

Trinidad & Tobago

Igniting Ambition

Special report prepared by Strategic Media

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Trinidad & Tobago Igniting Ambition

Trinidad & Tobago, the Caribbean's energy success story, is building on a decade of growth by focusing on its non-energy qualities. Greatly enhancing its diversification capacity, the government under the leadership of Prime Minister Patrick Manning continues to open up its financial, ICT, tourism, manufacturing, and services sectors to international enterprise.

Most minds turn to sandy beaches and palm trees when thinking of the Caribbean. Trinidad & Tobago is no exception in this field, but for over a century it has proven to be extra resourceful in an entirely different sector: energy. Following the drilling of its first oil well in 1857, considered to be the first in the world, commercial production for export started in 1908. Fast forward one hundred years and the sector contributes over \$6.4 billion, or 42.9 percent, to the country's total gross domestic product. In the meantime, Trinidad & Tobago has evolved from an oil-based economy to one based on natural gas. In 2006, natural gas production averaged 4,000 million standard cubic feet per day.

But, the uncertainty of the global energy market combined with emerging sources of renewable energy prompted Trinidad & Tobago to diversify its economic base, and it embarked on a new plan to cooperate with the private sector. At the April 2008 Trade and Investment Convention in Trinidad & Tobago, Prime Minister Patrick Manning hailed the private sector's resilience and creativity in sharpening the country's competitiveness. This, he pointed out, was a direct result of improving business conditions in the



Patrick Manning,
Prime Minister of Trinidad &
Tobago

country over the past six years. Greater efficiency in regulatory agencies such as the Customs and Excise Division; recapitalization of the EXIM Bank to provide exporters with favorable credit terms and information on new market opportunities; establishment of new industrial estates; and the leasing of lands for the purpose of stimulating and facilitating new business activity have all contributed to a more dynamic environment. In addition, the liberalization of the telecommunications sector brought about increased accessibility to broadband services,

facilitating the deployment of information and communications technology in business operations including the growth of electronic commerce.

"With this most facilitative environment and generous fiscal incentives, there has been tremendous growth in business activity," observed Manning. "Our manufacturing sector, for example, is the strongest in CARICOM (Caribbean Community) and the wider Caribbean region. It expanded by over 50 percent over the last six years and created six thousand new jobs. There has clearly emerged a most effective partnership between the government and private enterprises in Trinidad & Tobago."

The non-energy sector has now become a major contributor to national wealth, strengthening the entire society. In the fourth quarter of 2007, unemployment hit the lowest figure in Trinidad & Tobago's history, at 4.5 percent. But a looming global economic slowdown could pose significant challenges. Exports to its two largest markets, the United States and CARICOM, could be affected as extraordinarily high energy costs drive up inflation in most products and services. Current rises in the cost of food are also potentially destabilizing factors for the country's near future. Innovation, inventiveness, and an eye on new export markets are the ingredients Prime Minister Manning has included in his recipe for sustained growth. "There must now be greater emphasis on research and development, which need much more resources than are presently allocated at both public and private levels."

The government has therefore identified seven areas for development and new investment in its economic diversification plan. Special purpose companies have been set up in the two agricultural fields of food production and beverages and the fisheries and fish processing sectors, manufacturing of packaging and printing, and services offered in the yachting, merchant marine, music and entertainment, as well as motion picture industries. The master plan, however, also accommodates continued development of downstream petrochemical production, including plastics and metals.

Danny Montano, President of the Senate, explains that all these initiatives are part of the Vision 2020 strategy, initiated in 2003 to turn Trinidad & Tobago into a prosperous and developed society. The physical infrastructure to support this ambition is being built today and universal free education at both high



Senator Danny Montano,
President of the Senate

school and tertiary level has been a consistent drive of the government since 1956. The next step, says Senator Montano, is for Trinidad & Tobago to make its mark on the global economy, not just in established energy-related trade with the United States, but by opening up agreements with the wider region, especially considering the country's proximity to South America. "We can not only manufacture and export into Latin America, where we already enjoy some beneficial trade arrangements, but also offer a services and financial center. There are

some significant opportunities for us in the future." Senator Montano sees the 5th Summit of the Americas and Commonwealth Heads of Government Meeting, which will be held in Trinidad & Tobago's capital next year as opportunities to present the islands' potential to visiting state leaders. "The eyes of the world will be on the Port of Spain. The highest decision-making leaders of the world will see what a country of this small size is achieving, taking a place on the world stage."

Ambassador Luis A. Rodriguez, the Prime Minister's national coordinator of both summits, believes that in terms of global exposure, 2009 will be the most important year in the country's history since its independence in 1962. "The Summit of the Americas is a good opportunity for a small state to invite the hemispheric leaders and discuss a very important agenda, one that talks about people," asserts Ambassador Rodriguez. "We would like to achieve a consensus that will address issues that affect people's lives, human prosperity, looking at new ways to find energy sources. We cannot overlook the environment, as it constitutes one of the most critical issues for discussion today. We share this plan. We are part of it." ■



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e Teck: Creating a New Economy

"We are Trinidad and Tobago. We are Next." So declares the Caribbean republic's new international brand campaign promoting its pioneering efforts to diversify an already booming economy.

After more than thirty years of success in the petroleum and natural gas sectors, Trinidad and Tobago (T&T) is widening its capabilities beyond—but not excluding—the energy sector. A unified public/private venture, this new brand is helping T&T reach out to nations and companies worldwide—those looking to invest in the next economic hotspot in the Caribbean. The country's assertion - "We are Next" - is a bold statement, an ambitious endeavor, and a powerful story to investors about a nation on the rise.

To support this development initiative, the Republic's Government has launched an independent entity tasked with transforming the nation—one industry at a time. Known as the Evolving TecNologies and Enterprise Development Company (e Teck), the new company has begun facilitating diversification into sectors where T&T has unique advantages: downstream energy, fish and fish processing, film, food and beverage, information communications technology (ICT), merchant marine, music and entertainment, printing and packaging, yachting and tourism.

One of e Teck's responsibilities includes the ownership and management of real estate holdings. The company has overseen infrastructure improvement and development, including nineteen light industrial parks (four of which are currently undergoing upgrades) and several new parks in development. Together, these high-tech centers will provide an integral base for both knowledge-based and traditional manufacturing industries.

"e Teck began as a property management company, inheriting industrial parks all over the country," says Khalid Hassanali, e Teck's President. "Today we are completing aesthetic and infrastructure upgrades. However, a new program is on course to create five to eight new, world-class locations like Tamana InTech Park by the end of 2009. Similarly, the Cove Eco-Industrial Business Park in Tobago—one of the

world's first 'green' industrial parks— is to be ready at the end of 2008."

While all T&T's industrial parks will be technologically advanced, Tamana InTech stands out. Cutting-edge technology and resource clustering make it a haven for cross-linked business opportunities; its location among the Moriche Palms on a protected reserve help it maintain natural relevance; and state-of-the-art telecom and security systems and connection to the onsite University of Trinidad and Tobago (UTT) offer an unwavering focus on technology. In advance of its construction, e Teck has attracted a wide variety of tenant stakeholders, including software developers, biometrics researchers, and business intelligence incubators.

Beyond industrial development, e Teck also provides support to other key sectors of the Trinidad and Tobago economy and works closely with governmental agencies to support future development—including tourism. e Teck's portfolio includes management of the Hilton Trinidad and Conference Centre, support of the efforts of Tourism Development Company (TDC) and National Energy Corporation (NEC), and an estimated TT\$3 billion (approximately half a billion US dollars) in projects overall. "There has never been a better time for businesses in our country than at this moment," says Karen DeMontbrun, President of the Trinidad and Tobago Manufacturing Association. "We see it at all levels, both public and private. The intellectual capital is here, the infrastructure is rapidly developing, the experience is here, and we have valuable insight into worldwide market forces."

Indeed, e Teck's efforts have already begun to pay off. Mr. Hassanali reports that, already, nearly half a million visitors have accessed www.investtnt.com. "We are working aggressively to be in every place that decision makers look for information and make contacts," he says. "It would be imprudent not to focus on China, India, the United States, Canada, and the EU, among others—places where investment dollars and interests match the sectors we are promoting."

"We have diversity and multitudinous opportunities," concludes Mr. Hassanali. "There is no limit to what we can accomplish." ■

Building a World-Class International Financial Center

During the last five years, economic reform in Trinidad & Tobago has been buoyed by unprecedented inflows to the energy sector due to record oil prices. The nation's government is now investing part of that windfall in order to build a world-class financial services sector. According to the country's energetic minister of finance, Karen Nunez-Tesheira, this strategy will be as important as the country's monetization of gas reserves proved to be in the last few decades.

A key platform of the government's commitment to diversification is the establishment of the Trinidad & Tobago International Financial Center (TTIFC). The TTIFC will see large swathes of Port of Spain's waterfront transformed into a pan-Caribbean financial hub. The aim is to connect investment in the scattered economies of the Caribbean with the rest of the Americas, and to service both markets in English and Spanish. Minister Nunez-Tesheira has taken a leaf from the textbook successes of Dubai, Singapore, and Ireland, countries that have transformed their own economies in much the same way, and, in the cases of the latter two, from a much lower starting point. As the abundantly ambitious Nunez-Tesheira points out, "these IFCs have completely transformed the financial conditions of their respective countries, boosting economic activity and increasing employment among citizens and foreign employees alike."

As the country continues to modernize and diversify, the financial sector has been playing an increasingly important role. Since 2000 it has been the fastest growing, non-energy sector and is uniformly recognized as the strongest in the English-speaking Caribbean. In addition, the country also enjoys a strong foreign reserve position and the advantage of being able to leverage its oil and gas muscle to support its plans. Meanwhile, Trinidad & Tobago's credit rating is the highest in Latin America and the country is the number one destination for debt financing in the Caribbean, already servicing both foreign governments and corporations.

All this, coupled with the difficulties that regional borrowers face in accessing international markets, has promoted Trinidad &

Tobago as the main capital market for regional public sector entities and corporations for debt securities of a certain size. No doubt Trinidad & Tobago's privileged location between North and South America will assist in promoting a regional "captive market" core business. As its regulatory environment is "lighter" than in the United States, significant amounts of foreign funds are expected to flow through the TTIFC as a convenient regional alternative to New York and Miami. The knock-on effects are expected to be manifold. As Minister Nunez-Tesheira highlights, "the establishment of an IFC will bring foreign earnings from the captive market and will afford Trinidad & Tobago the opportunity to determine how the funds are managed leading to a secondary market and providing much-needed capital to small and microenterprise; regional governments and larger companies that require funding at competitive rates; other investment management opportunities; and international loans syndication."

The creation of a special economic zone to complement the IFC and provide a competitive advantage is also foreseen. An appropriate incentive framework will serve to encourage financial institutions to locate at the TTIFC and to use this avenue to maximize regional and extra-regional opportunities for their continued growth and expansion. The TTIFC will provide a range of front-office financial services including, but not limited to, banking, asset management, capital markets activities, specialized insurance operations, and futures transactions on the international commodities markets. While many neighbors have opted to create controversial offshore industries, it is important to note that the country's planned IFC will not be involved in traditional offshore banking activities. Minister Nunez-Tesheira asserts with pride that "the establishment of the TTIFC will complete Trinidad & Tobago's arrival on the grand stage of the international financial world and firmly entrench on the national psyche the ideals of their government's conceptual and practical commitment to economic diversification, which will benefit future generations." ■

Banking on Citizens First

In 1993, at a time when Trinidad & Tobago was developing its financial sector, a historic merger took place that would significantly influence the country's financial course. Three homegrown banks, the 1914-founded Trinidad Co-operative Bank, the National Commercial Bank, and the Worker's Bank joined together to become the First Citizens Bank (FCB). After overcoming the aftermath of a recession caused by an oil price slump in the late eighties, First Citizens Bank managed to come out on top in a sector that is today sound, robust, and much more developed.

"The key to achieving that development," says FCB CEO Larry Howai, "was to ensure there were no major bank failures that could have affected the confidence of investors." Having implemented a successful recapitalization structure, First Citizens is now the highest rated indigenous bank in the English speaking Caribbean region. "We were named Bank of the Year twice in the last five years and rated Baa by Moody's and BBB+ by Standard and Poor's," prides Howai. Brandishing a balance sheet of

over \$2.3 billion, profit of over \$63 million, and an increase of 16 percent compared to last year, First Citizens Bank is the third in market share in Trinidad & Tobago's banking sector. "It has been a pretty successful growth and I think we helped in contributing to the stability of the system."

Larry Howai believes Trinidad & Tobago is now well poised to enter into the next phase of its evolution as an international financial center. For this reason FCB is actively looking for allies to increase its presence in the region by entering the Spanish-speaking market, enriching its portfolio of trusteeship, asset-management, and wealth management activities. But even in times of growth FCB remains close to its people, continuing to run its social responsibility programs such as Citizens in Action to Restore the Environment (CARE) and supporting micro-enterprises through its Helping Ourselves to Prosper Economically (HOPE) loans. After all, human and natural capital are still the driving forces behind Trinidad & Tobago's success. ■



achieve



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By taking full advantage of Trinidad and Tobago's high and consistent economic growth, First Citizens earned a Standard & Poor's **BBB+ rating**, the highest for an indigenous bank in the English-speaking Caribbean.

World-renowned Moody's Investors Service Inc. also affirmed the Bank's exceptional **A1 (Debt)** and **Baa1 (Institutional)** ratings.



First Citizens

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Connectivity Spurs an Information Society

For a nation of 1.3 million inhabitants, Trinidad & Tobago's telecommunication infrastructure is as impressive as its economic cachet. 33 radio stations, 13 television channels, two mobile operators, and several broadband Internet providers make up its matrix of continuing media development. The sector's liberalization, initiated with the establishment of the Telecommunications Authority in 2001, heralded incredible growth and a healthy, competitive climate. Following a billion-dollar infrastructure upgrade by market leader TSTT, the mobile market grew with Digicel's entrance from 700,000 customers before competition to a staggering 1.4 million today.

"Now we need to strengthen the regulatory framework and provide a greater level of connectivity across the entire country," comments Minister of Public Administration Kennedy Swaratsingh. The country is therefore seeing rapid expansion of its ICT networks. Through the Fastforward program, the government is making considerable investments to develop a "tech-savvy" and connected population. "We have to incorporate ourselves quickly into the digital world to reap benefits," says Minister Swaratsingh. "We have already begun embarking upon a revolutionary plan to take our country forward in a way that no other country has before. We are learning from the rest of the world while creating our own identity."

Local consumers are currently experiencing a telecommunications revolution with the recent introduction of 'triple play', the convergence of digital cable television, broadband Internet, and telephony offered by Flow, a brand of the

Columbus Communications Group operating throughout the Caribbean and Latin America. The service was made possible by the company's link-up to the 7,400-mile fiber-optic submarine cable ring ARCOS, a network connecting over twenty countries in the Caribbean and Central American region from Miami, and which is owned and operated by sister company Columbus Networks. John Reid, President and COO of Columbus Communications Trinidad Limited, says Flow's high-capacity network is the result of a five-year investment plan to completely rebuild the existing analogue cable network. Besides greatly enhancing the household media and entertainment experience, the current throughput of up to 15Mbps has also established Flow's capacity to provide customers with scalable broadband solutions and international dedicated connectivity services.

"Columbus is committed to the construction of a world-class infrastructure and systems that are technically superior to its competitors," says Reid. "The network that we have designed is extremely robust, and one that is designed not just to meet current demands, but that is capable of meeting the significant bandwidth demands of the future." In addition, Flow is actively contributing to the government's ambitious ICT strategy to transform Trinidad & Tobago into a knowledge-based society. "We are experiencing a telecommunications and technological evolution and the societal changes are truly monumental for this developing country. The lasting impact that we are creating through our investment is both professionally and personally rewarding," Reid adds. ■

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Infrastructure for Growth and Development

"There are two aspects involved in becoming a developed country," observes Senator Danny Montano, President of Trinidad & Tobago's Senate. "One is to have the infrastructure of a developed society and the other is to have an educated population, so that they can manage their affairs at a most sophisticated level. When you look around the country this is what you see: the physical infrastructure is in the process of being built."

All around the country the signs of investment in a sound infrastructure are clear. From interconnectivity in Port of Spain to expansion of Scarborough's cruise terminal on Tobago, developments aim to create a modern, integrated transportation network that provides for the safe, convenient, and efficient movement of people and goods within, into, and out of the country. These efforts are vital to attracting foreign businesses and investors. Wieger Koornstra, Port of Port of Spain CEO, states that "every port in the world wants to be a hub. This port enjoys an enviable geographic location between North and South America, so that it may be a sub-hub for the Eastern Caribbean region, and also for Brazilian ships on their way to the United States or Canada."

But the buck doesn't stop only at the ports. NIDCO, the government's special purpose state enterprise established in 2005, has embarked on a highly unique project, the Trinidad Rapid Rail Transit System. A first for the Caribbean, the partially aerial rail system will not only

drastically decrease traffic on both Trinidad's east-west and north-south corridors, but more importantly offer a safe, fast, frequent, and green transportation alternative. "The project involves the construction of two express lines with a total length of sixty-five miles and around ten stations," reveals Kaisha Ince, President and CEO of NIDCO. "One line will link Port of Spain in the north to San Fernando in the South, while the other will cross from Port of Spain to Sangre Grande in the West." The initial planning and construction phase, awarded to the Trinitrain Consortium, is expected to be completed in five years.

In the meantime, NIDCO is dealing with the logistics challenges that a twin-island nation poses. A high-speed catamaran water-taxi service in the Gulf of Paria is to connect growing communities via the sea, and the construction of a crucial highway interchange will ultimately relieve congestion. Not without reason, Ince asks us to "imagine Trinidad & Tobago in 2020, imagine no more traffic jams, new economic development along the corridors, with new and efficient transportation hubs, cleaner air, and expanding career opportunities."

Looking ahead, Ince says, "our vision is to be a key enabling vehicle for the development of infrastructure that enhances and sustains quality of life. NIDCO is perhaps the only state enterprise that is specifically geared towards Governments Vision 2020. The projects we are undertaking will undoubtedly lead Trinidad & Tobago to the developed-nation status." ■



Tourism: Diversity and Dynamism

Trinidad & Tobago is the newest 'hot spot' for tourism investment opportunities as the country stands ready to take its place in the global tourism industry. This was Tourism Minister Joseph Ross' message to the delegates of the 12th Annual Caribbean Hotel and Tourism Investment Conference organized in Trinidad & Tobago last May by the Caribbean Hotel Association (CHA).

Also addressing the conference Prime Minister Patrick Manning said that the country is now more engaged than ever before in the development of an internationally competitive tourism industry. He added that over the last six years significant progress has been made towards adding depth and variety to the tourism product. "We are developing the potential for cultural and conference tourism on the larger island, Trinidad, whilst Tobago is being positioned as a premier up-market leisure destination in the Caribbean region."

The economic performance of travel and tourism in Trinidad & Tobago is expected to grow by 5.3 percent per annum in real terms between 2009 and 2018. To this end, the Ministry of Tourism is about to finalize a comprehensive tourism policy as well as a revision of the

Tourism Development Act that will provide increased incentives for tourism infrastructure investment.

In collaboration with the Ministry, the Tourism Development Company (TDC) is in charge of implementing and delivering the tourism objectives set in the government's Vision 2020 plan. "In this document," explains TDC president Ernest Littles, "we state that we will establish tourism as an important generator in the national economy and thus contribute to the GDP in the range of about 15 percent. We believe that all the elements are set in place to achieve this target level."

Tourism Minister Ross added that with its stable political climate, good governance and excellent infrastructure, Trinidad & Tobago is indeed an investment haven. "We are encouraging investments in tourism and tourism related projects, not just hotels and lodges but also in a whole variety of services. We are quite amenable to joint venture projects with international investors especially whenever there is a transfer of knowledge and technology to our talented local people and companies." ■



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Planning Ahead

Progressive, enterprising, and bequeathed with a gross domestic product of close to \$90 billion, Trinidad & Tobago is one of the most prosperous nations in the Caribbean. These largely energy-generated riches are now being put to good use in large-scale yet sustainable infrastructure projects worth at least \$8.3 billion. An unprecedented level of buoyancy is being registered in construction, real estate, housing, and commercial structure development. These are many and varied, and while each one is geared toward meeting the state's ambitious Vision 2020 strategy, two significant government megaprojects stand out.

The first is a long-term plan to build 100,000 housing units over ten years at a total cost of \$1.4 billion. "In the next five years we intend to build some 30,000 houses in the urban centers of San Fernando, the Borough of Chaguanas, and Port of Spain as an effort to repopulate our cities," says Noel Garcia, Managing Director of the Housing Development Corporation (HDC). Miss Judith Mark, General Manager of the Chaguaramas Development Authority (CDA), says she wants investors to see Trinidad & Tobago's mix of investment opportunities. "This is a country that can really capitalize on its geographical location, which gives access to both North and South."

The second is without a doubt becoming the most iconic in Trinidad & Tobago's history: the \$2.3 billion International Waterfront Center that is changing Port of Spain's skyline. The centerpiece of this modern coastal facility, developed by the Urban Development Corporation of Trinidad & Tobago (UDeCOTT), is the new 428-room luxurious Hyatt Regency Trinidad. The hotel's 43,000-square-foot conference center, the largest in the English-speaking Caribbean, is an unsurpassed setting for large conventions, combining a waterfront resort feeling with a business focus. The Hyatt offers plentiful opportunities for hosting corporate events in the Caribbean, collaborating with expert meeting planners, and providing a full-service business center managed by highly trained and multilingual staff.



The Hyatt Regency Trinidad:
Shining Star of the Caribbean
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In the first quarter of 2009, the Hyatt Regency Trinidad Hotel and Conference Centre will host the 5th Summit of the Americas that is expected to attract some 2,500 participating delegates. The U.S. contingent alone has indicated that it anticipates twenty-nine executive jets to arrive with its delegates. In November 2009 it will also host the Commonwealth Heads of Government Meeting.

Minister Emily Gaynor Dick-Forde, Trinidad & Tobago's Minister of Planning, Housing, and Environment stresses that all developments are being undertaken in an environmentally sustainable fashion. "We are certainly prepared to adapt our policies to changing demands because, nowadays, we are sensitive to house planning needs, land-use planning, and the environment—we are able to harmonize them all together. We want the world to see these developments that our people are innovatively creating and enjoying." ■

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