



GOVERNMENT OF THE REPUBLIC OF TRINIDAD & TOBAGO

MINISTRY OF FINANCE

INVESTMENTS DIVISION

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Address by

**Senator the Honourable Christine Sahadeo
Minister in the Ministry of Finance**

on

‘Achieving Financial Independence’

at the

Financial Symposium hosted by
The Greater Tunapuna Chamber of Industry and Commerce

2:00 p.m.

on

Wednesday 29th August 2007

In the *Auditorium*

at the

Trinidad and Tobago Bureau of Standards
Trincity Industrial Estate
Macoya

- Mr. Peter Kanhai – President, Greater Tunapuna Chamber of Industry and Commerce
- Members of the Board of Directors of the Greater Tunapuna Chamber of Industry and Commerce
- Dr. Ronald Ramkissoon – Senior Economist, Republic Bank Ltd.
- Invited Guests
- Members of the Media
- Ladies and Gentlemen

A Pleasant Good Afternoon

Introduction

I would like to begin by thanking the Greater Tunapuna Chamber of Industry and Commerce for inviting me to this Symposium and affording me the opportunity to share with the business community the Government's vision for the small and medium business enterprises. I will outline several government initiatives and how we can use the wealth of developmental options available.

The theme for today's symposium is '***Achieving Financial Independence***'. In fact, the essence of Financial Independence is encapsulated in the Vision 2020 mission statement which speaks to a "*well – educated people ...built on the attributes of self reliance...in*

which every citizen [has] equal opportunities to achieve his/her fullest potential... [and]...the diversity and creativity of all it's people are valued and nurtured". This can only be achieved through a well informed, financially literate public. And, I want to take this moment to specifically congratulate the Chamber for having the foresight to address this issue of financial independence, thereby educating and empowering our business community.

Achieving financial independence is more than just saying "*I want to be successful*" or "*I want to make money*". It requires ambition, drive, determination, the willingness to seek out the tools that will assist you in achieving your goal and to make the sacrifices that are often required. It is about asking the right questions and seeking advice whenever necessary. The government recognizes that this is not always easy. We realize that when you have your families to feed and at times, if not all the time, you are struggling to make ends meet, entrepreneurship can be discouraging. It is with this in mind, that increasing attention has been given to the Small and Medium Business Enterprise Sector (SMEs) and the premise upon which the initiatives the government have engaged in over the last five (5) years have been based.

Vision 2020

Accordingly Vision 2020 was born out of a desire to transform Trinidad and Tobago into a First World country. To this end, the vision was built upon five (5) strategic developmental pillars:

- 1. Nurturing a Caring Society**
- 2. Developing Innovative People**
- 3. Governing Effectively**
- 4. Investing in Sound Infrastructure and Environment and**
- 5. Enabling Competitive Business**

I would like you to pay particular attention to the pillars ***Developing Innovative People*** and ***Enabling Competitive Business*** because they are very applicable to today's symposium as they relate to Small and Medium Business Enterprises and are among the key reasons for the establishment of many of the initiatives for 2008. We are assured that these initiatives will aid small and medium businesses in achieving financial independence and ultimately realize the Vision 2020 goal.

Initiatives

The 2008 Budget, '***Determined to reach our goal***', has outlined diversification of the economy as one of its key objectives: with special focus on the non-oil manufacturing sector and the services sector. The overall goal is to create a favourable climate for investors and to enhance the international competitiveness of Trinidad and

Tobago. A key element of this diversification strategy is the development of the **Small Business Development sector**.

In keeping with the government's commitment to develop the sector resources of \$13.5 million has been allocated to continue the development of small business, assist entrepreneurs and promote the development of industry and manufacturing.

As you have heard in earlier discussions, both the **Business Development Company (BDC)** and **National Entrepreneurship Development Company (NEDCO)** have been instrumental in unlocking and rejuvenating the innate entrepreneurial ability of our citizens through a number of innovative programmes.

For even greater effectiveness, these organizations have been aptly complemented by the highly interactive and technologically-driven **Entrepreneurial Training Institute Incubation Centre (ETIIC)**. The government intends in 2008, **to continue its drive to nurture and develop entrepreneurs in our sister isle Tobago**, by investing 1 million dollars (\$1M) under the Business Incubator Programme and 4 million dollars (\$4M) for the Caribbean Industrial Research Institute (CARIRI) to promote and render assistance to the SMEs.

Another initiative is the continuing development and expansion of the existing industrial parks at Debe, Betham Estate, Point Fortin, Fredrick Settlement and Morvant with plans to construct parks at Dow

Village, Preysal, Reform Village and Endeavour Road. ***The Parks are intended to provide industrial space for light manufacturing and the government has allocated \$40 million to facilitate these activities in the 2008 Budget.***

To further encourage business development, the Business Investment project has been allocated \$8.0 million to source, develop and implement new businesses in the manufacturing sectors and develop a Business Information Centre.

Developing Women

The social and economic demands of our society have tremendously transformed the role of women over the last decade. It is in recognition of these changing roles that the Ministry of Labour and Small and Micro Enterprises Development recently initiated the *Women's Entrepreneurship Resource Centre (WERC)*. This centre is geared towards increasing opportunities for employment and self-employment for women and girls. An initial sum of 1 million dollars (\$1M) has been allocated for the coming year for start up activities.

To ensure confidence and sustainability of SMEs, the Ministry of Labour and Small and Micro Enterprise Development established the **Enterprise Development Division (EDD)** a policy unit with a mandate to examine and give guidance on the potential for entrepreneurial development. It serves as the advocate for the

development of SMEs and is responsible for the development of future policy and legislation pertaining to SMEs. This division is supported by other agencies such as the BDC, Tourism Development Company (TDC) and the Youth Training and Employment Partnership Programme (YTEPP), all of which provide training and development services.

Another initiative, one that I believe will be of particular comfort to many of our small businesses here this afternoon, is the **Fair Share Policy and Programme (FSP)** which was implemented in November last year. This programme is geared towards developing SMEs by facilitating their growth into larger businesses. In essence under the this Programme, government reserves ten percent (10%) of all public sector contracts up to one million dollars (\$1M) for qualifying SMEs and co-operatives. To access the Fair Share Programme, businesses must be independently owned and owner–managed, with up to 25 employees and assets up to 1.5 million dollars (\$1.5M), excluding land and building.

The programme has been allocated \$0.8 million to undertake the following activities:

- development and maintenance of a list of available opportunities up to \$1 million
- provision of sub-contracting opportunities through large contractors

- maintenance of a regularly updated register of SMEs that facilitate the easy identification of possible contractors
- development and maintenance of a monitoring and information system
- development of a Complaints and Disputes Resolution Mechanism and
- continuous training for SME entrepreneurs to facilitate their successful participation in the programme.

It is worthwhile to note that the 2008 Budget has the following allocations for capital projects;

- 3.9 billion dollars (\$3.9b) under the Consolidated Fund for the Public Sector Investment Programme
- 4 billion dollars (\$4b) under the Infrastructural Development Fund

In addition, the State Enterprises and Statutory Authorities have proposed capital expenditure of 8.4 billion dollars (\$8.4bn) under the Supplementary Public Sector Investment Programme. These projects will be funded internally or by debt financing.

It means therefore, and I am sure that you will agree with me, in the context of the Fair Share Programme, this has significant implications for growth and pose tremendous business opportunities for the SME sector.

I would also like you to take into consideration the multi-pronged industrial strategy that the government is undertaking to accelerate the economic diversification of the economy, because it will certainly provide a wealth of business opportunities for the small and micro-enterprise sector. Some of these diversification strategies include:

- The increased focus on aggressive development of the agricultural sector. The emphasis on agri-business now offers opportunities that you may not have considered before. Request for Proposal have now been invited for the establishment of 15 large scale commercial farms.
- The introduction of the Business Expansion and Industrial Reengineering Programme (BEIRP) in which, as outlined in the Budget, the government will assist domestic firms to be reengineered with greater state of the art technologies and processes, to expand their capacity to innovate and produce more sophisticated, value-added products for the international market place.
- The implementation of the strategic plans to harness the developmental potential of the seven industries which include Music and Entertainment, Print and Packaging, Merchant Marine, Film, Fish and Fish Processing, Yachting and Food and Beverage. In reference to the film industry, I would like to point out that the government has allocated \$6.0 million dollars to the Trinidad and Tobago Film Co.

- The construction of the International Waterfront Project coupled with construction of new hotels in Piarco, Movietowne and Port of Spain.

Ladies and gentlemen, these are just a few of the diversification initiatives that the government will undertake in the next fiscal year.

The Financial Economy

Throughout this symposium you have been provided with a wealth of knowledge and information on the options and opportunities in the financial services industry. I would now like to cement these initiatives upon the foundation of the larger policy framework of the financial economy and Vision 2020.

Over the last 5 years the government has embarked upon reforming the financial system to ensure that it adheres to international best practices, operates efficiently and effectively and fosters a competitive business environment built on the highest standards of ethics, transparency and accountability. During the period the government has:

- Amended the Venture Capital Act
- Transferred responsibility for the supervision of the insurance sector to the Central Bank
- Commenced electronic trading on the Trinidad and Tobago stock exchange
- Established the Automated Credit Bureau

- Established the regional credit agency to improve the quality of information on government and companies.
- Established the office of the Financial Services Ombudsman
- Implemented take-over by-laws
- Established the Regulatory Policy Council
- Adopted the International Financial Reporting Standards to be in tandem with international best practices, and
- Upgraded the inter-bank payment system

We intend to capitalize on our position as the economic hub of the Caribbean by instituting an International Financial Centre to enhance Trinidad and Tobago's international connectivity. Further reform of the sector is anticipated and includes:

- the establishment of an Insurance Fund and a Motor Insurance Bureau.
- amendments to the Financial Institutions Act 1993
- upgrade of the legislation governing Credit Unions
- the development of Investment/Mutual Fund legislation
- Amendment of the Insurance Act and
- Establishment of a single regulatory authority

Heritage and Stabilization Fund

Furthermore, to ensure the sustainability of this economy and guarantee a future for our citizens and by extension our business community, the Heritage and Stabilization Fund was established. Its

objective is to save and prudently invest surplus petroleum revenues in order to cushion the impact on or sustained public expenditure in the event that there are periods of economic downturn. As at the end of July 2007, the fund stood at \$9.507 billion and an amount of \$1.5 billion is budgeted to be transferred for 2007 bringing the balance in the Fund to \$11.007 billion.

Ladies and Gentlemen the government is exercising prudent financial management. We are saving for a rainy day.

Conclusion

Today you have been provided with a wealth of information by both the private and the public sector. It has set before you a sea of untapped treasure, waiting to be discovered by anyone with the will and determination to take their business to the next level. **And**, we have laid before you the tools and created an environment, be it one that is still developing, for you to grab hold of your financial independence. Rest assured that we will continue to support and develop your entrepreneurial skills in the coming years. According to one author "*Your wealth can only grow to the extent that you do*". There is much potential in this economy of Trinidad and Tobago and I cannot reiterate enough the importance of personal development through continuous learning and training, keeping abreast of the market and the industry.

As I close, I want to leave with you a story, the story of Chris Gardener, whose remarkable tale of struggle, faith, fatherly devotion and entrepreneurialism has allowed his dream of gaining financial independence to translate him from a life of hardship, poverty and hopelessness to becoming owner and CEO of Chris Gardner International Holdings, an institutional brokerage firm specializing in the execution of debt, equity and derivative product transactions for some of the nations largest institutions, public pension plans and unions, with offices in New York, Chicago and San Francisco. His story was the inspiration behind his best selling book and the movie *'In Pursuit of Happiness'*.

I know you are all successful businessmen and businesswomen but I challenge you further, to take full advantage of the many initiatives that have been implemented for your benefit. How can we expand and grow? Why are we not seeing private companies coming forward and being listed on the stock exchange? Are we going to make that next bold step? This could mean financial independence! Ladies and gentlemen I know we will all leave here today better informed and ready to take advantage of the many opportunities that await us. Ladies and gentlemen, finally let me wish you continued success in your business and personal lives.

I Thank You.