



Government of the Republic of Trinidad and Tobago  
**MINISTRY OF FINANCE**

For immediate release

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## **MEDIA RELEASE**

### **CLARIFICATION OF BASIC FOOD ITEMS TO BE MADE VAT FREE**

The Minister of Finance, Hon. Colm Imbert, MP, has taken note of comments made in the public domain about the announcement in the 2022 Budget Statement that the Government intends to make several basic foods VAT-free, or zero rated for VAT and in particular, commentary about which food items are currently subject to VAT and which are not.

In the 2022 Budget Statement, presented on Monday October 4th 2021, several items were identified by the Minister of Finance, by way of example, which would now be free of VAT (as of November 1st 2021), including biscuits, cooking oil, canned vegetables, cornflakes, canned fish, canned meat, curry, juice, sausages, ham, ketchup, bottled water and pigtail.

However, this was not an exhaustive list. It was simply designed to illustrate some of the most commonly purchased items in supermarkets by most households, where the Government can influence the prices of these items downwards by making them free of VAT.

The Minister of Finance is grateful for the public commentary because it has allowed him to clarify the Government's policy decision regarding the list of basic foods being considered for zero-rating for VAT, and to clear up misinformation that is being spread in the public domain.

In the first place, it is necessary to clear up the misunderstanding among some uninformed commentators regarding the policy behind the February 2016 zero-rated list. In that 2016 list, the first broad category of food that was made free of VAT was "unprocessed food of a kind used for human consumption". This classification allows all unprocessed vegetables, fruit, meat and fish to enter Trinidad and Tobago and to be sold free of VAT. The definition of "unprocessed food" means that the food contains no additives.

After that broad category of unprocessed food, several basic food items that are “processed” were identified on the list on a stand-alone basis as being zero-rated for VAT. These include items such as sardines, corned beef, bread, flour, pasteurized milk, rice etc.

However, contrary to inaccurate comments made in the public domain, by persons who should know better, not ALL “canned meats”, which is an example in the list given by the Minister of Finance on Monday, are free of VAT. For example, canned sausages are NOT VAT free at present, nor are any other canned meats, other than corned beef. Similarly, while sardines and smoked herring are free of VAT, Tuna and Mackerel are NOT VAT free at present, as is also the case with other canned fish. Further, no canned vegetables are currently free of VAT, such as corn, peas and mixed vegetables.

In the case of curry, that was indeed an error on the list of items recommended for removal of VAT that was sent by the Supermarkets Association to the Minister on Sunday, October 3rd and not picked up by the technocrats in the Ministry.

However, the Minister wishes to thank the Association most sincerely for its collaborative approach with the Government in identifying the most commonly used foods and ascribes no blame for that minor typographical error, particularly since that is the ONLY item on the list of examples read out by the Minister of Finance that is currently free of VAT.

It is to be noted that although curry is indeed VAT-free, black pepper and other seasonings are NOT VAT free. Neither is ghee, and these latter items are all on the proposed comprehensive list of food items that will now be zero-rated for VAT on November 1st, 2021.

The proposed list of items to be NOW made free of VAT is as follows:

- VEGETABLE/SOYA BEAN OIL
- OLIVE OIL
- COCONUT OIL
- CANOLA OIL
- GHEE
- PEANUT BUTTER
- BLACK PEPPER AND OTHER SPICES
- FAMILY CEREAL
- KID’S CEREALS
- HOT CEREAL OATS
- MILK SUBSTITUTE
- CONDENSED MILK
- INSTANT COFFEE
- GROUND COFFEE
- STEEL CUT OATS
- BLACK TEA (3KG AND UNDER)

- GREEN TEA (3KG AND UNDER)
- ORANGE JUICE
- APPLE JUICE
- STILL WATER (BOTTLED WATER)
- SEASONED MEAT
- SAUSAGES, CANNED OR OTHERWISE PACKAGED
- CANNED TUNA
- CANNED MACKEREL
- CANNED PEAS
- CANNED BEANS
- CANNED CORN
- CANNED MIXED VEGETABLES
- MAYONNAISE
- KETCHUP
- ROTI SKIN
- SOUP (PACKAGED)
- GEERA (CRUSHED OR GROUND)
- SOYA CHUNKS
- SOYA MINCED
- GROUND DHAL
- CHEESE SLICES
- TABLE BUTTER
- PIGTAIL
- HAM SLICES
- TURKEY SLICES
- CHICKEN LUNCHMEATS
- BOLOGNA
- FRESH JUICE
- BISCUITS AND CRACKERS

It is noteworthy that this list has been very carefully chosen in collaboration with various stakeholders to represent the most commonly used foods that are currently subject to VAT.

The zero-rated list will be amended from time to time, to add more basic items as circumstances require and deserve, and as funds permit.

We trust this clarifies the situation.

- END -

The Honourable Colm Imbert M.P.  
Minister of Finance