government agencies. Surely there must be some leaders within agencies who could tweak and redefine processes in the simplest of ways in order to reduce time frames in which work is done. Just as we look at our production line and figure out more efficient ways to create and generate more, it is my wish that the government could have their agencies look inwardly to reengineer processes. Who knows the processes better than process owners themselves and they should be given the empowering opportunity to input their ideas to improve their processes.

Much of the competitiveness we have managed to create for ourselves by our production experiences, techniques and capabilities are in many cases eroded by obstacles to our success. However, I firmly believe at the factory door we, as manufacturers and exporters, are as competitive as any other countries' manufacturers in the region. The problem is the inefficiencies with our agencies that drive our cost up and there is little we as manufacturers can do to curb that situation. We are asked to compete in a globalised environment, where our traditional forms of border protection - tariffs and in some instances quotas, are eroded, because of Free Trade Agreements and conditionalities. It appears that we need more than free trade in this regard, we need fair trade and so there are some agreements that are simply not working for us and we need to address those issues of

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fair trade that seems to be going on for far too long. Our competitors don't always face the same challenges that we do, and so with this additional burden we are made to face, the final prices on our goods result in our competitiveness being eroded.

Crime in this country is something that affects us all. I don't believe that I could address this gathering without mentioning the effect of crime on us personally and on carrying out business in this country.

Our murder rate is on a steady rise and security for our businesses are as essential as raw material for production. The cost we expend to ensure the safety of our employees and customers are increasing and are factored into the cost of annual operations. The cost of private security for our businesses is the highest of all Caribbean countries and way above the international average. Increased insurance, security equipment and personnel and losses due to robberies and theft draw money away from other activities that could potentially enhance productivity and create savings for the consumer. The factory shift system is being impacted because of crime and traveling is becoming very risky for our employees now at any time during the day or night. The cost of crime to our businesses is borne as much as possible by the business community, but once it becomes too high - the consumer will ultimately also feel the burn.

I do believe that having our citizens in meaningful employment will assist in curbing crime considerably. I'm not referring to 'make-work programs' as these are short-term solutions which in many ways hurt our industry and does a disservice to the work-ethic of the people of our nation. The resumes that cross my desk daily are of people who are qualified to do so much but skilled to do nothing. We need thinkers and innovators not just

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qualified persons passing through the system. A holistic look at the national skills bank we need to create is essential. I think the Economic Development Advisory Board under the stewardship of Dr. Terrence Farrell did a lot of good ground work in this regard. I would even call the work exciting. Key suggestions were submitted to the Government, including a Draft Diversification Strategy and Roadmap, which itemised and prioritised Trinidad and Tobago Manufacturing. Yes it is disappointing that such exciting work has lacked any progress on ideas and proposals.

Some of you who were at the AGM this morning would have heard my Report on our last year of operations where I mentioned some of the challenges we continue to face as a business body in the country. I wish to mention three of them here in summary. The TTMA has continuously worked with the Ministry of Trade and Industry and the Ministry of Finance on onerous issues such as VAT rebates, Export Incentives and Foreign Exchange shortages. We have provided what we believe to be simple and workable solutions to those in authority. We are optimistic as the Minister of Finance has indicated in more than one public fora that he would be seeking to address the matters which we brought to him of establishing a Foreign Exchange facility at the EXIM Bank, addressing the VAT rebate matter early in 2018 and having the export incentive in place immediately. However, 6 months after these commitments were made, these catalytic measures have yet to materialise and as with the national community, we are growing very impatient. Talk done, time for action!

This year as president of the TTMA, I intend to continue efforts in advocating for our manufacturers to ensure that our climate for growth and competitiveness is optimal. There is also a particular initiative which I

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would like to see bear fruit in 2018. This is the Proudly T&T campaign. This does not have so much to do with buying local, as we see it from a much larger perspective. This campaign will be used to restore a sense of pride and patriotism in our citizens. We will be sharing manufacturing success stories, showcasing the quality of our goods many of which are now well-sought-after across the globe, we meet international standards and our prices are usually most sensitive to the consumer. We employ over 50,000 T&T citizens. Many of our citizens have been employed on the factory floor and moved up to management through hard work, consistency and determination. Innovation is changing the way our industry looks right here in this country and many of our young minds don't even know this. Our youngsters believe you have to grow up and get a job in google in order to innovate. But that is not so. Why not innovate right here and become the next great entrepreneur of our nation. We want to inspire girls and boys, men and women to lend their talents to build something bigger than themselves—to become people finding purpose in making things that matter and improving the quality of life for our citizens while they're at it. Manufacturers build better lives with the products we make, and we provide good livelihoods with the jobs we create. We give people work that provides meaning and purpose, that offers not just a pay cheque, but the satisfaction of having created something that matters. While anyone can imagine the future, it takes a manufacturer to build it.

We really are the best bet in diversification of our economy towards sustainability. Supporting the manufacturing industry means support of preservation of the forex we all need and boosting our economy from within. We are grateful for the unwavering support from our lead sponsor First Citizens Bank and to the Minister of Trade in this initiative.

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This is about mindset change for the consumer and citizens of our country. It has to start somewhere and this journey will be a rewarding one for us all. Get involved.

In closing, I wish to thank once again, the board of directors for allowing me to serve in this capacity as president for another term. I hope to realise all the expectations you have of me and I am certain that with your collaboration and input we can move the Association and the business community of Trinidad and Tobago along a sustainable path. I would also like to thank our CEO Dr. Ramdeen and the TTMA secretariat for all the support and assistance given to me thus far and I look forward to implementation of our plans in the year ahead.

At the TTMA, we have always been determined to do everything in our power to ensure that our nation's manufacturers are ready to build the best future anyone can imagine. During my 2nd term of presidency, I will continue this legacy with pride.

Proudly T&T, Thank you.