

ADDRESS BY THE MINISTER OF FINANCE
AND THE ECONOMY
SENATOR THE HONOURABLE LARRY HOWAI

at

THE CARIBBEAN CENTRE FOR
COMPETITIVENESS

1ST CARIBBEAN COMPETIVENESS FORUM

“A Solutions Agenda to Key Competitiveness
Challenges’

Hyatt Regency Hotel, November 5–6, 2012

Mr. Chairman;

Professor Clement Sankar;

Professor Eon Nigel Harris;

Professor Amitav Rath;

Ambassador Arthur Snell;

Ambassador Irwin La Rocque;

Mrs. Flora Montealegre Painter;

Other specially invited guests;

Colleagues;

Ladies and Gentlemen;

Good morning!

At the onset, I would like to thank the Caribbean Centre for Competitiveness for organizing this forum and inviting me to speak on the relevant and very timely issue of competitiveness. The challenge for any nation is how to sustain its competitiveness over the long term. The advancement of globalization and the slowdown

in global growth has emphasized the need for us to stay ahead of the competition and adopt macroeconomic policies aimed at enhancing the competitiveness of our domestic markets and improving the prosperity of our country going forward. It is clear that, as a nation, we must make greater efforts to reform and promote advanced technologies and to strengthen the private sector.

This focus on national competitiveness has been increasingly reinforced by global competitiveness rankings published, on a

regular basis, by a variety of institutions. Global rankings are important for two reasons. First, they are a set of diagnostic tools which highlight the strengths we can build on, as well as the challenges that must be overcome, in order to become more globally competitive. Second, investors pay close attention to the indicators and use the information to assess country standings across a variety of metrics. The Global Competitiveness Index (GCI) for 2012 classifies Trinidad and Tobago as an economy in transition, on the road to becoming an

innovation driven economy. When compared to similar transition economies, we have outperformed our peers in the areas of Infrastructure, Macro Economic Environment and Health and Primary Education. Trinidad is ranked 41st overall in the Basic Requirement sub-index. This is a leap from its position of 58th in 2011. Despite the strong performance in the Basic Requirement Index, we require enhancements in low scoring areas such as efficiency-ranked 89th, innovation- ranked 89th, nature of competitive advantage- ranked 128th,

number of days to start a business—ranked 123rd, tertiary education enrollment—ranked 108th and co-operation in labour resources—ranked 134th.

In my 2012–2013 National Budget I outlined a number of clear strategies for strengthening the competitiveness of our economy. Last year the Single Electronic Window for Trade and Business Facilitation was commissioned and key business services are currently provided electronically to the private sector. In addition the Asycuda World System was implemented.

We have commenced new initiatives for enhancing the ease of doing business. During this quarter we shall integrate the SEW and Asycuda systems so as to provide efficient and seamless service to the private sector. The designation of investTT as the National Investment Facilitation Agency of Trinidad and Tobago will streamline the approval process for local investment and facilitate new investments. The restructuring and rebranding of the Business Development Company as an Export Promotion Agency, ExportTT, will build the

competitiveness of our domestic firms and ensure that they are export-ready. The initiative to reduce the number of days to establish a new company from 43 to 3 will improve the attractiveness of doing business in this country.

The establishment of strategic partnerships with the private sector will kick start domestic activity, boost productivity and stimulate economic growth. We have initiated the process of putting in train several infrastructural projects that will utilize the PPP modality to

develop our infrastructure and assist in the management of other assets.

The objective to increase the non-energy share of GDP to 66 percent over the next five years requires laying the foundation for diversifying our economy. A number of areas for growth and investment with substantial trade opportunities have been identified and includes financial services, tourism, information and communications technology, downstream energy industries, agriculture, creative arts and maritime sectors. Plans to support this

diversification thrust include- introducing legislation to support and build the Financial Institution Support Service Industry, partnering with the private sector through PPP's and increasing the level of broadband supply by creating an open access broadband wholesaler provider.

Evidence in successful advanced and knowledge based economies shows that competitiveness lies in the strength of a country's human capital. It is imperative that we invest in the proper education and training of our workforce to

prepare them for jobs in industries where our country has a competitive advantage. The refocusing of GATE on priority study to support our strategy for economic and industrial development will broaden the knowledge base and improve the competitiveness of our country.

In closing I would like to state that the Government does not have a monopoly on competitiveness-enhancing reform ideas. We are committed to engaging the business community in identifying other ways to lift our productivity and competitiveness. There is no

single policy or grand step to achieve competitiveness. Everything matters in improving country competitiveness--- education, infrastructure, efficient capital markets, work force quality and social and political environments. But, one sector cannot do it without the other moving in step. It is for this reason that we all have to work together in the public and private sectors to truly improve Trinidad and Tobago's competitiveness.

I thank you!