



## MEDIA RELEASE

### A Budget to support Exports

*Port of Spain, Monday, October 04, 2021* - The Trinidad and Tobago Manufacturers' Association (TTMA) notes the contribution of the Minister of Finance, Colm Imbert's reading of the National Budget "Resilience in the face of a Global Pandemic", today in Parliament.

President of the TTMA Ms. Tricia Coosal stated that the Association commends the Government on the work it has done to stabilise the economy during the last eighteen (18) months, especially in light of the country's fight in managing the impact and effect of COVID-19. She welcomes the position of the Minister of Finance to assist the business community in Trinidad and Tobago, especially provisions outlined that would assist the SMEs in the country. She noted that the TTMA asked for liquidity challenges to be addressed for the business community in its budget recommendations, and is heartened to hear the Government will be seeking to make aggressive disbursement to address outstanding VAT refunds. Ms. Coosal noted that whereas this is welcomed news, the Association will be looking toward the details on this matter since finding a long term solution to this problem is just as important for the business community as obtaining their overdue allocation of VAT returns.

Ms. Coosal also noted, "Apart from the VAT refunds, the additional announced Phase 2 of the Small and Medium Enterprise Loan Guarantee Programme with the commercial Banks would provide much needed liquidity for SMEs. Further, the extension of Government's guarantee of 100% of the principal borrowed and extension of repayment from 5 to 7 year gives SMEs greater ability to take the necessary risks needed at this time. The announcement that this fund can now be used to purchase fixed assets including goods and vehicles will allow companies to invest in digitization, technology and upgraded equipment that will assist in efficiency and output of their businesses; she noted that the 5% reduction of the tax rate on investment in digitalization is a welcomed initiative that has the potential for diversifying the economy. Additionally, the announced Catalytic Fund is an innovative concept and can provide additional funding to the small operators, and so the Association is looking forward to this roll out. The allocation of \$50M towards professional services and support in the areas of front office capacities for SMEs such as record keeping, training, management and health & safety will serve to strengthen these businesses so they may grow and become sound exporters on the international stage

Ms. Coosal acknowledged, "The request for and the granting of the extension of the Foreign Exchange facility at EXIM Bank would fuel in providing an impetus for business operators to access much needed foreign exchange. In 2020 and 2021, this vital injection assisted the non-energy community greatly and it is highly anticipated with the Government's continued support in this regard it would serve as an integral tool in the sustenance and growth of the exports from local manufacturers. The Minister's statement highlights the Government's continued commitment to support TTMA's strategic plan to double exports by 2025.

Ms. Coosal further highlighted "TTMA is pleased with the Minister's confidence placed in the Manufacturing Sector which generates 19.3% of GDP and employs over 52,000 people. The recognition given to the manufacturers as the "catalyst for diversification" in the post-pandemic future to ensure Trinidad and Tobago is globally competitive and innovative is well received. The importance of ensuring the Ease of Doing Business was once again stressed by the Minister via the pledge of digitization though the strengthening of the Single Electronic Window and implementation of the electronic fund transfer framework to allow businesses to make payments to the Government. We also welcome the enhancement of the voluntary

compliance program at the port, which will allow clearance of goods to be fast tracked and look forward to the details as they become available.”

Coosal continued, “It is refreshing that the Government is willing to partner with the private sector to address the enhancement of Human Resource capacity in the business community. TTMA welcomes the National Vocational training programme for the Manufacturing Sector alongside a National Apprenticeship Programme. Already, TTMA has signed a Memorandum of Understanding with UWI in this regard.”

Commenting on the focus on export Ms. Coosal stated, “TTMA has highlighted the importance of Trade Facilitation Offices and commercial attaches in targeted markets. The Minister’s announcement of the setting up of TFOs in Jamaica, Guyana with the responsibility for Suriname and Belize, and England with responsibility for Beijing and China is very promising.”

TTMA has advocated for a more efficient tax collecting mechanism, stressing the importance of widening the tax net as opposed to further burdening the already compliant population of the country. In this regard the TTMA looks forward to the roll out of the implementation of the Trinidad and Tobago Revenue Authority, which will be charged with this responsibility.

In an effort to assist business on industrial parks, Ms Coosal noted “The Association looks forward to the introduction of the modern state of the art industrial park - Pheonix Park, which will be completed in 2022 under Belt and Road initiative. She added that she hopes that the challenges on existing parks will also be addressed by the relevant authorities, allowing companies to expand, grow and sustain their operations”.

TTMA welcomes the introduction of the establishment of the Special Economic Zone Authority that will importantly, among other things, facilitate an enabling environment and develop infrastructure to attract foreign direct investment.

With regard to the announced stimulus package, namely the reduced tax rates by 5% for existing exporters and 50% exemption on chargeable income for new producers involved in exports, these are welcomed initiatives; coupled with the proposed Research and Development allowance of 40% for the business community, the TTMA will be well poised to realize the objective of doubling exports by 2025. TTMA notes that, as in previous years, many laudable announcements have been made, however, implementation often stymied the expected gains to fruition and so the Association is looking forward to the discussion in Parliament where the details of these outlined and promising measures would be debated.

Minister Imbert is scheduled to participate in a post-budget event with TTMA membership tomorrow, Tuesday 5<sup>th</sup> October, to discuss just how the new measures are going to help the sector become "globally competitive, productive, and innovative.

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