Creating New Growth Opportunities for the Manufacturing Sector
2014 has been a challenging year for manufacturers in Trinidad and Tobago and coupled with falling energy prices, the manufacturing sector will emerge as champions in generating and preserving valuable foreign exchange for the economy. Manufacturing continues to be the second largest employer after the government and not just employers but career builders as most people employed in the manufacturing sector hold these productive jobs for lifetimes and have improved their standard of living in addition to a feeling of accomplishment. I reiterate that I remain confident that this country’s manufacturing sector will fulfill its potential in becoming a major driving force for economic growth.

According to World Bank statistics, Trinidad and Tobago was rated among the top ten “reformers” working out of one hundred and eighty-five countries for ease of doing business. This success is in building confidence to our economy, not only in terms of attracting investors to our beloved state but will also act as an incentive to those who wish to continue to reinvest in plant and machinery and expansion, allowing for the non-energy business environment to grow and realize its full potential.

Looking back over the course of 2014, I say confidently that the TTMA maintained its focus on providing quality service to our members and advocating on behalf of manufacturers on the issues affecting the sector as a whole. Such activity has allowed the Association to become more visible and to be the champion voice of our members. This type of presence and lobbying effort will continue in the year ahead with the objective of ensuring that our members’ concerns and interests are served at the highest levels, with the objective of increased business opportunities. So, as we move ahead into 2015, it is increasingly important that the manufacturing sector continues to play a pivotal role in stimulating economic recovery, and in achieving balanced and sustainable future economic growth. I am confident that my work at the TTMA has created the right impetus for the Secretariat to work assiduously to serve its members interests in the best possible way.

Valued members, the future looks bright, however, it is not without challenges and pitfalls. I urge you as I have throughout my presidency to increase your risk appetite and set your businesses on a renewed growth agenda. I wish to continue to reinvest in plant and machinery and expansion, allowing for the non-energy business environment to grow and realize its full potential.

MR. STEWART ADDRESSES THE AUDIENCE

Stewart encouraged manufacturers to seek new markets. “Business Beyond Borders” and the feature speaker, Mr. Adam Stewart, CEO of Sandals Resorts International gave insights about building your company and your brand while harnessing your natural resources to compete internationally.

“You have to believe in your product, you have to believe in the systems behind it; you have to put the whole story of belief behind it” was the advice of Adam Stewart. Stewart encouraged manufacturers to seek out opportunities and do so now. Once you get a head-start in finding your niche, it goes a long way in building your company and brand. The mantra most reiterated throughout the night was the importance of customer focus. “At Sandals, put our customers at the center of everything we do. We have never heard of a customer saying to us that we would like less luxury or less service, ever”. Customers can make or break your company as they are valuable in maintaining the competitive strength of an organization.

Companies must attain a status whereby their only competition is themselves, as is the case with Sandals. “Our organization has gotten to a stage today where we are no longer in competition with the hotel down the road, but we are in competition with the last project that we did. We are actually in competition with ourselves.”

Within recent times, the internet has been a driving force that has propelled global commerce to change. “It is because of this, how we compete with one another and trade with each other is no longer dependent on what a businessman may clam, now you are only as good as your customer says you are.”

Addressing the competitive aspect of business he said: “Competition became our vision, competition became our mission statement, and competition became our friend. Competition forced us to whose, and come again in Jamaican terms, to go back into the wheelhouse and say what the future is going to be!”. Stewart advised manufacturers to be aware of their competition and make it of significant importance to strive to be better than your last project and not the competition “down the road” but yourself.

He added by saying that “we have demonstrated that Caribbean nationals can go into a room if you give them a blank piece of paper and say dream”. This is what Stewart calls imagination.

Stewart revealed, when his father, Mr. Gordon “Butch” Stewart bought a hotel with ninety nine rooms on a beach in Montego Bay, Jamaica. His father told him that he had no idea what he was doing but he believed in his people. Stewart hinted that many businesses start up companies but do not have a strategic goal, as it takes time to build those goals. “Today, our group has over $1.2 billion US dollars of development about to come down the pipeline. In the next three (3) years, we will go from employing 13,000 Caribbean nationals (roughly) 15,000 Caribbean nationals so long as our plans remain the same and the United States remains stable” said Stewart.

Stewart admits that linkages in both Trinidad and Tobago and India have proven this year after year to deliver world class service, we believe they can. We have been voted World’s Best twenty years consecutively powered by Caribbean nationals” - Mr. Adam Stewart.
the manufacturing and tourism sector have been separated for far too long and have not been invited in the overarching front of incentives. The Caribbean needs to invest and capitalize on business opportunities. Stewart notes that the Caribbean has been making progress by coming together and understanding these linkages. He endorses the idea that we need to recognize the Caribbean as our Caribbean and there is no rescue coming for the Caribbean other than the inspiration of the upcoming generation. He stated “We know once we leave our borders and go regional we will have more opportunities.”

Minister of Trade, Industry, Investment and Communications, Minister Vasant Bharath highlighted the critical role that the local manufacturing sector plays noting that the sector “provides us with a viable future through diligence and fortitude and an appetite to take risks.” He noted that since 2010, the government has added thirteen billion dollars into their revenue streams as a result of growth in the non-energy sector. Minister Bharath stressed that during trying times, it is essential to partner more closely with the private sector and create lucrative opportunities using the limited resources available to nurture initiatives that can spiral growth in the economy.

According to World Bank statistics, Trinidad and Tobago was rated top ten “reformers” worldwide out of one hundred and eighty-five countries for ease of doing business. The government is proud of this achievement and supports a system that encourages investment, growth and business. While there are pros in being ranked positively, Minister Bharath noted that lack of labour is still a concern. Bharath reiterated that as a government, we believe we must lay the foundation to create an enabling environment that will facilitate the space for businesses to work in an innovative and productive manner. This in turn will lead to expansion of economic activities that will result in prosperity for all of Trinidad and Tobago nationals and by extension the region.

President of the Trinidad and Tobago Manufacturers’ Association, Mr. Nicholas Lok Jack congratulated the winners of the 2014 Manufacturing in Excellence Awards. Mr. Lok Jack admitted that although he was tempted to give a speech about the problems faced and how to alleviate those problems, he wanted to take a different approach, and focus on a vision for the future. Addressing the factors that face the manufacturing sector, he noted that they include labour, foreign exchange, inefficient agencies, bureaucracy and infrastructure. He said, “these factors encourage manufacturers to step out of their comfort zones and reach for extra regional territories.” Likewise, “they encourage investment, brand building and development of joint venture partnerships.”

Lok Jack urged persons to think outside of the box in order to solve problems and come up with achievable solutions. He challenged everyone to ponder on what the landscape would look like in the next decade or so. Making mention of the Single Caribbean Stock Exchange, he added that this has allowed for the participation in equities, thus creating and preserving a shared financial wealth among Caribbean manufacturers in particular.

Speaking specifically on the issue of getting labour into the manufacturing sector, he said “the inability to get workers is impacting negatively on our efforts to expand our businesses” and in turn the Gross Domestic Product (GDP) of Trinidad and Tobago. In an initiative to alleviate this problem, he noted that discussions have taken place with the Minister of Tertiary Education.

Speaking directly on the quality of manufacturing plants, technology and workers Lok Jack said “our manufacturing plants are modified with state of the art equipment and are efficiently run by well-trained, highly productive and contented workers”. He concluded by saying that it is a matter of believing that the points mentioned by him are possible, and encouraged everyone to dream of a transformed Caribbean region.
The Man behind the Brand

interview with Sandals Resorts International CEO – Adam Stewart

THE IDEA OF "ALL-INCLUSIVE" WAS REVOLUTIONARY WHEN IT WAS FIRST INTRODUCED, COMPETITION HAS GROWN IN THIS REGARD, HOW HAS THIS COMPETITION AFFECTED THE SANDALS BUSINESS STRATEGY?

We like to say that while we did not invent the 'all-inclusive', we perfected it! There are a lot of players in the all-inclusive sector but not all resorts are equal and we’ve worked hard to differentiate ourselves from the rest of the pack. Sandals is an all-inclusive in name only simply because our guests do not need to have a meal at a single location, whether it be breakfast, lunch or dinner. Instead, they have a choice of different locations to enjoy their meals at. We believe this makes our guests happier, more relaxed and fulfilling because the guests at Sandals are in full control of their destiny and experience.

We have been growing at an incredible rate and have been able to take advantage of the "Thomas Cook" and "Sandals" brands, which allows us to be ahead of the curve and help us to continue to grow. The partnerships bring guests to the islands. We work very hard to maintain those relationships and we will continue to do so.

How is Sandals doing in terms of growth?

Sandals has grown by leaps and bounds in the past decade, and we are proud to say that we are one of the leading brands in the industry. We have opened several new resorts and expanded into new markets, such as Costa Rica and the Dominican Republic, and recently opened a new resort in Jamaica. We are also planning to open several new resorts in the Caribbean, including in Tobago, where we have just opened the Sandals Tobago. We are also expanding into new markets, such as India and China.

Do you believe that Sandals has achieved any "ideal job" yet?

We have certainly achieved many "ideal jobs" in our industry. We are proud to have been a part of something incredible. From the very beginning, we have strived to provide our guests with the best the world has to offer. We are constantly looking for new and innovative ways to improve our service, and we are always striving to offer our guests the best possible experience.

Have you considered expanding your operations to the Trinidad and Tobago market?

Yes, we have been looking at the Caribbean market and have identified Trinidad and Tobago as a potential market for us. We have been exploring ways to enter the market and we are currently working on a plan to do so.

How important are partnerships for Sandals when considering its resounding success?

Partnerships are very important for Sandals. We have partnerships with some of the world's leading companies, such as Marriott, Hilton, and Disney. These partnerships allow us to offer our guests additional services, such as access to on-site restaurants, bars, and entertainment. They also help us to expand our reach and bring new guests to our resorts.

What is the future of Sandals?

We are committed to continuing to grow and expand our brand. We are currently working on several new projects, including a new resort in Jamaica and a new expansion in the Dominican Republic. We are also looking for new opportunities to enter new markets and we are always looking for ways to improve our service and offer our guests an even better experience.

ABOUT ADAM STEWART

Adam Stewart is the dynamic Chair Executive Officer and Deputy Chairman of the world-leading resort company, Sandals Resorts International. In the twelve years of Stewart’s stewardship, Sandals has experienced a period of unprecedented growth, innovation and development transforming the all-inclusive concept to Luxury Included® resorts that offer guests levels of exclusivity never seen before.

With Stewart as the pioneer, the company has gone from strength to strength, witnessing industry ‘game changing’ developments throughout the Caribbean region. It is this pioneering spirit which has brought him numerous accolades, including World Travel Award’s Best Caribbean Hotel, 2014, Sandals Resorts International, Global’s “Most Respected Hotel Chain” by Travel + Leisure World’s Best Awards.

As a third-generation businessman, Stewart continues to push the boundaries of tourism, education and all round development to make this, our beloved Caribbean region the best of its kind.
Renewed talks of economic diversification have surfaced in the face of the downward spiral of crude oil prices internationally. As of January 15th, 2015, the oil price has taken a dive spiraling of crude oil prices internationally. The greater reason for concern, however, is that past experience has shown that no structural change takes place to effect diversification when the oil price rebounds. Fortunately for Trinidad and Tobago, our economy is afforded with a manufacturing sector that has the capacity to become a central driver of diversification – its historical performance and continued singularity bear testimony to this. During the global economic recession of the 1980s and the associated drop in oil and gas prices the manufacturing sector demonstrated resilience and sustained our local economy. Over the ensuing years, the manufacturing sector has developed a proud tradition of sterling economic performance and resilience in an otherwise energy-driven economy. Value creation in manufacturing has become a discernible and economically viable reality, uninhibited by downturns in the business cycle. Many have suggested that manufacturing sector growth in T&T has been somewhat artificial, as a consequence of appreciable energy. While one cannot discount the importance of energy as an input to manufacturing, it constitutes approximately 5–10% of manufacturing cost in some instances, yet local producers are 25–40% more efficient relative to the rest of CARICOM. Such efficiency gains have been attained through a combination of incentives provided for the sector’s growth and, more importantly, through the arduous work of our local entrepreneurs and a diverse, well-qualified labour force. Additional evidence of the manufacturing sector’s potential as a driver of diversification is the regional and international export gains that have been made by the sector, with many manufacturers firmly grounding their presence in an overwhelming majority of Caribbean countries expanding their reach to North and Latin America, Europe and other distant nations. Manufacturing sub-sectors such as Food & Beverages, Chemicals and Non-metallic Materials, Wood and Related industries, Printing & Packaging, Assembly Type and related products, Iron and Steel and many others are well represented across the globe, and the TTMA continues to promote export development and greater market access. Quite encouragingly, there are visible signs of export development taking place within the small and medium enterprises, which augurs well for the long-term manufacturing sustainability. One must also appreciate the value of import substitution facilitated by local manufacturing, which speaks to the creation of output that can be consumed in the local market or made available for export – output that would have otherwise been imported for local consumption only. Local manufacturers generate production, effectively displacing or substituting the need for commodities that are purchased outside of Trinidad and Tobago. In so doing, there is reduced outlay of foreign currency (in particular US currency), as those reserves are conserved due to increased local production. We can also appreciate the lasting contribution of the manufacturing sector to the country’s labour force – approximately 60,000 persons are directly employed in the sector and another 100,000 are employed in the support services sector. Becoming economically diverse is highly contingent upon a sustainable, well-developed and experienced workforce, and the manufacturing sector has done well over the years to make its contribution in this area. To balance the argument, with consideration for the current liberal era that characterizes global trade, Trinidad and Tobago’s manufacturers face the threat of increased extra-regional competition. In the near future as the Panama Canal expands, we can expect an influx of competition from many other nations. Notwithstanding this, there is a firm belief in the unique brands that our manufacturers strive to create, catering for niche markets for many years and developing greater strength in that regard. Tapping into the diaspora is another opportunity for this country’s producers to take advantage. We were informed recently that Trinidad and Tobago’s diaspora in Canada is over 100,000 persons. This diaspora can be used as a catalyst entry into the Canadian market. Other areas where the T&T diaspora thrive such as the United States and European markets should also be targeted for entry. Our Association is committed to ensuring that there are proper measures in place to effectively phase our manufacturers into the global system of liberalized trade. While our country is tasked with finding solutions to global challenges, we must consider that circumstance can either bring opportunity or compulsion. This makes for useful introspection, not only on what we should build, but how we should build it. A strong economy that is truly diverse, and resilient in the face of exogenous shocks, whilst being open to free and fair trade with the rest of the globe is not easy to build but at the same time, it is certainly not impossible. Creating synergy between our energy, manufacturing, services and other creative sectors will prove essential to our advancement into future economic diversity.

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Import Substitution and Local Content Development in the Manufacturing Sector

By: Marc Sandy, Team Lead, Business Development Unit, TTMA

The Trinidad and Tobago manufacturing sector has a proud tradition of sterling economic performance and resilience in an otherwise energy-driven economy. This is evidenced by the regional and international footprint that manufacturers have created, firmly grounding their presence in an overwhelming majority of Caribbean countries and spreading its wings to North and Latin America, Europe and other distant nations. Indeed, its contribution is both in terms of revenue generation, as well as employment creation both at home and abroad.

Value creation is no figment of their collective imagination, it is a discernable and economically viable reality, unhibited by peaks and troughs in the business cycle.

Value creation is no figment of their collective imagination, it is a discernable and economically viable reality, unhibited by peaks and troughs in the business cycle.

It is therefore profoundly disconcerting, from the TTMA’s vantage point, to hear rumblings and consistent requests for increased access to US currency, as those reserves are conserved due to increased local production.

When reference is made to import substitution, it speaks to the creation of output that can be consumed in the local market or made available for export – output that would have otherwise been imported for local consumption only. Local manufacturers therefore generate production, effectively displacing or substituting the need for commodities that are purchased outside of Trinidad and Tobago. In so doing, there is reduced outlay of foreign currency (in particular US currency), as those reserves are conserved due to increased local production.

It is in this wider context that one must understand the need for foreign currency, as the essential resource to acquire the imported raw materials that go into the production process. A mature assessor of the economics of TT$10 may be used to meet foreign supplier obligations, the local value chain, the employment sector and the overall national economy may realize the equivalent US$40, a net effect of US$50 (in TT dollars).

Should the finished product be re-exported, this becomes icing on the proverbial cake.

While this illustration is indeed simplistic, the actual data attests to the soundness of manufacturers’ economic output. The manufacturing sector has been responsible for a consistent 9% of GDP over the last five years, which translates to TT$4 billion (GDP at constant price). The manufacturing sub-sectors that account for this contribution are:

- Food, Beverage, and Tobacco
- Textile, Garments, and Footwear
- Wood and related products
- Chemicals and Non Metallic materials
- Assembly Type and related industries
- Miscellaneous manufacturing

These sub-sectors closely mirror those of the TTMA’s membership, the notable divergence being TTMA’s inclusion of construction, concrete and related products.

The need for a Local Content Framework

Perhaps this point of divergence allows for strategic dovetailing into an important unrealized need for future manufacturing growth – that of a proper Local Content policy framework. The construction sector has long been affected by the absence of procurement legislation that reigned supreme over the issuance of contracts and sub-contracts. The harsh realities that this legislative void created has seen foreign contractors being favoured over locals, a regular practice that is not always linked to matters of value for money and timely completion of projects. Fortunately, more than a glimmer of hope resides in the passage of legislation entitled Public Procurement and Disposal of Public Property. There are references made to Local Content in the legislation, and the TTMA will continue to play its part in ensuring that the regulations that the law adequately embraces the need for enhanced local content provisions.

The future of manufacturing will depend critically on our ability to protect and sophisticate our economy and its enablers. We are deep into the throngs of a trade-liberal era, so many may shudder at the thought, and for less the use of the term economic protection. Despite this, we advocate here for wise and strategic policy measures (particularly the local content framework) that will define new parameters around which our manufacturers can build, some of which may be semblances of protectionism, yet necessary for development.

With due respect for liberalization, such policies can take the form of greater stringency in our entry requirements to foreigners, both from a local content standpoint and in terms of imported products entering the market.

In terms of economic sophistication, this speaks to the micro elements that constitute the way we do business and interface with the world. There’s a clear need for us to enhance the infrastructural, institutional and financial environment that circumscribes our business sector. Such environments have perennially been the pitfalls that stunted business development, and therefore need to be overcome with alacrity.
Impact of the United States (US) - Cuba Relations on CARICOM: Addressing Differing Perspectives

BY JOY FRANCIS - TEAM LEAD, TRADE UNIT, TTMA

The shift in the US-Cuba relations has been commended by many international leaders for the positive implications that it can bring to international diplomacy. Many leaders of countries of the world have argued that the diplomatic relations between the United States and Cuba have long been marked by tension regarding the U.S. position toward Cuba. However, the progressive normalization of the US-Cuba relations is seen as a stepping stone in facilitating not only “good relations” but also facilitating positive economic and trade relations with Cuba. This does not only go for the US but also for the Caribbean region.

For too long the Caribbean region has faced challenges with the embargo that was placed on Cuba’s exports. As a result of this embargo, trade and financial transactions were seen as burdensome, since transactions to or from Cuba could not be made in US currency. For example, if a Trinidad and Tobago (T&T) vessel went to Cuba, it could not land on American shores for six months subsequently. Another example is the inability of T&T subsidiaries of US companies to conduct business transactions with Cuba.

The strain of trading with Cuba before these new relations, was felt by CARICOM businesses. The reason for this strain as explained by Saunders (2014) in his article is “CARICOM businesses could not export products or equipment that had more than ten percent of American components to Cuba.” Similarly, CARICOM businesses could not sell to the United States any product that contains raw materials from Cuba.

While these challenges are expected to decrease, one may question whether these renewed US-Cuba relations will truly facilitate an enabling route for the Caribbean region. For example, the tourism sector of the CARICOM region will face an extremely competitive Cuban tourism sector. One will witness increased US travel to Cuba and the cost to reach there will be cheaper than coming to CARICOM, given the close proximity of the US and Cuba. Saunders (2014) argued in his article – Commentary: Cuba - Challenges and Chances for the Caribbean - that “The problem will worsen over time because the Cuban government and investors will build new hotels and resorts as well as infrastructure such as seaports and marinas. The Cuban tourism product will also be more varied than that of several CARICOM destinations. No one in the Caribbean tourism industry should believe that Cuba does not now pose a real challenge in the US market.”

The expectation is increased investment and tourism into the Cuba market from the US. However there are some positive prospects for the Caribbean region.

Currently, CARICOM and Cuba are parties to a trade and economic cooperation agreement, which was entered into in 2000. The main components of the agreement include tariff reduction, trade facilitation and co-operation. This Agreement provides for duty-free treatment on certain goods specified such as fruit juices, various sauces, condiments and seasonings. The Agreement also allows for duties on same products to be reduced through phased reductions. Trade promotion and facilitation, services, tourism, investment, and intellectual property rights are also identified in the agreement. Further, the agreement contains conditions for the support and development of co-operative activities between the parties. Such co-operative activity is the Joint Commission comprising members of both parties. Parties have the responsibility of supervising the implementation and administration of the agreement. The Ministry of Trade, Industry, Investment and Communications reported on its website...
8 Ways to Grow Your Business with the Right Marketing

BY KAREL MC INTOSH, LEAD COMMUNICATIONS TRAINER, LIVEWIRED GROUP

What would your business be like, if you had more money to promote it? What would it be like, if you found the marketing channels that accelerate growth? If only, could be your cry, but let’s get real about what you can achieve as a small or medium-sized business, with little to no marketing budget. Let’s get real about how you can gain traction, and attract more customers. Reality is a good thing, because it forces you to focus on what’s important. And focus is crucial to marketing success. Here’s how you start.

1. HAVE A STRATEGIC PLAN

I know how easy it is to get caught up working on your product, but you’ve got to stop using random tactics. Have a strategy. Map your path to growth. Find someone who can create a good plan, or create one yourself. Open PowerPoint, and outline your business and marketing objectives, strategies, value proposition, communication channels, timelines, budget, and measurement criteria. When crafting your strategies, ask yourself which business relationships, market needs, and customer behaviours you can leverage. Ask yourself, where do decision makers search for information when looking for a product like yours? What influences them? Figure out the value proposition that will attract prospective customers. Even if you decide to hire a consultant, ask yourself these types of questions. That way, you’ll know whether that person can align business and marketing strategy, or if they’re taking you for a ride.

2. COMMUNICATE VALUE

Everything you say, write, or do should communicate value. That’s what makes your brand stand out. What value do customers get from you? Don’t say your company is innovative. Describe how your product makes work easier for companies, because you’ve created a new system that cuts production time, and improves outputs. Don’t say you’re customer service oriented. Ninety percent of companies in Trinidad and Tobago say that, but they suck at customer service. Give examples of the types of things you do for your customers. Things that show how committed you are to giving people a positive experience. Demonstrate value in the marketing messages you send out, and find the best marketing channel to deliver it.

3. UNDERSTAND YOUR BRAND’S B2B VS B2C STORY

B2B stands for business to business. B2C stands for business to consumer. Here’s the difference between a company like Complete Equipment Services Limited (B2B), and Puncho Punch (B2C). B2B is selling material handling services, which translates into solutions for customers. One is selling juice cocktail shots, which translates into fun. You might assume that B2B marketing isn’t sexy. That’s only true if you can’t find an interesting way to communicate value. How can you make it interesting? By telling your story. Puncho Punch’s brand narrative involves being a part of “memorable moments for individuals who appreciate and enjoy life to the fullest”. Complete Equipment would capitalise on how their material handling solutions improve efficiency, productivity, and safety for workers. Tell stories that amplify how your benefits suit your customers’ context.

4. DON’T BE FooLED BY FLASHY TACTICS

Wouldn’t you feel great to see a billboard promoting your products on the Churchill Roosevelt Highway? However, would it be an effective marketing tool for your brand? Probably not. You’re better off using that big spend on smaller tactics that nudge customers along your sales funnel. Connect the dots. Choose tactics that fit customers’ behaviour, as they move from awareness to consideration. Choose tactics that the right people will see.

5. TEST CHANNELS

Have you been blindly spending money, but you’re still not 100-percent sure you’re reaching the right people? Stop trying random tactics. Even when you’re experimenting, you need measurement criteria. Know which objective you want to achieve from newspaper ads, your website, Facebook ads, trade shows, direct marketing, or whatever channels you use. Figure out which channels accelerate growth. Then do more of what works.

6. SPEND ON SOCIAL MEDIA

If you can’t afford newspaper, radio, or television advertising, choose tactics that align with your brand’s story. B2B stands for business to business. B2C stands for business to consumer. Here’s the difference. Choose tactics that the right people will see. Consider social media. Allocate funds to ads on Facebook, LinkedIn, or Google’s Display Network. Social media isn’t free anymore. You have to pay to get more of the reach you want. Make the sacrifice to spend as little as $50 or $1,000 per month, or every two months. Set your budget and timelines.

7. REACH THE RIGHT PEOPLE

I recently chatted with a business owner, who sponsored a networking event. People who attended the event weren’t his desired customers, nor were they in a position to influence decision makers. Brand awareness among people who will never buy your product does nothing to accelerate growth. What he should have done is identify his client. He should have created buyer personas. How do you do this? Think about the manager or type of customer you’re targeting.

What’s their current problem or need? What would cause them to gravitate to your product? What part of the customer decision journey are they? Awareness? Consideration? Decision-making? For example, I call in-house training and public workshops. I don’t use the same approach for everyone. I have a different approach for prospects – people who have never interacted with Livewired Group, another approach for leads – people who have interacted with the brand, but haven’t booked a workshop yet; and I use a different approach for customers – people who have used my service, and who maintain relationships with. Decide which marketing messages you’re going to use for different buyer personas, and choose the right marketing channel to send that message. It’s a lot of work, but it’s worth it.

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8. ALIGN TACTICS WITH CUSTOMERS’ PURCHASE JOURNEY

Spend time with your sales team, so that you understand how customers think. Create content that matches customers’ thought processes. If you’re using newspaper ads, Facebook, and telemarketing, figure out what role each tactic plays at each stage of customers’ thought process. To get your marketing right, you have to focus on your business context, define buyer personas, and test which channels can reach the right people. It’s easy to complain that you don’t have the resources, and it may be a legitimate complaint, but don’t let your business growth suffer, because you haven’t created a plan that will get you closer to your vision. Livewired Group delivers practical workshops that empower professionals to communicate strategically, so they can boost business results. Reach Karel at karel@livewiredgroup.com, or 745-6027. You can also find her at Livewired’s upcoming workshop, “Mastering Presentations & Public Speaking”, on March 25-26 at Queen’s Hall.
CARICOM-Canada Trade & Development Agreement

Negotiations for the CARICOM-Canada Trade and Development agreement were concluded for completion on 30th June 2014. However, the parties were unable to conclude the negotiations at this point. In June 2014, based on the apparent inability to conclude the negotiations, Canada had proposed that negotiations for an Agreement in Principle (AIP) be concluded (as opposed to the actual Agreement). The text of this agreement was submitted by Canada to CARICOM for comments (and preferably approval). Thus, Canada is currently awaiting a response from CARICOM. As at 31st December 2014, CARICOM had not regained its North-American trading partner.

Nevertheless, there has been communication between CARICOM and Canada after the June deadline elapsed. The Prime Minister of Jamaica, the Honourable Portia Simpson Miller has raised with her counterpart the Honourable Stephen Harper, Prime Minister of Canada, on charting a course forward for negotiations. Based on that communication, CARICOM is of the view that there is still an opportunity available to submit a response to the AIP.

Undoubtedly, the issue was raised at the 39th meeting of the Council of Trade and Economic Development. During the meeting, the Secretary General of CARICOM Ambassador Irwin LaRocque strongly urged the leaders present to give the conclusion of this agreement a high level of priority. Ambassador LaRocque then mandated that a meeting of the technocrats should be convened, with the aim to swiftly CARICOM’s position, while accounting for the differing national positions. The importance of this process cannot be underestimated, since decisions of CARICOM are based on a consensus basis. Consultations at the regional level were held between November and December, so that a position can be communicated to Canada as soon as possible.

CARICOM member states have expressed various concerns in most of the aspects of the agreement. With regards to goods, Canada has requested that several tariff lines be liberalised. As with any agreement, there are possible implications attached to the removal of tariffs, including a loss of revenue from import duty, and increased competition from (cheaper) imports. However, Canada’s request is based primarily on the fact that these goods were already liberalised in the CARIFORUM-EC Economic Partnership Agreement. This agreement was signed with the (then) 27-member European Union.

After Special COTED Sessions held in November and December, CARICOM is to submit its revised proposal.

Partial Scope Agreement between Guatemala and Trinidad & Tobago

Following the conclusion of negotiations for the Partial Scope Agreement between Guatemala and Trinidad & Tobago, a draft of the agreement was submitted to CARICOM for approval. Four member states, namely Barbados, Belize, Guyana and Jamaica, raised objections to some of the elements of the agreement.

Barbados, Belize, Guyana and Jamaica each raised objections with respect to the list of products which Trinidad and Tobago proposed to grant preferential tariff treatment to Guatemala. Belize and Jamaica each raised objections with respect to the Rules of Origin, and the product specific Rules of Origin.

Notwithstanding one specific tariff line to which Jamaica raised an objection, Trinidad and Tobago expediently and successfully addressed all of the concerns of its fellow CARICOM member states. The outstanding concern required further dialogue among Guatemala, Jamaica, and Trinidad & Tobago. After much discussion, Jamaica’s concern was addressed. The list of products for which Trinidad and Tobago was able to negotiate the removal of import duty on contain, inter alia:

- Live animals and animal products: various seafood, evaporated milk
- Vegetable products: pumpkins; sweet potatoes; curry
- Prepared foodstuffs: canned chicken sausage; chocolate confectionary; peanut butter
- Mineral products: cement; lubricating oils, lubricating greases
- Products of the chemical or allied industries: pharmaceuticals; cosmetics
- Plastics and articles thereof: PVC, pipes
- Paper and paperboard; articles of paper pulp, of paper or of paperboard; toilet paper
- Building blocks and bricks
- Ceramic products: building bricks; tiles (flooring and cladding)
- Aluminium and articles thereof: profiles, doors, windows and their frames and thresholds for doors
- Electrical machinery and equipment and parts thereof: automotive batteries; automatic circuit breakers; fluorescent, high cathode lamps, co-axial cable and other co-axial electric conductors
- Furniture; bedding, mattresses; mattress supports; prefabricated buildings; swivel seats, mattress supports, prefabricated buildings (of wood or straw)
- Tariff elimination/reduction

Product specific rules of origin, and Certificate of Origin

Safeguards – identification of, inter alia, bilateral safeguard measures which can be taken if imports of originating goods from any one party cause or threaten to cause serious injury to the domestic industry producing like or directly competitive goods of the importing Party.

El Salvador had requested reciprocity based on Trinidad and Tobago’s request list. Thus, for most of the products which Trinidad and Tobago had requested preferential access into El Salvador, the same preferential access was requested into Trinidad and Tobago by El Salvador (there were some exceptions to this, e.g. energy products). This resulted in mixed reaction from the local private sector.

Preferential access was granted in the following ways: 100% duty-free access immediately, 100% duty-free access on a phased basis, 100% duty-free access seasonally, or discounted duty access. In total, there were eight categories of preferences for the tariff lines.

Immediate duty-free access
5 year phased duty-free access
10 year phased duty-free access
Duty-free access between July and December

30% discount on duty
50% discount on duty
70% discount on duty
80% discount on duty

In total, El Salvador has granted preferential access on 150 tariff lines, while Trinidad and Tobago granted preferences on 177 tariff lines.
THE MANUFACTURER

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ProNET is a training programme for SME Owners who want to grow their business and become more competitive.

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- Quality management principles
- Quality monitoring and measurement tools
- The requirements of the ISO 9001:2000

Export Marketing | ProNET Trainer: Milagros Puello
- Learn core concepts of export readiness
- Introduction to types of market research
- Rules of origin, custom union, trade regimes, HS codes, packaging and labelling, Quality Standards
- Trade Promotion tools
- Engaging trade fairs, buyers and sellers meeting, trade missions, promotional material

Cost: $350 for members and $400 for non-members.
Date: May 11th – May 13th, 2015
Location: Hotel Normandie, 10 Nook Avenue, Port of Spain, Trinidad and Tobago

For more information and to register contact:
Joy Francis: 675-8862 ext. 248 or tradedesk@ttma.com
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LIMITED SPACE IS AVAILABLE. REGISTER NOW, DON'T MISS OUT!
Panama is a strong economic powerhouse that is supported by the services provided to the Panama Canal and the country’s banking system. Services include operating the Panama Canal, logistics, banking, the Colon Free Zone, insurance, container ports, flagship registry, and tourism. Economic growth will be bolstered by the Panama Canal expansion project that began in 2007 and is estimated to be completed by 2015 at a cost of US$5.3 billion. The expansion project will more than double the Canal’s capacity, enabling it to accommodate ships that are too large to traverse the existing canal. The country’s average growth of 6.9% between 2007 and 2013 has made it one of the fastest growing economies in Latin America and one of the most sound economies in the world. The expansion of infrastructural development of roads and the expansion of the metro system. Situated on the isthmus connecting North and South America, it is bordered by Costa Rica to the west, Colombia to the southeast, the Caribbean to the north and the Pacific Ocean to the south. With the backing of the United States, Panama separated from Colombia in 1903, allowing the Panama Canal to be built by the U.S. Army Corps of Engineers between 1904 and 1914. In 1914, an agreement was signed for the total transfer of the Canal from the United States to Panama by the end of the 20th century, which culminated on 31 December 1999.

Revenue from canal tolls continues to represent a significant portion of Panama’s GDP, although commerce, banking, and tourism are major and growing sectors. Panama has the second largest economy in Central America and it is also the fastest growing economy and the largest per capita consumer in Central America. According to the last World Trade Organisation Review of Panama (2014), the Panamanian economy grew strongly between 2007 and 2013. Gross domestic product rose at an annual average of 8.1% over the period, posting the highest rates in 2011 (10.8%) and 2012 (10.2%). Panama led growth in Latin America during these years and the IFS increase in 2013 was the second largest in the region. The most appreciable slowdown during the review period took place in 2009 on the brink of the world economic crisis, but the economy recovered quickly thanks to the strong boost provided by public and private investment as well as the rise in services exports. The economic activities driving growth have been construction, transport, storage, communications, financial intermediation, hotels and restaurants and the wholesale and retail trade.

The country’s performance in trade remains stable from 2013 at 11th in the world. This means that Panama is considered to be one of the easiest economies to conduct trade with in the world. However, the main areas of concern are paying taxes (165 out of 189), resolving insolvency (131 out of 189) and enforcing contracts (89 out of 189). Panama is a service-based economy heavily reliant on the value chain related to and around the Panama Canal and its operation. Table 2 demonstrates each sectors contribution to GDP in 2013.

The table reiterates the Services sector’s contribution to GDP. Together, the services and industrial sector comprise over 93% of the country’s GDP.

As late as 2007, Panama had new generation trade agreements in force with Chinese Taipei, El Salvador and Singapore. Since their last trade policy review, Panama has implemented nine (9) free trade agreements with countries such as Canada, Chile, Costa Rica, Guatemala, Honduras, Nicaragua, Peru, the United States and the European Union, and one (1) partial scope agreement with Cuba. In addition, Panama formalized its accession to the Economic Integration Subsystem by means of the Protocol incorporating the Republic of Panama into the Central American Integration System. Panama also became a full member of the Latin American Integration Association (LAIA). The bilateral and regional trade agenda are being followed by Panama and is seen to be vitally important to complement its strategy of integration into international trade, and to consolidate, expand and deepen the trade benefits derived from the WTO multilateral trade negotiations.

According to the Ease of Doing Business Index 2014, Panama ranked 55 out of 189 countries. This index is constructed by measuring ten (10) indicators, one of which is the ease of trading across borders. Economies are ranked on their ease of doing business from 1–189 countries. A high ease of doing business ranking means the regulatory environment is more constructive to the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 topics each consisting of several indicators giving equal weight to each topic. The rankings for all economies are benchmarked to June 2014.
Economic Review

By Ismaheel Ali, Research Officer, Trade Unit, TTMA

GLOBAL ECONOMIC REVIEW

According to Euronews, the U.S. economic growth was far stronger than initially thought in the third quarter pointing to strengthening fundamentals that should support the economy for the rest of the year. Furthermore, the Bureau of Economic Analysis released its second estimate of real gross domestic product for the third quarter of 2014 — covering July, August and September of this year. The release showed output in the U.S. increasing at an annual rate of 3.9%. This is relative to the second quarter when real GDP gained 4.6%. While Russia has been experiencing a slowdown for quite some time, the new rounds of political tensions with the U.S. has hit the economy even harder. The recent fall in oil prices added to the economy’s woes. Tough geopolitical tensions in Syria, Iraq and Ukraine, as well as slowing growth in Europe remain concerns for the Russian economy.

Poland’s economic growth slowed down to 0.5% in the second quarter compared to 1.1% growth in the previous quarter due to the slowdown in Germany together with the Ukraine crisis which affected its exports. After weakening during the first half of this year, the Brazilian economy has shown signs of a modest revival during the third quarter. Manufacturing growth was marginally above expectations in August while retail sales also expanded at a faster pace. Exports declined nearly 2% during the first eight months of this year when compared to the same period last year. Nevertheless, the cheaper currency this year when compared to the same period last year. Nevertheless, the cheaper currency has placed a mechanism in which to aid the economy even harder. The recent fall in oil prices added to the economy’s woes. Tough geopolitical tensions in Syria, Iraq and Ukraine, as well as slowing growth in Europe remain concerns for the Russian economy.

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ECONOMIC PERFORMANCE OF THE CARICOM COUNTRIES

The resilience of Jamaica’s inflation environment was tested in the September 2014 quarter as the effect of drought conditions proved to be more severe than anticipated, driving sharper increases in the prices of some domestic agriculture items. As a result, annual inflation rose to 9.0% at the end of the quarter, compared with 8.5% at the end of the previous quarter. The GDP of Jamaica for 2014 had an 0.1% growth rate and unemployment stood at 13%. According to the Bank of Barbados, economic activity is estimated to have improved by 0.3% in 2014. Construction activity expanded by an estimated 1%, largely on account of approximately US$152 million in investment in tourism related projects.

MACRO—ECONOMIC PERFORMANCE OF TRINIDAD AND TOBAGO

According to the Central Bank of Trinidad and Tobago, GDP in the Trinidad and Tobago economy increased by 1.9% in the third quarter of 2014 year-on-year. Activity in the energy sector grew by 2.8% in the third quarter of 2014, while growth in the non-energy sector increased by 1.4%. Within the non-energy sector, the distribution and agriculture sectors grew by 3.8% and 5.6% respectively.

Furthermore, inflation measured on a year-on-year basis, increased to 9.0% in October 2014 compared with 2.7% in October 2013. Core inflation, which excludes the impact of food prices, stood at 1.4% in October 2014. Producer prices increased by 1.7% on a year-on-year basis in the third quarter of 2014. The average price of crude petroleum for October 2014 declined to US$94.4 per barrel, a 16.0% decline compared to the price recorded for the same period last year. Over the twelve month period to October 2014, prices peaked in July 2014 at US$107.6 per barrel.

The inflation rate in Trinidad and Tobago was recorded at 7.79% in September, the third quarter of 2014. The Central Statistical Office (CSO) announced that the country’s unemployment rate has increased marginally from 3.7% in the third quarter of 2013 to 3.8% in the fourth quarter of 2013.

MANUFACTURING SECTOR OF TRINIDAD AND TOBAGO

According to the Government of Trinidad and Tobago, Review of the Economy 2014, the manufacturing sub-sector, the second largest non-petroleum sub-sector, is expected to contract marginally by 0.7% in 2014. This negative performance is nonetheless an improvement on the sub-sector’s sharper declines of 1.8% in 2013, and 5.8% in 2012. The contribution of the manufacturing sub-sector to real GDP is expected to fall to 8.5% in 2014, from 8.7% in 2013. Flat growth of 0.8% is projected in the remaining non-petroleum sub-sector, agriculture, in 2014.

According to the Central Bank in its review at the end of the third quarter of 2014, the price of cement increased to $62.5 per bag, representing a change of 7.6% per cent from the previous year. Trinidad and Tobago has the largest manufacturing output within the Caribbean region, with a projected real output of TT$7,952.2M for the year 2014. For 2014, it is expected that the overall sector will contribute 8.5% to Real Gross Domestic Product and this is primarily a result of the activities within the two largest manufacturing sub-sectors, the Food, Beverages and Tobacco industry and the Chemicals and Non-Metallic Mineral Industry.

There have been positive strides in the development of an enabling environment for the manufacturing sector of Trinidad and Tobago. The Government of Trinidad and Tobago has placed a mechanism in which to aid the manufacturing sector in a positive manner. This new service is the integration of the ASYCUDA System and TT-Bizlink online E-service. This new service has seen the addition of four main agencies that may be needed in any export or import in Trinidad and Tobago. These are Chemistry Food and Drugs Division of Ministry of Health, Trinidad and Tobago Bureau of Standards, Trade Licence Unit and Plant Quarantine of Ministry of Food Production. With this service implemented, processing time of paperwork and authorizations (for water or air shipments) would be reduced and waiting time would be reduced overall.

Trinidad and Tobago’s drive for economic growth goes hand in hand with its partnership with global countries in agreements. One of these is the Caribbean Basin Trade Partnership Act (CBTPA) a trade agreement between several Caribbean countries, including Trinidad and Tobago and United States of America. The trade programs are a vital element in U.S. economic relations with the Central American and the Caribbean countries. The Caribbean Basin Initiative (CBI) was developed to facilitate the economic development and export diversification of the Caribbean Basin economies. CBTPA entailed force on October 1, 2000 and continues in effect until September 30, 2020.

There are currently eighteen countries that benefit from the CBI program and, therefore, may potentially benefit from CBTPA through duty-free access to the U.S. market for most goods. These countries include: Antigua and Barbuda, Barbados, Belize, Guyana, Haiti, Jamaica, Panama, St. Kitts and Nevis, St. Lucia and Trinidad and Tobago.

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