

# Trinidad & Tobago



## “Land of the hummingbird” flying high

**Positive economic indicators reflect the strong performance of the nation's hydrocarbon industries that are fuelling up the government's vision of a non-energy-dependent economy and a fully united region**

From a macroeconomic perspective, Trinidad and Tobago has every right to bang its own drum following its remarkable achievements in recent years. Referred to as a ‘Caribbean Tiger’ by the New York Times, the dual-island nation has witnessed outstanding economic growth and become one of the wealthiest countries in the Caribbean, due in large part to the exploitation of its significant reserves of oil and gas.

“Trinidad and Tobago is just taking off. Our rate of growth has been very high and it will continue to increase. In terms of economic growth we doubled the size of the economy between 2001 and 2006, from \$55 billion in 2001 to \$114 billion at the end of 2006. The unemployment rate has fallen. When we came into office in 2001, the unemployment rate was at 11.5% and it fell to 5% last year,” says prime minister and minister of finance Patrick Manning, leader of the People's National Movement (PNM) party, which is approaching the end of its current term and a general election is considered likely by the end of this year. “All the indicators now seem to be positive: Inflation reached 10% in October last year, falling to 8% in March 2007, and the Revenue Stabilisation Fund at the end of last year was at \$8.8 billion. The foreign exchange reserves in 1993 were at minus \$10 billion and at the end of 2006 stood at \$6.5 billion. It all indicates we are going in the right direction.

“We have now emerged as the largest exporter of ammonia and methanol in the world, the sixth largest trader of liquefied natural gas (LNG) and the fifth largest trader of direct-reduced iron (DRI). Last year we supplied the US with just less than 70% of its LNG requirements, with about 77% of its methanol and about 56% of its ammonia requirements. We have also received the approval by the Environmental Management Authority (EMA) for the establishment of the first aluminium smelter in Trinidad and Tobago. Everything is going very well, and furthermore crime is down,” Mr Manning states.

Trinidad and Tobago is a key provider of energy security for the US. The two nations have long shared strong and mutually beneficial relations. “We have provided energy security and have not asked for anything in return. We have done it to an extent greater than most countries had to do it for other countries, but Trinidad and Tobago has developmental needs,” the prime minister points out. “We have put a number of proposals to the US. The first is that the exploration costs for export gas should be bared by the beneficiary country rather than the supplier. Secondly, we asked for duty-free access to the US market for goods packaged in Trinidad and Tobago. The third is the security problem, which is based on our strategic location between the drug-producing countries of the south and the consuming countries of the north. We are purchasing a number of vessels including offshore patrol vessels, 90-meter boats that have the capability to patrol

the eastern Caribbean. We are prepared to do it, but we cannot finance it. We offered to partner in doing it but so far we've had no response.”

Trinidad and Tobago is a stabilising voice in the region and it has a number of advantages that have made it an attractive destination for foreign investment: large hydrocarbon reserves, a steady political climate, strong democratic traditions, an investor-friendly approach and a burgeoning economy all go in its favour. “Our credit ratings are now among the highest in Latin America and the Caribbean, further strengthening our emergence as a leading financial centre in the region,” says Mr Manning.

The Caricom Single Market and Economy (CSME) is an integrated development strategy that aims to establish the Caribbean as a single, unified economic unit. The first phase involved the launch of the Caricom Single Market (CSM) on January 1, 2006 by its six original member states, which now features 12 members, making Caricom the newest trading bloc to join around 194 other trade blocs on the world market.

The CSME is expected to be fully implemented in 2008 with the harmonisation of economic policies and possibly a future single currency. “We are looking at the whole question of the Caricom single market and economy, as well as a regional stock exchange, which we will be working on over the next two to four years. Capital market activities are something that must happen,” comments Conrad Enill, minister in the ministry of finance.

Trinidad and Tobago currently accounts for around 80% of trade within the CSM. The capital, Port of Spain, aims to become the Brussels of the Caribbean.

Mr Manning remarks: “We seek to be on good terms with all our neighbours, which include Venezuela, Cuba and the Caricom countries. We are in a position to influence what this region can become. We have the strongest economy in the Caribbean and the biggest financial centre. The CSME will see the Caribbean being regarded as one economic piece, one market, and therefore encourage free movement of goods, capital and labour through the region.”

The country's Vision 2020 Operational Plan 2007-2010 represents the first step in the government's rolling plan to the year 2020 to develop innovative people, nurture a caring society, enable competitive business, invest in sound infrastructure and the environment and promoting effective government.

“Developed-country status by the year 2020 is well under way. In the next five-year term we will accelerate our rate of development and by the year 2012 this country will be very different from what it looks like now,” states Mr Manning. “The vision is achievable.”

Mr Enill affirms: “The focus is on going forward, expanding within the energy sector and also the non-energy sector. In a real sense, what you are going to see very shortly is that Trinidad and Tobago will have the characteristics of a modern, fully industrialised state.” ●



**“We doubled the size of the economy 2001 to 2006; we are in a position to influence what this region can become”**

**Patrick Manning,**  
Prime Minister of  
Trinidad and Tobago



## DOWNSTREAM

## New projects in the pipeline

The country's burgeoning downstream petrochemical sector now comprises ten ammonia plants, seven methanol plants, three direct reduced iron modules, one hot briquetted iron plant and a gas-processing plant.

New ethylene, polyethylene and propylene plants will supply the basis for a plastics manufacturing sector. The government is exploring seven new value-added energy-related projects, representing \$8 billion in investment. Financed by foreign and increasingly local capital, they will generate over 20,000 jobs during construction and approximately 6,000 permanent positions. Even more significantly, fresh new opportunities will arise as the projects spur a range of downstream industries, as well as boost the supply and service sectors.

Conrad Enill, minister in the ministry of finance, says: "We are going to be using gas to get involved in downstream activity; we will then become a full, industrialised state on the basis of new investment activities in the downstream activity of the energy sector. We expect to create high-end sustainable jobs by going further downstream into product links." ●

## ENVIRONMENT

## Developing industry, respecting nature

Trinidad and Tobago is today an example of how industrialisation has to be managed and controlled to guarantee the preservation of the environment to benefit both the private sector and the population. The government's vision for the future includes investing in sound infrastructure while protecting its biodiversity and environment.

With one of the richest biodiversities in the western hemisphere, Trinidad and Tobago continues to establish environmentally sensitive areas and rules to ensure the conservation of its flora and fauna. It is the only country in the region to have an environmental court. Also, Trinidad is the base for the Basel agreement responsible for the Caribbean and Latin America.

A new environmental policy was introduced in 2006, focusing on water and air pollution. The idea is to show that industries can cohabitate with nature. A practical example is the Wildfowl Trust, a 25-hectare wildlife reserve and wetland facility located in the middle of the Petrotrin petrochemical complex. ●

## OIL AND GAS

## Massive growth and booming energy revenues to foster spin-off industries



**The nation's dynamic energy sector is a key pillar of the economy and a globally competitive industry gearing up to take full advantage of the rising demand for liquefied natural gas (LNG)**

The energy sector of Trinidad and Tobago is the backbone of the economy, accounting for 40% of GDP, 80% of exports and 53% of government revenue. High growth rates are premised on the expansion of the country's energy sector – in particular the increases in the production of methanol, ammonia and liquefied natural gas (LNG). The sector is further buoyed by the high price of oil, natural gas, petrochemicals and metals on the international markets, with the trend of high oil prices expected to continue at least in the medium term.

"The government is employing a strategy of sustainable economic growth and development, as we seek to optimise the nation's natural resources to generate wealth and ensure a high standard of living for our citizens," says minister of energy and energy industries Lenny Saith. "The energy industry has consistently played a pivotal part in the economic and social development of our country. It is today dynamic and globally competitive, attracting investment from multi-national energy corporations based in various parts of the world, including North America, Europe, Australia and Africa. Many more investments are in the pipeline."

Conrad Enill, minister in the ministry of finance, adds, "The energy sector is an extremely high investment focus. To a very large extent it is also foreign-based. The return on investment to organisations that have done business here has been extremely favourable. For example, BPTT has identified Trinidad and Tobago as one of their most profitable locations."

In addition to major petrochemical facilities currently at various stages of development, the government is exploring seven new value-added energy-related projects, representing \$8 billion in investment. Financed by both foreign and increasingly local capital, they will generate thousands of jobs during the development and post-construction stages. Opportunities will open up for new business ventures across a wide range of supply, service and downstream industries to further boost the economy.

Central to the country's economic fortunes is natural gas and its related downstream industries. In 2006, natural gas production averaged 3.8 billion cubic feet of gas per day (bcfd). Natural gas is now the country's dominant hydrocarbon; production is four times that of oil on an equivalency basis – the highest ratio for all LNG exporting countries. Worldwide demand is expected to increase by an average



**The US relies on T&T for around 70% of its LNG, 77% of its methanol and 56% of its ammonia**

of 8% per year through to 2015. In the US, demand will increase tenfold by the year 2025 and it will surpass Japan as the world's largest importer of LNG.

The Atlantic LNG facility in Point Fortin is the largest natural gas project in the world. It has positioned Trinidad and Tobago as the main source of gas for the US – LNG transportation costs from Trinidad are 20 to 30% less than from west or north Africa. The complex comprises three LNG trains (liquefaction units), which use an improved version of the Phillips Optimised Cascade LNG Process, each producing around 3.3 million tonnes per annum (MTPA) of LNG. A fourth train has a production capacity of approximately 5.2 MTPA and is currently the world's largest liquefaction facility in operation.

Repsol YPF operates around 25% of the trains, which it shares with its partners British Gas, British Petroleum and the National Gas Company of Trinidad and Tobago. Repsol YPF is among the global top ten petroleum and gas companies and

one of the three most important LNG producers in the world. Ferdinand Rigardo, Repsol's Caribbean regional director, says, "Trinidad is an example for the world's gas industry – in only seven or eight years it has developed its LNG sector and downstream industry at an incredible pace. Repsol YPC regards Trinidad as a flagship for LNG worldwide."

Globally, the refining industry is characterised by a lack of refining capacity, particularly in the US, and the demand for low sulphur, low aromatic fuels. Petrotrin – the nationally owned integrated petroleum company – will embark on a \$650-million upgrade of the Pointe-a-Pierre refinery over the next four years. There are also plans to build a new refinery at Pointe-a-Pierre to increase the country's overall refining capacity and take advantage of its proximity to the lucrative US market. Petrotrin has also entered into a joint venture with World GTL to construct a gas-to-liquids plant, whose clean diesel can be blended with Pointe-a-Pierre refinery diesel in order to improve its environmental rating. ●



**Lenny Saith,**  
*Minister of Energy & Energy Industries*

FOR MORE INFORMATION CONTACT: PRESS TRIBUNE, 405 Kings Road, Chelsea, London, SW10 0BB.

Tel: +44 (0) 207 493 5599, Fax: +44 (0) 207 629 5825

This report can also be read online: [www.press-tribune.com](http://www.press-tribune.com)

## FINANCE

## Strong financial sector key to diversity and leading the way in regional expansion



**As the new up-and-coming pan-Caribbean financial centre advances, Trinidad continues to look set to become the financial heart of the region**

While Ewart Williams, governor of Trinidad and Tobago's (T&T) central bank, keeps a watchful eye on inflation, a side effect of newfound hydrocarbon wealth and a rise in fiscal spending, the ministry of finance is faced with the question of how best to distribute that wealth in order to procure the sustainable development of T&T's emerging economy. Conrad Enill, minister in the ministry of finance, remarks, "It is important for investors to know that while we are ramping up our expenditure, we are also putting money aside for the future. Last year, for example, whatever the price of oil was, we spent at the rate of \$45 per barrel and the rest went into savings."

Mr Williams has been at the helm of the central bank since 2002 and was previously with the IMF for 30 years as deputy director for the western hemisphere. The governor has a firm grip on T&T's indicators, which have been positive since a World Bank structural adjustment programme at the end of the 80s led to the liberalisation of the economy and its subsequent growth throughout the 90s.

The liberalisation of the financial sector at that time laid the groundwork for what is today one of the strongest banking sectors in the Caribbean. As regional integration intensifies (the Caricom Single Market and Economy was officially launched in January of

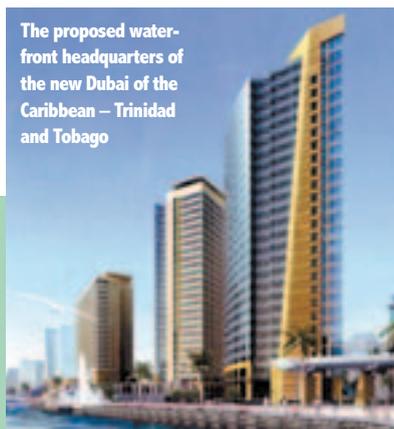


**Conrad Enill,**  
Minister in the  
Ministry of Finance

2006), financial services are beginning to play a crucial role in the finance minister's projections for diversifying the economy away from the energy sector and drawing in new investment. Plans for establishing T&T as an international financial centre are now in the works.

"With the concentration on terrorism and drugs and the difficulty of getting money in and out of the US, the role of New York as an international financial centre is beginning to diminish. We are in the same time-zone, and although it is an ambitious proposal, we see an opportunity for Trinidad and Tobago in this context," comments the prime minister, Patrick Manning.

According to Ram Ramesh, CEO of Caribbean Money Market Brokers (CMMB), T&T has become the default financial hub of the Caribbean. In the last two years it has seen more than \$600m being raised in the local financial markets by both local and regional companies and governments. The nation's banks have increased their foreign assets by more than 300% in the last decade while overall commercial lending has increased by 140%. They have also been at the forefront of regional expansion, testimony to their solid footing at home where a strong regulatory framework has created a much



The proposed waterfront headquarters of the new Dubai of the Caribbean - Trinidad and Tobago

mission, created after new legislation in 1995, has also proven itself to be on top of its game.

The IFC, which would help boost the country's foreign earnings and lead to a secondary market that could provide capital for SMEs, will focus on investment management, international loans syndication and back-office activities. "We have very strong connections with both North and South America that give us further advantages in becoming the pipeline through which those funds are managed. This is the fundamental concept for the creation of the International Financial Centre. The IFC's core business would be in the captive markets, which would be investment market and securities brokerage. There is now a need for regional governments and companies to access funding at competitive rates," states

better capitalised sector than regional counterparts. Main players in T&T's financial services sector include Republic Bank, RBTT, Intercommercial Trust and Merchant Bank, First Citizens Bank and FirstCaribbean.

In 2005, Standard & Poor's upgraded the country's long-term foreign currency credit rating from BBB+ to A- and its local economy sovereign rating from A to A+. Moody's also rates T&T as A1 with a stable outlook. Mr Manning says, "We are restructuring the domestic financial sector and particularly the market availability of shares in two major banks: First Citizens Bank and RBTT. We can use government strategies to use these two institutions to attract large banks from abroad in line with our determination to establish the International Financial Centre."

With investment on the rise, the Trinidad and Tobago Stock Exchange is also posting high levels of growth and establishing itself as a regional benchmark. Chairman Andrew McEachrane says that a Caribbean stock exchange network will be established this year that will allow investors to trade in the Jamaica, Barbados and T&T markets in real time. He notes, "Our investment climate and framework are favourable. We need to update some of our laws and regulations but this is an ongoing process in every free market in the world."

Mr McEachrane insists that key to the future growth of the market is greater involvement from T&T's energy sector, and Mr Enill agrees. "We are seeking to find a way in which we can bring several of the energy companies onto the stock market," says Mr Enill. Inflation will remain a primary focus for the central bank and the governor. In February, the bank executed the second of a series of bond auctions that raised twice the amount expected and given Mr Williams' achievements since his appointment five years ago in upgrading T&T's financial legislation and technological infrastructure, this sector is set to fly. ●

Ram Ramesh, a key figure behind the initiative.

Of course, English-speaking Trinidad and Tobago has another ace — location. The IFC will offer North American institutions looking to service South American countries a regional alternative to New York or Miami. Mr Ramesh adds, "When we agglomerate the markets in the region and create the IFC, we will be able to create a Caribbean bond that would be much more substantial. We would be able to direct the investors to a diversified set of securities around the region. Unless the US reciprocates with more investments in the region, we are likely to see other horses gaining importance, as we are seeing with Venezuela. From an investment point of view, there is much more value and return available in the emerging markets, markets below the radar such as the Caribbean and Trinidad and Tobago. The returns are quite attractive and in relation to risk there are no serious issues that can affect the credit quality of this country." ●

**For more information contact Trinidad & Tobago  
Ministry of Finance: [comm.finance@gov.tt](mailto:comm.finance@gov.tt)  
Tel. 1 (868) 6279700 - [www.finance.gov.tt](http://www.finance.gov.tt)**

### INTERNATIONAL FINANCIAL CENTRE A pivotal point between North and South

Part of new government investment in modernising the country's infrastructure, the International Waterfront Centre will feature the largest convention centre in the Caribbean. It will also house the IFC, which will convert Trinidad and Tobago (T&T) into a pan-Caribbean financial services hub. "The development involves the construction of two 26-storey buildings, one of which should be completed this year, and both will be available for the institutions of the IFC," comments the prime minister, Patrick Manning.

Already a significant source of the capital flows to sovereign and private entities in the Caribbean, T&T boasts a solid banking sector and is an established base for the top financial institutions operating in the region. The country also has a well established and efficient regulatory environment. The T&T Stock Exchange is now a regional anchor and looking to further strengthen its position. The Securities and Exchange Com-

## SCIENCE AND TECHNOLOGY

## New tech park rings in the future of ICT



**The rapidly growing ICT sector has a positive effect on the social and cultural status of any nation and T&T is stepping up the sector to become the Caribbean Silicon Valley**

The ministry of trade and industry (MTI) works alongside several other ministries, including finance, tourism, agriculture, foreign affairs, energy and energy industries, and planning and development, to achieve the economic goals of Vision 2020. In a bid to reduce reliance on the energy sector, the ministry of trade and industry has been mandated with the task of stimulating the development of non-energy industries.

Diversification explores niche areas of investment for local and foreign companies and the development of infrastructure, namely technology parks and light industrial estates throughout Trinidad and Tobago (T&T).

To date, the ministry's agency eTeck has targeted sectors such as the medical transcription market in partnership with Asia's Bamboo Networks as a viable new industry due to T&T's offshore location. eTeck now manages 20 industrial parks and has five more planned for the near future. It also plays a crucial role in promoting T&T's non-energy-related industries abroad. Targeting key markets like the US, Germany and Asia, the agency attends trade fairs and organises road shows.

Kenneth Valley, minister of trade and industry, comments, "On our recent trade and investment mission to the Far East, the chairman of the Bank of Baroda said 'in Trinidad and Tobago, it is happening', which reflected the fact that T&T is being recognised globally as a major regional centre for business and investment, and our efforts at promoting



**Tamana InTech Park will establish a platform for a knowledge-driven economy and create employment**

T&T are beginning to pay off."

eTeck president Khalid Hassanali says that eTeck has compared T&T with competitors to identify the country's competitive advantages, which he lists as close proximity to the US, native English speakers and same time zone as the eastern coast of the US.

He elaborates: "Currently we are developing alliances with companies and industries in the Far East that have committed to setting up an office in Trinidad. They will be servicing some of their business in the US from here. But they also have operations in Hong Kong and India, so work will be done around the clock." The drive to develop knowledge-based industries is key in eTeck's strategy. Its flagship science and technology park is now under construction. Tamana InTech Park (TIP), named after the Trinidadian mountain, is due to be completed by 2009 and will form the base of T&T's technology and ICT sectors.

"Tamana In-Tech Park is an ICT zone developed by eTeck. Its focus is on high-value manufacturing industries, knowledge-based industries and agro-technology. It will house a business information centre to disseminate info on T&T to prospective investors and help streamline the process for implementation of investment projects," says Mr Valley.

For companies, the advantages of TIP include

low-cost utilities, proximity to both the US and Latin American markets, and competitive wage costs. Mr Hassanali states, "eTeck has been specifically created to cause a shift from the energy sector. We are industrializing the country and TIP is our testimony."

The sweeping changes T&T's telecoms sector has experienced in recent years, which has seen rates drop by a whopping 90%, will serve the park well. The sector is in the process of liberalisation and seven new concessions are now available for international operators. It is also the government's intention to privatise its fibre optics, satellite services and international links in the near future.

When completed, TIP will stretch over more than 1,100 acres and boast one of the most modern telecommunications systems in the world, according to Mr Hassanali, who adds that IBM will design the system.

Clyde Alleyne, general manager of IBM Trinidad and Tobago, says, "TIP needed an advanced network capable of providing converged voice, data and video services. They wanted to ensure that even their infrastructure operations like surveillance and building services could be carried on the network. It needed to have sufficient capacity and capability to handle anything that is currently known, but with enough flexibility to be able to change as technology and demands change. They liked IBM's approach to the proposed IT architecture for the park and selected us to do the network design."

Research and development will be a priority at the park, which will be the new home of the University of Trinidad & Tobago (UTT) campus. The project aims to become the Caribbean version of the Stanford – Silicon Valley alliance. The university will also provide a pool of talent for the companies that locate in the park, and 10,000 new jobs are expected to be created over the next five years.

The proposed synergy between TIP and UTT has never been attempted in the local industrial and education landscape before. UTT will focus primarily on nurturing future human resources with ICT-specific capabilities. ●

## EDUCATION AND CULTURE

## Free university and art academies open avenues for T&T's youth

Developing innovative people is one of the leading strategic objectives of the Vision 2020, notes minister in the ministry of finance Conrad Enill. Education is a priority in the government's long-term strategy not only for its value in creating an innovative and efficient labour force but also for its effect in deterring youth crime. Consequently, the country's education system is now undergoing a momentous transformation. Measures to improve the availability and quality of education have recently been taken, such as improving school facilities and teacher-to-student ratios in primary and secondary education.

Since 2005 tuition has been free at the University of Trinidad and Tobago (UTT), the University of the West Indies (the country's largest university), and all of T&T's accredited colleges.

"The education system is being adjusted to create a better platform for continuous growth and development," comments minister of education Hazel Manning.

In keeping with the requirements of a knowledge-based work force and to aid in the development of children by providing them with the tools needed for the digital age, an extensive programme to integrate ICT into the primary and secondary schools curricula has also been launched. The plan envisages that all schools will be equipped with modern equipment and high-speed internet access by next year.

"The UTT, in recognition of the government's economic and industrial diversification agenda, will be developing the necessary programmes and skill sets to support the targeted indus-

tries," explains Mr Enill.

The government also intends to foster new generations of T&T talent to follow in the footsteps of Robert Greenidge and VS. Naipaul. It has for some time been considering how to harness and nurture the raw talent on the island. Now, in a \$140-million project, two academies of performing arts are scheduled to be constructed by 2008.

Cultural talent, as opposed to academic excellence, gives youngsters who may not normally consider the option of entering an academy the opportunity to explore their talents without the imperative of achieving preordained levels of academic success. This freedom of expression will be the lifeblood of the academies, which will be open to applicants from every walk of life. ●

## TRADE &amp; INDUSTRY

## Diversification of the economy takes off



The government has been aggressively targeting investment in the non-energy sector to build a more sustainable economy and support the nation in the long run

"Trinidad and Tobago (T&T) is at a most exciting time in its economic development," states Kenneth Valley, minister for trade and industry. "The government has been aggressively targeting investment in the non-energy sector in order to build a sustainable and diversified economy that will support our nation in the long term." The diversification of the non-energy sector remains a priority and is an ongoing exercise. Services now account for nearly 65% of the country's working population as international firms take advantage of the fertile investment opportunities presented by the country's tax incentives, low inflation rate and economic stability buoyed by a growing trade surplus. Vast sums of government revenue have been pumped back into the economy in the form of large-scale construction projects and infrastructure upgrades. This growth in activity has led to job creation and is sustainable over the medium term, but there is a need to capitalise on the country's position by pursuing an aggressive expansion policy in the manufacturing sector and to expand its tourism, niche and financial industries.

The robustness of the national economy and the efforts of the ministry of trade to consolidate T&T's position as an economic powerhouse and a leading member of the Caribbean Community and Common Market – which in turn provides the wider export market that stimulates the trade surplus, increases domestic efficiency and gives the country's manufacturers a regional platform – are indicative of the optimism surrounding the country's drive to achieve developed world status by 2020.

"Our private sector has worked alongside the government, lending full support to all business promotion and facilitation initiatives, in particular, travelling the globe to promote Brand T&T, and collaborating in the development of business development policies, says the minister. "T&T has one of the most committed private sectors in the region. This is a group that is determined to see this country develop into a first world nation. It comprises some of the largest conglomerates in the region along with family run-businesses, one to two-person consulting enterprises, entrepreneurial start-ups, traditional agro-processing firms, multinational corporations and a highly skilled services sector, all of which are aggressively exporting themselves across the globe."

Prime examples of entrepreneurialism are companies of the international scope of CL Financial and Neal & Massy Holdings. Bernard Dulal Whiteway, CEO of Neal & Massy Holdings, leads operations in six business units within Caricom. The company boasts sales in excess



Manufacturing accounts for 8% of GDP

of \$600 million, 4,000 associates, and more than 80 years of history. A public company, it is listed on both the T&T and Barbados stock exchanges. The recent joint venture with Cool Corp Ltd for the purchase of Shell's retail, LPG and chemical business in Jamaica explains how T&T companies are taking over the Caribbean basin

Neal & Massy's chairman, Arthur Lok Jack, has also been the chairman of the Vision 2020 committee, which led the creation and implementation of the project with full input from T&T's vibrant private sector. He explains, "The whole programme took two and a half years and involved more than 600 people who worked long and hard voluntarily without any compensation. We recognised that producing a plan was not the end game, so we designed a process by which the execution of the plan was achievable. This included the setting up of a programme management office overseen by the prime minister and the minister of planning and development."



**Kenneth Valley,**  
Minister of Trade  
and Industry

The T&T Manufacturing Association (TTMA) encourages foreign investment by setting up infrastructure and fostering joint partnerships between international companies and local businesses in fields as diverse as chemicals, construction, distribution, entertainment and textiles. With an eye on expansion into Latin America, the TTMA hosts the annual Trade and Investment Convention, the Caribbean's largest, which generated \$25 million in its 2005 edition.

Upgrades at the port of the capital city, Port of Spain, and the appointment of a new board and a new management arm, Portia, have begun to reap dividends as T&T exploits its geographical advantage to attract shipping traffic from Argentina, Brazil and Uruguay. Trade with the US is facilitated through a CBI, and moves are being made to seal an FTA agreement. "T&T has the most efficient manufacturing sector in the Caribbean," comments prime minister Patrick Manning. Paul Quesnel, TTMA's president, identifies recycling, renewable energies and the creation of downstream industries as key components of the nation's future development.

"Trinidad is at a critical juncture in its economic development, where the business climate and facilitative environment is being fine tuned to meet the demand of investors and to cater to wide-ranging investment activity," Mr Valley explains. Conrad Enill, minister in the ministry of finance, states: "There are tremendous advantages for the investor, whether he is looking to expand, or if he is looking for the very dynamic group of people who will support innovation and inventiveness in trying to compete and win in the global market place." ●

## INDUSTRY DEVELOPMENT

## Seven areas to spur investment

- 1 Yachting
- 2 Fish and Fish Processing
- 3 Merchant Marine
- 4 Music and Entertainment
- 5 Film
- 6 Food and Beverage
- 7 Processing and Packaging

The government has identified seven key industries for intensified developmental focus and is actively involved in intensive promotional activities to attract local and foreign investments.

The policy package for this group of industries includes tax and custom tariff incentives, marketing and promotional assistance, skills training, research and development assistance, and productivity enhancement support. In the case of merchant marine activity, the government will update key pieces of legislation and establish a maritime authority to administer the sector.

Conrad Enill, minister in the ministry of finance, comments, "We believe that while energy revenues allow us to do a number of things, we should also be focusing on non-energy industries for what happens if and when the hydrocarbon resources are in fact depleted." ●

## PUBLIC UTILITIES

## Pursuing the perfect balance

Once in a position where it was necessary to import international knowledge to develop its public utilities sector, Trinidad and Tobago now leads by example, in the region and internationally, imparting its own knowledge to peers.

The postal service is a case in point. Once managed under a long-term arrangement with the New Zealand Post Authority, Trinidad and Tobago's state postal system is now a member of the World Postal Union, and a reference point for many countries seeking advice to improve their own service.

Electricity, meanwhile, benefits from affordable tariffs and a reliable supply, representing a definite advantage for investors. \$333 million will be invested to increase generating capacity. Additionally, a new \$500-million plant for sewage purification will supply 20 million gallons of water a day for industrial use and \$1.2 billion is being invested to extend the domestic water network further still.

Penelope Beckles, Trinidad and Tobago's minister of public utilities and the environment, oversees several utilities and environmental committees as part of the ministry's mandate to facilitate the national 2020 Vision objectives, all the while maintaining a strict balance between industry, development and the nation's natural environment. ●



## INCENTIVES

## Tourism investment framework

- 1 **Tax exemptions** on profits not exceeding seven years
- 2 **Tax exemption** on profits from the sale of villas or condominiums, which form part of an integrated resort development
- 3 **A carry-over of losses** from a tax exemption period
- 4 **The importation of vehicles** at a reduced rate of import duty (10%) and exemption from motor vehicle tax
- 5 **Exemption from customs** duties on building materials or articles of tourism equipment, not being manufactured locally
- 6 **Tax exemption** on interest received on an approved loan used for an approved tourism project
- 7 **Tax exemption** on the dividend received by a non-resident shareholder if the recipient is not liable to tax on the dividend in his country of residence

## TOBAGO

## Paradise, perfected

From the Main Ridge Forest Reserve, the oldest in the western hemisphere, to the serenity of Man-of-War Bay and the majesty of the forested Main Ridge that dissects the island, Tobago is worthy of its sobriquet 'Capital of Paradise'.

Tourism goes deeper than beauty on Tobago, however, as the island's main source of revenue—representing 46% of the island's economy in 2005.

In a move designed to diversify the island's economic spectrum, the Cove Eco Industrial Park will occupy 140 acres of land and host eco-related industries involved in pharmaceutical, agricultural and downstream industries.

"We want to take advantage of the beauty and location of Tobago, but we will never compromise our environment for the sake of progress," asserts Orville London, chief secretary of the Tobago House of Assembly. ●



Clear waters attest to Tobago's ranking among the top ten dive sites in the world

## TOURISM

## Two islands, one nation, endless unforgettable journeys



**Location, location, location. Trinidad and Tobago has it all. In the heart of the balmy Caribbean yet out of the eye of tropical storms, the two-island state is one of secluded bliss**

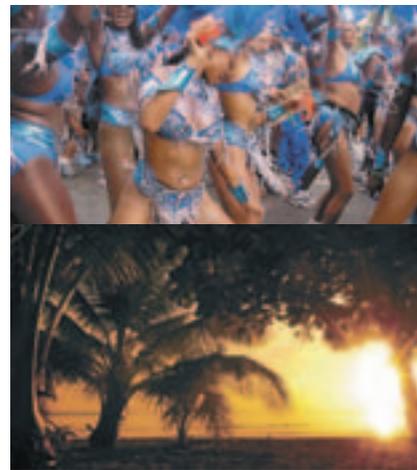
As the trend of global tourism increases, the birthplace of calypso, limbo and the steel band today finds itself well poised to capitalise on its natural and cultural advantages. "Our history and diversity of peoples and religions have also produced a rich culture that many Trinidadians and Tobagoians take for granted, but cause the international visitor to marvel," comments Howard Chin Lee, minister of tourism. "Carnival is our best-known festival. But throughout the year, there is always a festival or celebration. Just to name a few, we have Hosay, Eid, Divali, Tobago Heritage, Emancipation Day and Indian Arrival. Our music is also amazing. We have given the world not only the steel pan but also unique musical forms, such as calypso, rapso and chutney soca. As you might expect from a society that is a melting pot of races, our food is also diverse and delicious." The scenic charms of the Caribbean state are sufficiently alluring on their own to attract visitors, but measures are being put in place to secure the long-term sustainability of the tourism industry.

The growth of the nation's tourism sector is predicted to remain at 5.2% per annum until 2015, by which time the industry will account for 16.5% of the nation's total GDP. In addition to an ancillary surge in job creation and increased revenues spurred by the creation of an internationally competitive product, prime minister Patrick Manning says that in order to attain the critical mass of international quality business and resort hotel rooms, his administration proposes to attract major brands that will bring with them, their own advertising, marketing networks and destination profile enhancement. "Simultaneously we will target hotel chains as well as potential developers and investors with the ultimate objective of placing Trinidad and Tobago on their investment list and selling them on specific project concept possibilities," he explains.

In Port of Spain several globally recognised hoteliers and brand names, such as Ritz Carlton and Hyatt Regency, are preparing to enter the market. Already present are two Hilton hotels — the Hilton Trinidad and the Hilton Tobago.

The national tourism policy framework is designed to showcase Trinidad's unique position as a cultural Mecca and a concourse for the Americas, as well as Tobago's position as a premier upmarket leisure destination. James Hepple, president of the Tourism Development Company (TDC), notes, "Trinidad and Tobago are two different tourism destinations, different from a product perspective and from a market perspective."

Tourism currently accounts for 50% of Tobago's GDP, or \$120 million. That the island is so tourism intensive is little wonder in view of its status as three-



**Top twins: Trinidad is a celebrated cultural mecca and Tobago is an awarded ecotourism destination**

time winner of the World Travel Awards Best Ecotourism Destination in the World accolade. The twin-island state is the country with the highest biodiversity in the Caribbean and Latin America, and closely monitors the environmental issues surrounding the juxtaposition of an oil and gas-based economy and a natural environment of such precious diversity.

The majority of tourists come from the US and the UK, with the former accounting for 36% of arrivals to the two islands in 2004. In the case of Tobago, efforts to increase its quota of American visitors, currently standing at 5-6% as opposed to 67% from the UK, have received a lift with the announcement of a direct flight to the island from Atlanta, operated by Delta Airlines. The route is scheduled to open in December, and the Tobago House of Assembly hopes that the number of US tourists will leap to 70% of the total. As things stand, American arrivals are ferried to and from Trinidad, cutting the time spent on Tobago to an average of four days.

Serendipitously, Trinidad and Tobago is not in the danger zone posed by natural catastrophes such as tornadoes, hurricanes and tropical storms, which allows a healthy sub-sector to exist in the form of cruise ships and fishing tours, while also guaranteeing the frequency, and safety, of the ferry service that links the islands.

Minister of trade and industry Kenneth Valley says, "We are also working on enhancing air and sea linkages and our transshipment capabilities to position T&T as an alternative to Miami in terms of access to Central and South America."

"The level of awareness of Trinidad and Tobago is not yet where it should be. The TDC is talking to airlines and putting in place a product to appeal to the US market," says Dr Hepple. Of primary importance, according to the TDC's president, are the cities to which national carrier Caribbean Airlines runs non-stop, direct services — New York, Washington DC and Miami. ●

## CARIBBEAN AIRLINES

## Strong new winds lift nation's wings



**Caribbean Airlines is the whole new national airline of T&T, operating the routes formerly handled by BWIA**

**West Indies Airways with a fresh approach that aims to create a top regional carrier**

Caribbean Airlines was launched on January 1, 2007, with the aim of becoming the principal carrier of the region. "Airlines provide opportunity," says Peter Davies, CEO of Caribbean Airlines, "to create growth through providing safe, well-connected flights. Most countries have gained economic strength thanks to excellent communication channels. Airlines are an important part of communication. I wanted to prove that even in the toughest industry worldwide it is possible to make a profit."

Serving the Caribbean from its base in Trinidad and Tobago, the airline links the twin-island republic and other Caribbean islands with North America, South America and the United Kingdom. Its international reach spans New York, Miami, Toronto and London (under a code-share system with British Airways), as well as providing regional connections to and from Trinidad, Tobago, Barbados, Jamaica, Antigua, St. Maarten, Guyana and Suriname.

Last September, Trinidad-based airline BWIA announced its closure after years of financial difficulties. One of the Caribbean's most prominent and successful entrepreneurs Arthur Lok Jack was asked to head a task force charged with the independent assessment of BWIA's position. Mr Lok Jack recommended a significant shift in the management paradigm was needed and a new board of directors was appointed, which after much evaluation advised the closure of BWIA and the formation of the new airline. "In recent months, we have been focusing on differentiating Caribbean Airlines from the previous organization. This is what people can touch and feel," comments Mr Davies. "In terms of what we wanted to achieve in the first year – a good, safe affordable airline – we've achieved those objectives. What we are trying to create with the Caribbean Airlines brand is something that is appealing and beautiful. The humming bird is a lovely bird; it is not big, it fights for its territory and it is strong."

The airline has been generating a positive cash flow and customer service elements such as baggage handling and passenger complaints are well below the industry average. On-time performance exceeds 90%, where the industry standard is 85%. "What we have is an adequately capitalised airline and a motivated workforce, as well as robust maintenance and technical capability. We have a chance now to be successful," states Mr Lok Jack.

In June, Caribbean Airlines became the 34th member of the Latin American and Caribbean Air Transport Association (ALTA). "We put the flag of Caricom on every plane," comments Mr Lok Jack, who was also chairman of the Vision 2020 committee and was key in bringing the public and private sector together. "We are planning for the future." ●

## GREENER SKIES

## Carbon neutral initiatives to offset emissions

"Take only photos, leave only footprints." The well-established guiding principle for responsible travel today has an extra facet as modern travellers are also conscious of their global carbon footprint. Caribbean Airlines has embarked on a leading-edge initiative to provide sustainable air travel with the introduction of its CarbonNeutral programme. Peter Davies, CEO of Caribbean Airlines, states, "We are committed to reducing the carbon impact of its flights on the environment. We are delighted to be the first air carrier in the region to offer customers the choice to go carbon neutral."

In partnership with the CarbonNeutral Company, Caribbean

Airlines offers passengers the opportunity to offset airline carbon emissions by investing in eco-friendly projects focused on renewable energy sources, methane capture, energy efficiency promotion and reforestation schemes. Established in the early 1990s, the CarbonNeutral Company is one of the world's leading carbon offset and climate consulting enterprises that helps hundred of companies around the world to measure, reduce and offset their CO<sub>2</sub> emissions.

Passengers can participate in the airline's quest to go green with the CAL CarbonNeutral flight plan, designed in accordance with the strict Carbon-

Neutral protocol. Caribbean Airlines' customers can visit the national carrier's website to calculate the carbon emissions of their flight and then 'neutralise' them by contributing to community projects aimed at reducing levels of greenhouse gases released into the atmosphere.

Additionally, the company was the first airline in the Caribbean to offer e-tickets and web-based check-in services. It has entered into interline e-ticketing agreements with several partners: British



Airways, American Airlines, Air Canada, Air Jamaica, Continental, Virgin Atlantic, and United Airlines. "We take pride in being the trendsetter and

offering this convenience to our customers," says Mr Davies. "Since our launch on January 1 2007, we have achieved an 80% e-ticketing rate in our drive to provide paperless travel. We have also invested in installing winglets on our Boeing 737 fleet, to increase the efficiency of our aircraft and reduce the CO<sub>2</sub> produced, saving at least 4,000 tonnes of CO<sub>2</sub> emissions this year alone."

Caribbean Airlines' support bolsters projects such as the Iwokrama International Centre for Rain Forest Conservation and Development in Guyana, as well as the Recycling Project initiated by the Mayor of Port of Spain, Trinidad. ●



**YOUR GATEWAY TO THE CARIBBEAN**

Visit [caribbean-airlines.com](http://caribbean-airlines.com)

**Caribbean Airlines**  
the warmth of the islands