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THE 63rd ANNUAL GENERAL MEETING OF THE TRINIDAD & TOBAGO MANUFACTURERS ASSOCIATION
FIRST ADDRESS TO TTMA
BY FRANKA COSTELLOE
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Honourable Madam Minister, colleagues, members of the media, ladies and gentlemen.

I'm very happy to see so many of you here this morning. It shows the priority you place on our manufacturing sector in general, and the role of the TTMA in particular in helping move the sector forward.

Before I go on, I must express my deep gratitude to the outgoing president, Christopher Alcazar. Chris has guided us with an unerring hand over the past two years and ensured a smooth transition at the end of his tenure. And, of course, my fellow board members have provided friendship and support and, through their committed service on our numerous sub-committees, kept our Association responsive to the many issues facing, not only manufacturers, but the country as a whole.

In similar fashion, I want to recognise the great staff of the TTMA, who are quietly but effectively pursuing our agenda by gathering information and interacting with our communities along with the hundreds of other tasks that are needed to ensure our Head Quarters runs efficiently.

The Trinidad and Tobago Manufacturers Association is now marking its sixty-third year, there are very few other organisations in the country which can boast of such a long history. I am, only the second woman to hold the post of president, as well as the youngest.

While this marks the TTMA's commitment to equality and inclusion, I don't want my tenure as president to be defined by either my gender or my age. As with all past presidents, I expect to be judged by my performance. That means building a strategy in the manufacturing sector that has clear deliverables, and which is actionable by both government and private sector.

I assure all of you of my deep commitment to the Association and my drive to improve, grow, and expand the organisation, enhancing the well-honed machine it already is, one that adds value, not just for our members, but for our country – and in particular, the export capability of Trinidad & Tobago.

When we proclaim, "Proudly T&T", it is not just as a slogan or buzz phrase for the TTMA, but a conviction of who we are and what we stand for. At face value this campaign may appear to promote "buy local" which we applaud, but its true intention is to build pride amongst the people we represent, through our work and the companies we stand behind, and to build a regional and international brand for our country. This is why I hold, that the solutions, we must create, are not primarily technical, but personal. After all, solutions will be found first, in the minds of people. We can proudly boast that our creativity and productivity is a force in both our social and commercial space. We can play and work hard, as we see each year, when Carnival season returns and that industry explodes with creativity, efficiency and productivity. And equally so, outside of Carnival, we are capable and competent people. The challenge we face as a nation is how to bring our best traits to the fore.

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You know, and I know, that there are many Trinbagonians who are dedicated to country, who work hard, are creative and have ideas and dreams, that can make a huge difference to how we do business and build this economy. Too often, though, such people aren't given an opportunity.

I want to reposition the TTMA as a model of production for the region and beyond. As most of you know, the Association has been building a comprehensive Manufacturing Strategy with clear intent to double manufacturing output through local and foreign investment. That mandate requires us:

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- To create an environment that is inviting to capital investment, always cognizant of the fact that capital gravitates to where it is best treated,
- To build the entrepreneurial category through support mechanisms and
- To expand market share by reducing regional and international borders

It's not enough to just state those goals in such general terms. We must have benchmarks, or else we won't know how well or how badly we are doing. So let me throw some figures at you. Don't worry, it's just a few numbers so stay with me.

First off, if we are to own this mission, we CANNOT maintain our position on the Global Competitive Index at 105. Not when, just five years ago, we were at 63 and right now, Jamaica stands at 64 and Costa Rica at 43. We must continue to improve this number. But the fundamental issue is this country's lack of economic freedom. The Economic Freedom Index ranks us as "Mostly Unfree". We are 112th out of 180 countries. Among the 32 countries of the Americas, we are ranked at 22.

It's therefore unsurprising that, the World Economic Forum has listed these top four problems as plaguing business in T&T for the past 20 years:

- Crime
- Government Bureaucracy
- Poor work ethic
- Corruption

And within the past couple of years, we can now add "lack of Financing", by which I mean Foreign Exchange. How can we change this? There are several strategies, strategies which the TTMA board will be discussing and formulating as we liaise with other businesses and civic organisations over the coming year. Now our Association represents 500 member companies, in an industry that employs 10 percent of our working population. That's roughly 50,000 families. Growing the manufacturing industry is one of the most effective ways to stabilize the economy and bring value to future generations. It cannot be understated, a productive nation will reduce each of these problems plaguing us.

So where does T&T's productive rate stand? In 2018, the Manufacturing Capacity Index for T&T was at 68 percent. In my opinion, it should and can be improved to 150 percent of our current output. So how can we do that?

For each problem there is a solution that both Government and Private sector can own. We, the TTMA will push suggested solutions to both sides in our strategy. Let's start with improving Foreign Investment, it is the fastest way to double output, improve standard of living and increase foreign exchange. And that's a task which must start with government, Minister; by ensuring more economic freedom. And if we can start solving one problem effectively, we can start a virtuous circle, which leads to other problems being solved.

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The Private Sector needs to invest in training that is manufacturing specific. We need more trades and less degrees, because it is skilled workers who are needed to strengthen the sector. Manufacturers know their trade the best and so we must lead this charge. The State can help by changing, certain programmes that restrict young people's willingness to be trained, and the private sector's ability to provide such training.

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In this regard, I must also emphasise that it should be a priority of the Government to adopt the Industrial Reform Act, to reshape the existing Industrial Relations climate, with the goal of improving the national work ethic. Countries which have taken such initiatives, whether developed or developing, have seen robust economic growth and high employment ratios.

The TTMA is investing in the entrepreneur. We have now opened a new entrepreneur membership category, and set up special, affordable fees for this group. We are partnering with angel investor programs, pushing trade missions, and opening doors for financing options.

What we need is for the State to recognize that current regulation and policies are holding back these new areas of business growth. For example, slow or even stagnant cash flow, with outstanding VAT refunds for months, interest-free, is hindering business growth.

With the interest of business and country as our main motive, The TTMA is going to push back. We have already drafted recommendations for alternative ways of collecting what is due to us through the removal of VAT on raw materials or by withholding against what is owed. Of course, we will continue to work with government on suggested improvements. But, make no mistake, something has to give.

Specific to Forex, we have created an incentive policy for Forex Earnings on export. What we need now is an agile response from government – one that is in line with the pace at which businesses are having to adapt to market changes to stay competitive. The practical approach to the Forex dilemma is through expansion, so that we can build the national balance back sustainably and permanently. In the short term, however, we continue to work with EXIM bank.

As you can see, it is not my objective to change the TTMA's strategy, but rather to operationalize the strategy. I am excited to lead the organisation and advance our agenda at this time, as I build on the hard work and legacy of former presidents, directors, the CEO and staff of TTMA. Which brings me to my final figure – My goal this year is to lay the groundwork for the TTMA and the country to double its production for export in manufactured goods over the next 5 years.

This is a collective effort. I and the TTMA will need everyone's support and participation to succeed in our plans, from private sector to civil organisations to government. We all want to expand and stabilise our businesses, and in doing so, contribute to a more resilient economy. The way to success is with an action plan, persistent, coordinated effort, unwavering optimism, and by example.

We are looking at another challenging year, but I believe that, with change – in attitude, in our levels of commitment, in productivity – we will move in the right direction. In my new role as TTMA president, I will challenge myself, board of directors, the TTMA staff, members and government to make changes towards these goals. I thank all of you for this opportunity to do so.

Thank you.

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