

# MEDIA RELEASE

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## TTCSI reiterates call for holistic approach to Services Sector development.

Port of Spain, Trinidad  
October 3, 2023

The Trinidad and Tobago Coalition of Services Industries (TTCSI) welcomes the Budget Statement for Fiscal 2024, delivered by the Minister of Finance, the Honourable Colm Imbert MP, on Monday 02 October 2023.

Presented under the theme, “**Building Capacity for Diversification and Growth**”, the 2024 Budget contains many elements that we believe reflected an optimistic outlook for the T&T economy, and which are indicative of the laying of a foundation for future sustainable growth and development across multiple sectors of economic endeavour.

We note several items of relevance to the Services Sector in Trinidad and Tobago, which we have the honour to represent.

### **A few key provisions with immediate impact on the Services Sector**

- New arrangements for preferential access to foreign exchange to qualified small and medium enterprises in 2024
- Property owners and occupiers will soon begin to receive notices stating the amount of property tax they're required to pay.
- Increase the minimum wage by 17 percent, or \$3.00 per hour, from \$17.50 to \$20.50 per hour.
- Improving broadband access around the country in highly populated and frequented areas such as transport hubs, hospital waiting rooms, libraries and schools.
- The continuation of training in digital skills for the population, with special focus on youth and senior citizens. And expanding the local software industry through the D-Hub virtual ecosystem.

- Three-year extension of the Tourism Accommodation Upgrade Project for eligible tourism accommodation facilities, reactivated from November 1, 2023. Also, continuing the upgrade business and events tourism facilities (e.g. Hilton Trinidad & Conference Centre), and cultural and performance spaces (e.g. NAPA, SAPA, etc.)
- Plans to increase the US Dollar Foreign Exchange Facility at the EximBank.
- The rationalisation of concessions, incentives and rebates for the agriculture sector, and continued creation and support of agri-entrepreneurs, as well as embracing of technological solutions to modernise the sector.
- Cybersecurity Investment Tax Allowance of up to \$500,000 for companies which incur expenditure in respect of investments in cybersecurity software and network security monitoring equipment.
- Continual upgrading of the Single Electronic Window or TTBiz Link, with the launch of 14 new e-services on the platform in 2024.
- Continuation of three SME Loan Guarantee Programmes in partnership with commercial banks and administered by First Citizens Trustee Services, to provide a stable and favourable debt market for small and medium enterprises.
- The Yachting Grant Fund Facility supports reskilling the labour force servicing the yachting sector.
- Expanding the CAL fleet to service growing strong air transport demand in the Caribbean region.
- Greater access to the CARICOM Single Market and Economy with free movement of all categories of workers, as well as ability of CARICOM nationals and entrepreneurs to now establish businesses in other member states, including self-employed, managerial and technical personnel.
- Continuing negotiations with Chile and Curacao for Partial Scope Trade Agreements, as well as moves to expand the CARICOM-Colombia Trade Economic and Technical Co-operation Agreement.

## **Holistic approach needed for Services Sector to become a viable forex earner and economic growth catalyst**

We have observed that the 2024 Budget Statement places heavy emphasis on diversification. However, we are concerned that these efforts are not directly targeting **the one sector that has the ability to generate tens of thousands of jobs and encourage entrepreneurial growth and development—the Services Sector.**

The TTCSI is of the opinion that the Services Sector represents an enormous potential game-changer for the Trinidad and Tobago economy, with its potential to generate thousands of employment and business opportunities, as well as directly respond to Government's call for the creation of more entrepreneurs, as part of its economic diversification thrust. As such, we wish to continue our call for a holistic approach to the development of Services in the country.

### ▪ **Institutional Strengthening of Sector Associations**

Today, the TTCSI represents over 65% of active services associations, spanning a range of business sectors. Over the past three years in particular, TTCSI has stepped up its advocacy for the Services Sector, its entrepreneurs and MSMEs in an effort to ensure that they are adequately represented.

Notwithstanding our limited resources, we have worked towards the sector's development by providing important training opportunities for stakeholders—such as the G2T Programme and the Doing Business with the World Webinar Series—preparing them to become services exporters and generators of real foreign exchange. In essence, we have sought to build an “exporters mind-set” in the Services Sector. As a result, we have built up a corps of Services Sector entrepreneurs and companies who are export oriented and aggressively pursuing opportunities in foreign markets, to earn much needed foreign exchange.

Furthermore, we have designed and built robust platforms that collect and provide critical trade-in-services data (via the National Services Exporters Survey) and facilitate peer-to-peer and business-to-business networking and connections (through the Nations Services Exporters Portal).

For continued Services-led growth, we recommend building on and expansion of this work. Institutional strengthening of TTCSI and sector associations is critical to bring about economic diversification and increase T&T's foreign exchange earnings.

### ▪ **Services Sector Sustainable Development Taskforce**

On September 14, 2022, Trinidad and Tobago Coalition of Services Industries hosted this country's Inaugural Services Roundtable, which brought together all key stakeholders. We continue to strongly advocate for this initiative to be fully embraced to ensure continued assessment, review and renewal of initiatives designed to foster sustainable development of the Services Sector.

The TTCSI strongly supports the proposal presented by Globe Views Strategies for the establishment of a **Services Sector Taskforce** comprising key players from Government, the Private Sector and Business Support Organizations. TTCSI is prepared to take the lead on this Taskforce, whose primary objectives would include:

1. Develop a five-year Strategic Plan for the Go Global TT Services initiatives of the TTCSI
2. Prioritize support for the Gateway to Trade (G2T) Programme until 2030
3. Provide support for high level trade missions for G2T participants in identified priority markets, namely CARICOM, North and Central America, Africa and Europe
4. Complete the National Services Sector Strategic Plan
5. Conduct a comprehensive evaluation and assessment of the ecosystem governing Services
6. Mapping of the Services portfolio undertaken by all State Agencies
7. Development of an Action Plan with clear deliverables for the next three to five years

## Other considerations

### ▪ Tourism Sector

The support initiatives announced for the tourism and cultural sectors are noteworthy and quite welcomed. However, there is need for a clearly articulated sustainable development and growth of these sectors—a road map, as it were—with clearly defined deliverables and benchmarks. Attending industry specific international trade shows and conferences are an important aspect in the overall growth strategy, but that cannot be the only high-level strategy going forward. In addition, as important as the diaspora market is, strategies must be designed build upon and even expand beyond this market, to win new visitors to our shores.

Given the continued investments in upgrading hotel stock as well as cultural and performance spaces and amenities, TTCSI strongly urges that **priority** be given to the reopening of the Trinidad and Tobago Hospitality and Tourism Institute (THTI), for the certification and training of tourism and hospitality workers and specialists. The reopening of the THTI would greatly assist hoteliers who are challenged with the unavailability of skilled workers to meet the needs of an industry that depends heavily on the delivery of quality customer service.

Another important area for consideration would be understanding the clear linkages among the economic sectors and leveraging the synergies and opportunities inherent therein. For example, agriculture, culture and the creative industries, manufacturing, finance, transportation, national security are all critical to a successful tourism product. They are all inter-connected and inextricably linked. These connections must therefore, by all means, be strengthened and fully supported.

Furthermore, because so many other sectors feed into the tourism sector, they have the potential to be a major catalyst for growth in the economy, hence the need for a comprehensive and holistic vision and strategic masterplan for the sector. This must be capable of delivering true diversification.

### ▪ The new Trade and Investment Promotion Agency

The TTCSI noted the announcement of an amalgamated trade entity—Trinidad and Tobago Trade and Investment Promotion Agency (TTTIPA)—mentioned in the 2023 Budget Statement and reiterated again in the 2024 Budget Statement. We look forward to close collaboration with this new agency—created to modernize exports and investments—to advance the development of the Services Sector. In furtherance of our discussions with the Ministry of Trade and Industry, the TTCSI recommit to focus on its mandate which includes, inter-alia, ensuring that service providers and firms are export ready. TTCSI also recommit to work closely with the TTTIPA who will be responsible for market connections and promotion of the pool of export-ready service providers and firms that have completed both the Services Go Global Training Programme and the Gateway to Trade Export Accelerator Programme.

- **Development of non-energy MSMEs and fostering entrepreneurship**

TTCSI welcomes confirmation that new arrangements will be put in place to ensure preferential access to foreign exchange for qualified small and medium enterprises in 2024. It also applauds the continuation of three SME Loan Guarantee Programmes in partnership with commercial banks and administered by First Citizens Trustee Services, to provide a stable and favourable debt market for small and medium enterprises.

However, we reiterate our call of 2022, that credit unions—as a major player in the financial services sector—be included in this partnership, through their representative National Umbrella Organization. This moreso, that they represent 700,000 members, manage assets of TT\$19 Billion Dollars and 129 credit unions.

## Final thoughts

Overall, the TTCSI is of the considered opinion that this Budget presentation has begun the process of directly laying the foundation for economic diversification, and indirectly facilitating a level of growth of the Services Sector.

However, we wish to state that concomitant with all these initiatives, there must be focused attention on the social fabric of our population, the aim of which is continued support for and strengthening of the foundation of families, in order to minimize socio-economic challenges, as well as to reduce crime and criminality in our society. It is imperative that every citizen play a role in bringing this about.

We commend the initiatives introduced within the National Security framework aimed at addressing crime and promoting a sense of safety among our citizens. It's crucial to elevate the expertise of individuals within TTPS to ensure top-notch services that may bolster our efforts to combat crime.

We also applaud the increased allocation to the Education Sector, which is an indication of Government's intention to invest in the population's education, certification, and accreditation, all while fostering a culture of continuous learning throughout one's lifetime—a significant indicator of a country seeking developed status.

**-ENDS-**

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