



NATIONAL BUDGET 2020

A Business Perspective

Presented at: Spotlight on the
National Budget hosted by the
Ministry of Finance

Presented by: TTCIC

Date: 10/10/19



A Business Perspective but so much more

The Trinidad and Tobago Chamber of Industry and Commerce:

Primary role is to represent our key stakeholders: the Business Community.

Evolving role: Since first conceptualised in 1599

Recognising the changing needs of society: expanded to address socioeconomic concerns and social needs,

We recognise the role of government, labour and the consumer in the ecosystem.

Unless our country succeeds, business cannot.

Our primary interest is not narrowly focused on short terms gains but creating an environment where:

- Everyone must pay their taxes
- Employees must be treated fairly and paid based on their productive output.
- We must protect our environment and consumers
- Development of the next generation of businesses.
- Every business creates value for the country those who manufacture, distribute or provide services.



AGENDA

Introduction

- **Economy**
 - Tobago Development
 - Agriculture
 - Divestment of certain government assets
- **Business**
 - Minimum Wage
 - Incentivising Exports
 - VAT Refunds
- **Implementation Challenges**
 - TTRA
- **Other Considerations**
 - Entrepreneurship
- **Competitiveness**



ECONOMY

- Agriculture
 - Encourage investment necessary for food security
- Divestment of certain government assets
 - Eteck and other industrial parks
- Housing
 - Construction opportunities for small contractors
- Tobago Development
 - Reactive
 - Strategic Plan
 - Revocation of the Land License Order



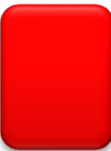
BUSINESS

- Incentivising Exports
 - Expansion of tax credit incentive
- Minimum Wage
 - Increase from \$15.00 to \$17.50
 - CEPEP & URP: mixed messages
- VAT Refunds
 - **Legal Obligations** as per the provisions under the VAT Act
 - ✓ Section 54
 - ✓ Section 35

*“For this purpose, I propose to offer \$3billion, in the first instance, in interest bearing Government bonds to all eligible VAT-registered business to meet VAT arrears. Thereafter, I would ensure that VAT **refunds are put on a current basis** which would lead to regular cash flows for business investment, greater economic activity and the avoidance of the evasion of the value added taxes.” - Budget 2020*

IMPLEMENTATION CHALLENGES

- Modernisation of the Public Sector TTRA
 - Changing the predictable outcome
 - How do we get what we have to work
- Slow pace of digital transformation
 - Improving our competitiveness
- Too many recurring items which never happen



OTHER CONSIDERATIONS

- Entrepreneurship Ecosystem
 - Incentivising angel investment
 - Building capacity to encourage listing on the SME Stock Exchange
- The Environment: SDGs
- The Consumer: NCDs
- Reduction of transfers and subsidies
- Reduction of CEPEP and URP
- Continued reform targeted towards the ease of doing business
- A leaner government focused on its role
 - Petrotrin first but don't stop now.
- When is 30% bigger than 100%



WEF Global Competitiveness Report 2019-2020

Overall Score

Enabling Environment

Human Capital

Markets

Innovation Ecosystem



Rank /141

79th

102nd

95th

61st

58th

78th

75th

122nd

75th

45th

106th

87th

87th

Overall

Institutions

Infrastructure

ICT adoption

Macroeconomic stability

Health

Skills

Product market

Labour market

Financial system

Market size

Business dynamism

Innovation capability

Competitiveness: Scores & Rank

Goal: High Score and low rank is good 100% and 141 countries

Institutions 48-102th

Security 43- 130 homicide rate: 0-130th

Public sector performance 40-108th

Efficiency of legal framework:29-108th

Future orientation of the Govt 49-90th

Govt responsiveness to change 25-130th

Labour market 59 -75th

Flexibility 48 130th

Productivity 43-99th

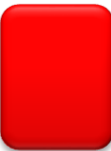
Cooperation in labour employer relations:33-141th

Ease of hiring foreign labour 40-124th

Financial system 68-45

Financing of SMEs 40-110th

Venture capital 22-119th



Thank You



Trinidad and Tobago Chamber of Industry and Commerce

Columbus Circle, Westmoorings

Port of Spain

Trinidad

P O Box 499

Tel: 1-868-637-6966

Fax: 1-868-637-7425

www.chamber.org.tt



www.facebook.com/TTCIC

